

16 – 97 Economic Alliance

**Working Together –
Expanding Our Economies**

January 22, 2007

16-97 Economic Alliance

WORKING TOGETHER –
EXPANDING OUR ECONOMIES

Executive Summary

The 16-97 Economic Alliance is now in the implementation stage. It is a pragmatic organization managed by “on-the-ground” economic development officials seeking to identify and implement high priority, broad regional actions through collaboration with local, regional and other groups. These priority actions will be identified through planning and research that builds on the research already done by others or, if there are gaps, on new research. Support for the Alliance will be drawn from a wide range of businesses, industries, government and non-governmental organizations (including Aboriginal and First Nations) operating in north central British Columbia.

The Alliance was formed for the purpose of growing and diversifying the economy of the economic region. The Alliance believes that there are forces at work that make this the right time for new ways of thinking and acting to shape development of the economy of north-central British Columbia. The Alliance defines the economic region as the Fraser-Fort George Regional District, the Stuart-Nechako portion of the Bulkley-Nechako Regional District, and the northern portion of the Cariboo Regional District (the “Alliance area”). The proposed area represents a natural economic region, providing the resources, energy, water, transportation, labour force, education and health services, supporting businesses and services, and public infrastructure required by vibrant and growing clusters of industry.

After experiencing periods of difficult economic challenges, communities in northern BC are finally able to see more than just a glimmer of light at the end of the tunnel. Growth and development are occurring at unprecedented rates. Jobs are being created and billions of dollars of new investment are being considered for the region. This revival is attributed to a significant increase in timber harvesting, impressive growth and potential in the mining industry, the oil and gas industry, and the development of a new container port in Prince Rupert (which has created new investment in rail upgrades and equipment).

**...“on the ground
economic development
officials seeking to identify
and implement high
priority, broad regional
actions through
collaboration....**

**....for the purpose of
growing and diversifying
the economy of the
economic region....**

Working Together – Expanding Our Economies

Yet, while these economic times may appear positive for the north, the extent to which communities will be able to capitalize on the opportunities remains to be seen. Not all the communities (particularly the smaller and more remote ones) are managing to benefit from the economic upturn to the same extent as others. Even those that are strategically located and have a larger population base may be missing opportunities to build a solid foundation for the future.

The Alliance's economic benchmarking data indicates that the economy of the 16-97 Economic Alliance area is slow to diversify. Recent provincial studies have indicated a need to diversify and to reduce the dependence on natural resource based sectors, which are facing increasing competitive challenges. Studies have also shown the need to become more export focused. Reports have also focused on the need to overcome a lack of collaboration among regions and sub-regions, and between the public and private sectors.

The work of the 16-97 Economic Alliance will primarily involve the development of, and support of, the implementation of regional economic cluster plans that are directed at increasing jobs and investment through growth and diversification of the economy. The focus will be on the growth of new and emerging economic clusters and on the confirmation of existing clusters. **The work will be undertaken through coordinated and collaborative action, and will take place in three phases:**

- 1) Identifying the clusters that are perceived to offer a high probability of economic growth and diversification. The identification of clusters with development potential will, in itself, attract additional focus and potential investment.**
- 2) When necessary, detailed study of the clusters, and development of detailed recommendations and strategies for action to develop and expand the cluster. The identification of clusters with accelerated opportunities can attract investment from both public and private sectors.**
- 3) Supporting implementation of, and monitoring, the resulting changes, which will result in increased investment and job creation, and on-going evaluation of the implementation activities.**

In undertaking this work, the Alliance will be guided by some general principles. The program will be based on extensive collaboration with industry, economic development agencies, local government, Aboriginal organizations, and other components of the region. Currently, there are no organizations with a mandate to deliver regional economic development services for the Alliance's proposed geographic area, although there are several economic development programs established for individual regional districts and municipalities, and there is a great deal of collaboration among the sponsors of these programs. **It is the Alliance's express intention that its activities will be organized to enhance, and not replace, these existing programs.**

Working Together – Expanding Our Economies

The Alliance's success depends on sustained and extensive collaboration with a wide array of existing organizations, which will involve:

1. Close collaboration with industry in undertaking cluster studies and in implementing cluster strategies;
2. Creating effective relationships and collaborating with the Omineca Beetle Action Coalition, the Cariboo Chilcotin Beetle Action Coalition, the First Nations Mountain Pine Beetle Working Group, the Northern Trust and the Nechako-Kitimaat Development Fund.
3. Collaborating with municipalities, regional districts, community economic development agencies, First Nations and Aboriginal organizations, and other non-governmental organizations interested in the development and diversification of the economy.

The Alliance believes that this collaboration will provide incremental value to local and sub-regional economic development activities by achieving the following objectives:

1. Create implementation strategies for existing or emerging clusters that can be acted upon by the Alliance participants at their own local and/or sub-regional level. This will allow participants to act in their own communities to connect with broader regional plans.
2. Strengthen the capacity of existing local economic development through information sharing and connection to the broader regional implementation strategies for emerging clusters.
3. Provide critical mass so that the region can compete effectively by aggregating resources in order to build and implement cluster strategies aimed at improving economic performance of the region as a whole.
4. Identify measurable outcomes for cluster strategies linked to overall regional economic performance gains.
5. Incorporate Aboriginal needs into the cluster planning.
6. Create a strong voice for the 16-97 regional economy at the provincial, national and international level.

.... collaboration will provide incremental value to local and sub-regional economic development activities....

**Working Together –
Expanding Our Economies**

7. Create leveraged funding to achieve these objectives with involvement by multiple levels of government, business and other organizations.

In order to be successful, collaboration must be as broadly based as possible. This means that the Alliance must be inclusive. All organizations involved in economic development activities are invited to participate in the work of the Alliance. The Alliance places special emphasis on supporting participation of Aboriginal and First Nations organizations and communities. The Alliance intends to be an advocate for the Vision, Goals and Principles articulated in “The New Relationship Agreement” committed to by the Government of the Province of British Columbia. While the activities of the Alliance will not include policy-making with regard to natural resources, the Alliance will encourage and support First Nations consultation in their activities in recognition of the New Relationship Agreement. It is intended that, through the active participation in concept and strategy discussions by delegates from First Nations or Aboriginal organizations, the work of the Alliance will incorporate an Aboriginal perspective in carrying out its activities.

Because business growth in the region will drive achievement of the Alliance’s objectives and vision, the Alliance must pursue business involvement in the Alliance’s work.

Cluster plans....

.... will identify growth opportunities as well as a process of implementation....

.... will form the basis of a regional economic development strategy....

Cluster recognition is an important product of the process, and is a significant asset in motivating government and business to implement the development strategy.

The objective is to have a number of cluster plans completed by the end of the Alliance’s third year of operation. These plans will identify growth opportunities as well as a process of implementation. Taken together, the cluster plans will form the basis of a regional economic development strategy. The strategies will be directed toward building regional advantages in areas such as workforce preparation, innovation, finance, transportation, energy and water, and other infrastructure, so that clusters can evolve and grow. Cluster recognition is an important product of this process, and it is a significant asset in motivating government and business to implement the development strategy.

Clusters are a group of interdependent businesses and institutions in geographic proximity, made up of larger pioneering companies or organizations plus smaller specialized businesses. The clusters include suppliers (often located nearby), who are public and private providers of inputs such as trained workers, innovation, financing, transportation, infrastructure, and raw or semi-finished

Working Together – Expanding Our Economies

materials. The region's performance is driven by the performance of these economic clusters. Most regional economic development today is based on the strategic growth of key competitive clusters.

It is anticipated that local communities, government and, most importantly, the private sector will implement the cluster development strategies with support from the Alliance.

In addition to promoting the development and implementation of cluster plans, the 16-97 Economic Alliance will undertake annual benchmarking to measure the change in the economy. Benchmarking, together with other evaluation techniques, will provide a means of determining whether the Alliance is achieving its objectives. A strong communications program designed to engage the area in the cluster planning process, and to communicate the results to the stakeholders and the general public will accompany the cluster planning and annual benchmarking.

In summary, the 16-97 Economic Alliance will focus on:

1) Improving the area's economy by:

- a) Identifying competitive industry clusters (macro level);
- b) Developing cluster strategies when necessary;
- c) Planning for regional growth;
- d) Supporting regional activities;

2) Enhancing economic development capabilities by:

- a) Developing extensive and intensive communications and collaboration skills;
- b) Developing expertise in monitoring the economic and industrial environment to identify trends and opportunities;
- c) Improving public understanding of regional economic issues and opportunities through communications programs and workshops and forums;
- d) Providing mechanisms for collaboration on projects, where more than one sub-region must participate in order to achieve successful implementation of a cluster strategy;
- e) Creating a pool of specialization with respect to regional industrial clusters;
- f) Enhancing economic development and leadership skills.

Working Together – Expanding Our Economies

- 3) **Through economic benchmarking, measure the changes in the area's economy.** When data becomes available, quantitative performance goals (linked to growth strategies for selected clusters) will be set and performance will be evaluated.

The 16-97 Economic Alliance has already begun to undertake projects and activities. The Alliance has become involved in, or has supported, the Container and Inland Port Initiative, the Resource Technology Initiative, a Regional Tourism Strategy, and economic analysis of the region.

A wide range of government and non-government organizations (including Aboriginal and First Nations governments and organizations), as well as individual businesses, are invited to participate in the Alliance. The Alliance wishes to be as inclusive as possible as it needs to involve a range of stakeholders that will create an effective, critical mass of change agents within the region. The Alliance looks to the participants for general direction as well as for much of the human and financial resources that are required for the Alliance's operation and success. In particular, it looks to the participants to be champions for the Alliance's projects and activities.

The Alliance's affairs will be managed by a Steering Committee. Members of the Steering Committee will be representatives of the participants who have experience in economic development activities, or broad experience in industry and government. The Steering Committee will be charged with the responsibility of interpreting the direction that the participants wish to take, as expressed through the Annual General Meeting and through consultations on various matters. Their mission will be to provide day-to-day organizational direction that will enable the Alliance to meet the objectives expressed in the business plan. The Steering Committee will elect a President, Vice-President, Secretary and Treasurer from among its members.

While the Alliance will, eventually, hire a coordinator, it is the intention to keep the administrative structure as simple as possible. The Innovation Resource Center is acting as a "secretariat" to provide basic record keeping and accounting services for the Alliance.

Participants in the 16-97 Economic Alliance will be expected to commit to payment of fees to the Alliance, to appoint persons responsible for economic development to be their representative in Alliance affairs, and to allow their representatives to participate in the work of the Alliance (subject to the availability of resources). Multi-year commitments will be sought, where that is possible, as that will provide longer-term stability for the Alliance. Members will receive the opportunity to collaborate with others in economic development and diversification, to have their representatives participate in learning opportunities to improve their knowledge and skills in economic development, and, of course, members will benefit from the growth and diversification of the economy that is expected to result from the Alliance's projects.

**Working Together –
Expanding Our Economies**

The Alliance intends to take a pragmatic, collaborative approach to economic development and diversification. It is more than willing to explore potential synergies in economic development programs and projects, with the potential to consolidate high-cost economic development services by either engaging existing entities to carry out the Alliance's projects and initiatives, or by undertaking projects and initiatives on behalf of its partners.

**Working Together –
Expanding Our Economies**

16-97 Economic Alliance

**Working Together –
Expanding Our Economies**

Index

1) Executive Summary	1
2) Index	8
3) Background	
a) Who Are We?	9
b) Our Current Situation and Opportunities	10
c) Recognizing What Others Are Doing	14
4) What Does the Alliance Plan To Do?	16
5) Our Current Projects	21
6) How Will the Alliance Work?	22
a) The Model For Expanding Our Economies	24
b) Developing Cluster Plans and Strategies	26
i) Identification and Prioritization of Industrial Clusters	27
ii) Studies of Industrial Clusters	30
iii) Implementation of Cluster Growth Strategies	34
c) Implementing Visions for Economic Growth	36
d) Economic Benchmarking and Performance Goals	37
e) Communications Plan	39
f) Participation in the Alliance	41
g) Organizational Structure	43
h) The Steering Committee	45
i) Administrative and Financial Arrangements	49
j) Participant Commitments and Benefits	50
k) Financing the Alliance	52

Appendix 1 – Three year work plan and budget

Who Are We?

The 16-97 Economic Alliance is now in the implementation stage. It is a pragmatic organization managed by “on-the-ground” economic development officials seeking to identify and implement high priority, broad regional actions through collaboration with local, regional and other groups. These priority actions will be identified through planning and research that builds on the research already done by others or, if there are gaps, on new research.

The 16 – 97 Economic Alliance Area:

- **Stuart-Nechako portion of the Bulkley-Nechako Regional District;**
- **Fraser-Fort George Regional District;**
- **The northern portion of the Cariboo Regional District**

When complete, it is expected that there will be participation by several different types of organizations: municipalities, regional districts, aboriginal organizations, chambers of commerce, regional and sector associations, educational institutions, provincial and federal governments, and private sector businesses. Participants will be drawn from north-central British Columbia. The economic development practitioners and those responsible for economic development within the Alliance area will be the active representatives of the participants in the Alliance’s affairs.

The Alliance was formed in October 2005 for the purpose of growing the regional economy, which means increased jobs, investment and industry diversification. Since its inception, the Alliance has initiated some collaborative projects in key emerging sectors (which are described in “*Our Current Projects*”) and has developed a work plan for 2006, 2007 and 2008.

The participants believe that there are forces at work that make this the right time for new ways of thinking and acting to shape development of the economy of north-central British Columbia. Environmental, global and regional realities offer an opportunity for regional citizens, communities and organizations to come together to choose a future. The model described in “*What Does The Alliance Plan To Do?*” provides a means for making that choice.

Our Current Situation and Opportunities

After experiencing periods of difficult economic challenges, communities in northern BC are finally able to see more than just a glimmer of light at the end of the tunnel. Growth and development are occurring at unprecedented rates and talk of an economic boom is sweeping the region.

Throughout most of the north, more and more jobs are being created every day and signs of residential and commercial construction are prevalent everywhere. More importantly, billions of dollars of new investment are being considered for the region.

Several factors are contributing to the improved economy in the north. Forestry continues to be the main resource-based activity in the region. While the mountain pine beetle has devastated forests in northern B.C., in the short term it has also meant a significant increase in the amount of timber harvesting activity and the creation of new, value-added manufacturing opportunities utilizing the “denim pine”.

...while these economic times may appear positive for the north...not all of the communities in the region, particularly the smaller and more remote ones, are managing to benefit from the economic upturn to the same extent as others...

The smaller, more remote communities are important segments of the regional economy...

The mining industry in northern B.C. is also exhibiting impressive growth and potential. Exploration activities and the opening of new mines in the region have recently injected nearly \$400 million into the area's economy. Fueled by recent increases in commodity prices and a rapidly growing Asian economy, the increase in mining activity means that communities in the north are now once again serving as centers for the goods and services utilized by this industry sector.

The oil and gas sector is also alive and well in northern BC. Lower interest rates, demand forecasts for increased natural gas use, rising energy prices, and a concern about energy security in the US have all come together to heighten interest in delivering natural gas to market. Three major pipeline projects have been proposed for the area, with a value of over \$5 billion. With the potential for the creation of some 5,000 jobs, these projects will have a profound impact on the north.

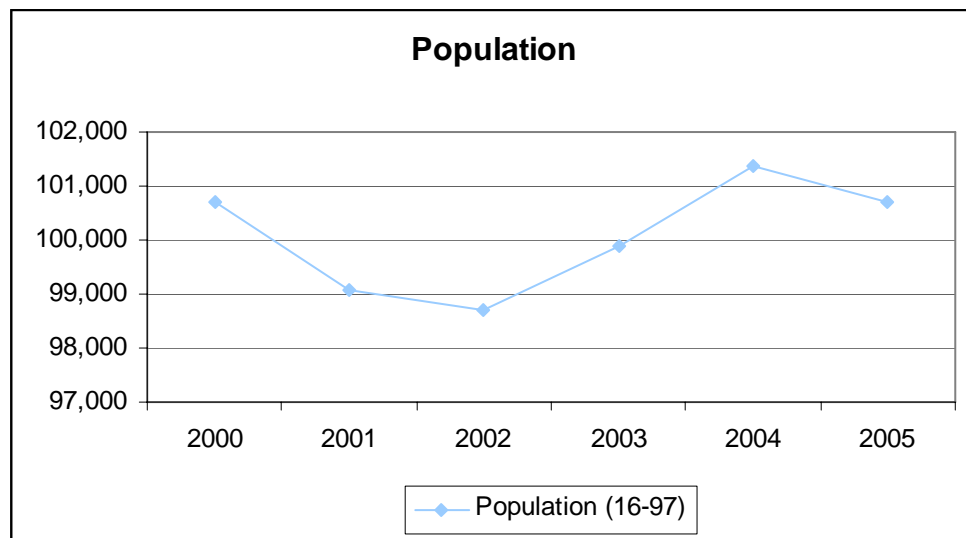
Working Together – Expanding Our Economies

With the development of a new container port in Prince Rupert, a key piece in B.C.'s Asia-Pacific Gateway strategy, more than 1.7 million containers are expected to travel across northern BC annually. The increase in the volume of traffic has led CN Rail to commit to \$130 million in upgrades for the region and the purchase fifty new locomotives. The construction and maintenance of these upgrades, as well as the ongoing servicing of the trains will mean hundreds of jobs for northern workers. The Prince Rupert facility has also sparked the development of a proposal that would see Prince George establish its own inland container port facilities.

Yet, while these economic times may appear positive for the north, the extent to which the communities in the region will be able to capitalize on the opportunities that are currently available to them remains to be seen. Not all of the communities in the region, particularly the smaller and more remote ones, are managing to benefit from the economic upturn to the same extent as others. Even those that are strategically located and have a larger population base may be missing opportunities to build a solid foundation for the future.

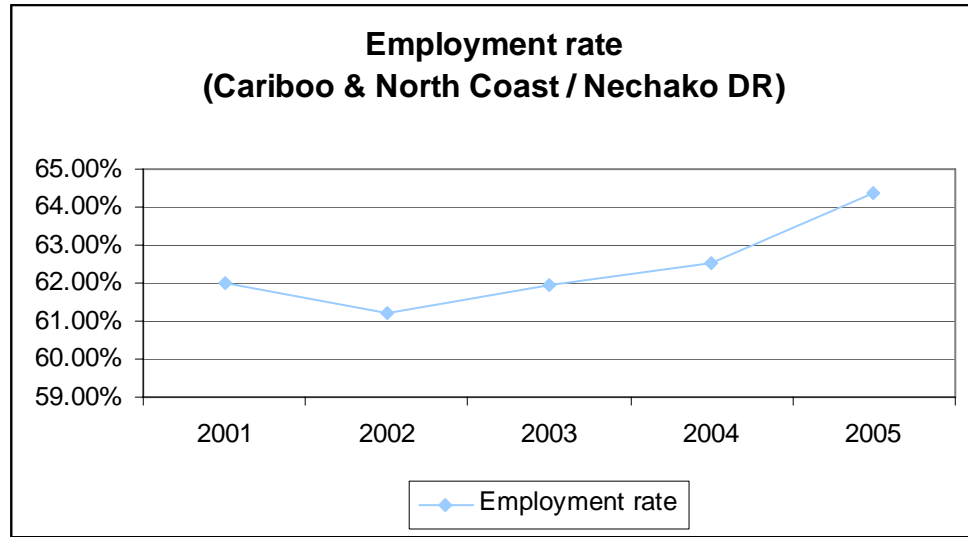
The smaller, more remote communities are important segments of the regional economy, yet they face challenges that are somewhat different than those facing the larger center. These challenges need to be taken into account in future planning.

Our benchmarking data shows that, after a period of no growth, population increased moderately from 2002 to 2005. Since 2002 the outflow of residents to other parts of BC and Canada has diminished, and there has been a net gain from international migration. Employment levels were stable in the years 2000 to 2004, and the employment rate has been increasing. Labour force income, building permit values, and assessed values have been increasing.



Working Together – Expanding Our Economies

Source: BC Stats



Source: Statistics Canada Labour Force Survey

The seven largest economic sectors (as measured by the percentage of total firms) did not change significantly from 2002 to 2005 (although there were some changes in ranking order). The largest sector, Agriculture and Forestry, accounts for just of 19% of total firms in the Alliance area. This value has changed little between 2002 and 2005. 55% of the 3,065 firms in this sector were involved in activities directly related to forestry and logging, while 26.5% were engaged in animal and crop production and 18.6% in support activities for forestry and agriculture.

The six largest sectors (as measured by the percentage of total employment) did not change significantly from 2002 to 2005 (although there were some changes in ranking order). Manufacturing, Wholesale and Retail Trade, and Health Care are the three largest sectors.

In all, the benchmarking data indicates that the economy of the 16-97 Economic Alliance area is slow to diversify. Recent provincial studies have indicated a need to diversify, and to reduce the dependence on natural resource based sectors, which are facing increasing competitive challenges.¹ Studies by BC Stats and the Business Council of BC have also shown the need to become more export focused.²

¹ RAMP UP!, Bringing out the Best in British Columbia's Regional Economies, prepared by ViTAL Economy, Inc, 2004, p. 447

² Cited in RAMP UP!, p. 450

Working Together – Expanding Our Economies

The current economic thrust in northern B.C. must be seen as part of a wider context that is influenced by provincial, national and international forces. As such, large global networks will continue to play a major role in the process of bringing opportunities for economic development and attracting businesses to the area. However, while attracting large global industry to the region is important, it is equally if not more important to recognize the significance of local economic activity. We must try to ensure that the local economies in the region as a whole are able to take advantage of the positive economic times. History has shown that strong economies do not last forever. Plans need to be put in place now that will allow the region to take full advantage of today's positive economic conditions.

The recent RAMP UP! report identified the need to overcome a lack of collaboration among the regions and sub-regions and between the public and private sectors. They reported that there is a high willingness to collaborate, but that there is little collaboration, perhaps because of the existing governance models.³ The study recommended adoption of a regional focus, to make remoteness an asset and to create the critical mass necessary to compete with country strategies and to mobilize emerging clusters of opportunity, and to build a culture of collaboration that can help multiple regions to leverage cluster growth.⁴

There is a need:

- **to diversify;**
- **to reduce our dependence on the natural resource sector;**
- **to become more export focused.**

The 16-97 Economic Alliance's proposed work plan is consistent with the recommendations of the RAMP UP! report.

³ RAMP UP!, pp 341-343

⁴ RAMP UP!, p. 420

Recognizing What Others Are Doing

The 16-97 Economic Alliance's participants are organizations that are currently active in development of the regional economy through individual economic development projects and programs. In addition, they collaborate on economic development activities with others through a number of organizations.

There is no desire on the part of the Alliance to duplicate or displace the programs and projects that are now ongoing. The programs and projects that have as their objectives the growth of the local economy that are operated by regional districts, municipalities and community organizations are too numerous to list here. They are a very important part of economic development activities in northern British Columbia and it is important that we acknowledge their existence and the contribution that they make to improve economic conditions in northern British Columbia.

There are a number of inter-regional programs that feature cooperation by regional districts, municipalities and other organizations in specific economic development projects. These include:

- a) The Northern British Columbia Film Commission;
- b) A number of tourism organizations, including the Cariboo Chilcotin Coast Tourism Association and the Northern B. C. Tourism Association.

The Beetle Action Coalitions require special mention. The Omineca Beetle Action Coalition (OBAC) and the Cariboo Chilcotin Beetle Action Coalition (CCBAC) were established to meet the challenge posed by the Mountain Pine Beetle epidemic so that their participating communities will survive and prosper during and after the epidemic. The CCBAC was initiated in late 2004. The Coalition has completed, is working on, or plans to work on, strategies for Tourism, Log Home Building, Secondary Wood Manufacturing, Agriculture, Forest Workers, Timber, the attraction and retention of residents, Social Development, and Arts and Culture. This work is expected to result in a series of action plans. In addition, CCBAC is undertaking a Mountain Pine Beetle Analysis, a timber supply analysis, a conservation planning project and a wilderness tourism project. A social development working group will examine a wide range of services and conditions that contribute to the communities' quality of life. The CCBAC is also exploring the establishment of a Pine Beetle Trust, to manage the funding that will be required for a variety of mitigation programs over the next two decades.

The Omenica Beetle Action Coalition has completed the organizational stage of its development, and has now begun the fact finding, planning and working phase. They have identified a number of priorities. Their priorities include: infrastructure; landscape management; communication, information and education; timber pricing, transfer, access and utilization; social issues and opportunities; and venture capital needs.

Working Together – Expanding Our Economies

The BC First Nations Interim Mountain Pine Beetle Working Group is working on the program development, implementation and funding security for First Nations communities impacted by the mountain pine beetle. The Group has distributed \$1.2 million since April 2006 to assess the economic and cultural impacts of the beetle epidemic. It has identified a number of priority research areas dealing with non-timber forest products, forest health and restoration, First Nations Traditional Knowledge and Cultural Impacts and social impacts and influences. As of September, 2006, the Working Group, together with the federal government, is presenting proposals to the federal government staff and ministers.

The Nechako-Kitimaat Development Society Fund also supports economic development in a portion of the 16-97 Economic Alliance area by making grants to community economic development projects.

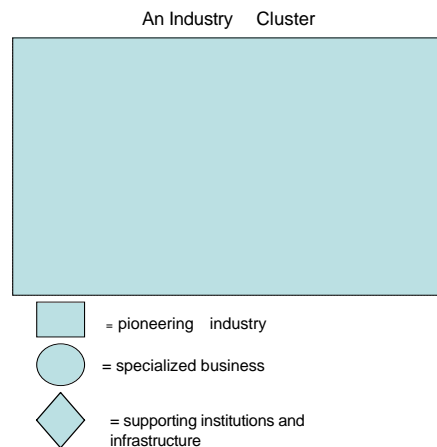
The work of the Coalitions is financed by a variety of contributions from the federal, provincial, and local governments and from industry.

What Does the Alliance Plan To Do?

The work of the 16-97 Economic Alliance will primarily involve the development of, and support for, the implementation of regional economic cluster plans that are directed at increasing jobs and investment through growth and diversification of the existing economy. The focus will be on growth of new and emerging economic clusters and on the confirmation of existing clusters. The work will be undertaken through coordinated and collaborative action, and will take place in three phases:

- 4) Identifying the clusters that are perceived to offer a high probability of economic growth and diversification. The identification of clusters with development potential will, in itself, attract additional focus and potential investment.
- 5) When necessary, detailed study of the clusters, and development of detailed recommendations and strategies for action to develop and expand the cluster. The identification of clusters with accelerated opportunities can attract investment from both public and private sectors.
- 6) Supporting implementation of, and monitoring, the resulting changes, which will result in increased investment and job creation, and on-going evaluation of the implementation activities.

The objective is to have a number of cluster plans completed by the end of 2008. The plans will identify growth opportunities as well as a process of implementation. Taken together, the cluster plans will form the basis of a regional economic development strategy. Implementation of the cluster plans will begin as the plans are completed.



Working Together – Expanding Our Economies

The region's performance is driven by the performance of economic clusters.

Most regional economic development today is based on the strategic growth of key competitive clusters.

The region's performance is driven by the performance of economic clusters. Most regional economic development today is based on the strategic growth of key competitive clusters, which consist of related businesses that export products and services from the region. Their suppliers (often located nearby) include the public and private providers of inputs such as trained workers, innovation, financing, transportation, and infrastructure. Clusters are a group of interdependent businesses in geographic proximity, made up of larger pioneering companies plus smaller specialized businesses. Encouraging the development of industry clusters is a proven strategy to advance the economy of a region.

In very broad terms, the process for developing and implementing a cluster plan involves identifying the clusters that are perceived to offer a high probability for economic growth and diversification, detailed study of the cluster under the direction of a steering committee, development of a detailed action plan for implementation of the cluster plan recommendations, and monitoring the results. Implementation of the strategies rests with local communities, government agencies and, most importantly, the private sector.

Developing and implementing a cluster plan involves:

- **identifying** clusters with a potential for growth and diversification;
- development of a **detailed action plan**
- **implementation** and monitoring of the results.

The Alliance's work will focus on identifying and developing emerging economic clusters through coordinated and collaborative action. This action must be directed toward building regional advantages in areas such as workforce preparation, innovation, finance, transportation, energy and water, and other infrastructure, so that clusters can evolve and grow. This is the core requirement for building a sustainable and prosperous region.

Building a collaborative culture within our communities, businesses and institutions will build a high performance region. Stakeholders will be open to change, willing to negotiate trade-offs, and form constructive agreements with one another. They will get things done, often very creatively.

The Alliance's focus is on an area comprising the Stuart-Nechako portion of the Bulkley-Nechako Regional District, the Fraser-Fort George Regional Districts, and the northern portion of the Cariboo Regional District. However, the plan can be adjusted if one or more areas of the regional districts choose not to

Working Together – Expanding Our Economies

be involved, so that it includes only those communities and areas that want to opt in. This proposed area represents a natural economic region, providing the resources, energy, water, transportation, labour force, education and health services, supporting businesses and services, and public infrastructure required by vibrant and growing clusters of industry.

In addition to promoting the development and implementation of cluster plans, the 16-97 Economic Alliance will undertake annual benchmarking to measure the change in the economy. A strong communications program designed to engage the region in the cluster planning process, and to communicate the results to the stakeholders and the general public will accompany the cluster planning and annual benchmarking.

In undertaking this work, the Alliance will be guided by some general principles. The program will be based on extensive collaboration with industry, economic development agencies, local government, Aboriginal organizations, and other components of the region. Currently, there are no organizations with a mandate to deliver regional economic development services for the Alliance's proposed geographic area, although there are several economic development programs established for individual regional districts and municipalities. **It is the Alliance's express intention that its activities will be organized to enhance, and not replace, these existing programs.**

The Alliance's success depends on sustained and extensive collaboration with a wide array of existing organizations, which will involve:

- 1) Close collaboration with industry in undertaking cluster studies and in implementing cluster strategies;
- 2) Creating effective relationships and collaborating with the Omineca Beetle Action Coalition, the Cariboo Chilcotin Beetle Action Coalition, the

Benchmarking Components

Population and Demographics

- Population
- Migration
- Immigration
- Education

Employment and Income

- Job creation
- Employment rate
- Average income

Economic Growth

- Business incorporations
- Building permit values
- Assessed property values

Economic Dependency and Diversification

- Largest sectors by number of firms
- Sectors with significant change in number of firms
- Largest sectors by employment
- Sectors with significant change in employment
- Knowledge-based industries

Working Together – Expanding Our Economies

First Nations Mountain Pine Beetle Working Group, the Northern Trust and the Nechako-Kitimaat Development Fund.

- 3) Collaborating with municipalities, regional districts, community economic development agencies, First Nations and Aboriginal organizations, and other non-governmental organizations interested in the development and diversification of the economy.

The Alliance participants believe that this collaboration will provide incremental value to local and sub-regional economic development activities by achieving the following objectives:

- 1) Create implementation strategies for existing or emerging clusters that can be acted upon by the Alliance members at their own local and/or sub-regional level. This will allow members to act in their own communities to connect with broader regional plans.
- 2) Strengthen the capacity of existing local economic development through information sharing and connection to the broader regional implementation strategies for emerging clusters.
- 3) Provide critical mass so that the region can compete effectively by aggregating resources in order to build and implement cluster strategies aimed at improving economic performance of the region as a whole.
- 4) Identify measurable outcomes for cluster strategies linked to overall regional economic performance gains.
- 5) Incorporate Aboriginal needs into the cluster planning.
- 6) Create a strong voice for the 16-97 regional economy at the provincial, national and international level.
- 7) Create leveraged funding to achieve these objectives with involvement by multiple levels of government, business and other organizations.

In order to be successful, collaboration must be as broadly based as possible. This means that the Alliance must be inclusive. All organizations involved in economic development activities are invited to participate in the work of the Alliance. The Alliance places special emphasis on supporting participation of Aboriginal and First Nations organizations and communities. The Alliance intends to be an advocate for the Vision, Goals and Principles articulated in "The New Relationship Agreement" committed to by the Government of the Province of British Columbia. While the activities of the Alliance will not include policy-making with regard to natural resources, the Alliance will encourage and support First Nations consultation in the activities in recognition of the New Relationship Agreement. It is intended that, through the active participation in concept and strategy discussions by delegates from First

Working Together – Expanding Our Economies

Nations or Aboriginal organizations, the work of the Alliance will incorporate an Aboriginal perspective in carryout out its activities.

Because business growth in the region will drive achievement of the Alliance's objectives and vision, the Alliance must pursue business involvement in the development and implementation of cluster strategies.

The Alliance will not replace the need for local/community level economic development priorities, nor will it replace sectoral or regional advocacy that properly resides with a community or a business sector. In fact, local capacity will be required to implement the cluster strategies.

In summary, the 16-97 Economic Alliance will focus on:

A) Improving the regional economy by:

- 1) Identifying competitive industry clusters (macro level);
- 2) Developing cluster strategies when necessary;
- 3) Planning for regional growth;
- 4) Supporting regional activities;

B) Enhancing economic development capabilities by:

- 1) Developing extensive and intensive communications and collaboration skills;
- 2) Developing expertise in monitoring the economic and industrial environment to identify trends and opportunities;
- 3) Improving public understanding of regional economic issues and opportunities through communications programs and workshops and forums;
- 4) Providing mechanisms for collaboration on projects, where more than one sub-region must participate in order to achieve successful implementation of a cluster strategy;
- 5) Creating a pool of specialization with respect to regional industrial clusters;
- 6) Enhancing economic development and leadership skills.

C) Through economic benchmarking, **measure the changes in the area's economy**. When data becomes available, quantitative performance goals (linked to growth strategies for selected clusters) will be set and performance will be evaluated.

Our Current Projects

The 16-97 Economic Alliance has undertaken projects and activities even while the Alliance was being debated, shaped and formed. In general, this has resulted in:

- Strong support for the regional economic alliance concept;
- Strong support for the Alliance's intention to focus on and assist economic development practitioners and those responsible for economic and business development to do their jobs better (which involves practical, implementable and measurable activities);
- Participation and/or support from 8 municipalities, CNC, UNBC, 3 Community Futures organizations, the Innovation Resource Centre and Alcan;
- First Nations support and participation, including the support of 2 Tribal Councils, the Aboriginal Business Development Centre, and one First Nation;
- The establishment of an interim Steering Committee to drive the development of the Alliance;

The 16-97 Economic Alliance is not an "official Alliance Pilot Project" and has not received the level of funding provided the three pilot Alliances. However, *the Ministry of Economic Development has supported the Alliance's development by funding several workshops and providing \$50,000 to support the development of the Alliance* (announced on October 12, 2006). The existing partners, who have absorbed the travel, meeting and human resources costs of their participation, financed the activities of the Alliance and the interim Steering Committee in the formative months.

The efforts to develop a collaborative economic development Alliance in the Central Interior have encouraged the proponents of a number of separate projects to align themselves with the 16-97 Economic Alliance. Indeed, many of the projects modified their terms of reference to take into account the range of interests represented by the Alliance participants. Projects that are currently underway and that are recognized as Alliance initiatives or that are supported by the Alliance include:

Market Opportunities – Container and Inland Port Initiative

The objective of this project is to identify market-based opportunities created by the transportation investments in the northwest corridor including the new container port in Prince Rupert and the possibility of international air cargo/technical stop services at the Prince George Airport. This project, which will be completed in the fall of 2006, is the result of a partnership of the

Working Together – Expanding Our Economies

Port of Prince Rupert, CN, Prince George Airport, Quesnel, Initiatives Prince George, Ministry of Economic Development, Community Futures of Fraser-Fort George and the Northern Trust.

Resource Technology Initiative

The Innovation Resource Centre is spearheading a multi-faceted project that aims to define and quantify the technology firms within the region. At the request of the Cariboo Chilcotin Beetle Action Coalition, the project will include the entire Cariboo area (as well as the area included in the 16-97 Economic Alliance). The intent is to develop an economic development strategy to foster the continued growth and expansion of the resource technology sector. The preliminary project design is now underway.

Regional Tourism Strategy

The Council of Tourism Associations of B.C. is preparing an impact assessment of the ferry sinking on the northern BC tourism industry. This study is being blended with the Cariboo Chilcotin Beetle Action Coalition's tourism sector strategy for the Cariboo area. The 16-97 Economic Alliance will form a tourism task force to liaise with the Council of Tourism Associations and the Cariboo Chilcotin Beetle Action Coalition to identify gaps in the studies and to develop a process to fill in the gaps and build a regional tourism strategy. The initial work is just beginning.

Economic Analysis

The Community Futures of Fraser-Fort George has agreed to spearhead the Alliance's efforts to understand the regional economy and the trends that affect the economy. The understanding and knowledge developed in the other regional initiatives (transportation, resource technology, tourism) will be incorporated into this overarching analysis. This project will be initiated in the fall of 2006.

**Working Together –
Expanding Our Economies**

How Will The Alliance Work?

The following pages describe how the 16-97 Economic Alliance will work. The first section describes the model that the Alliance has adopted for developing our economy.

Then the methodology to be used in developing cluster plans and cluster strategies is discussed followed by discussion of how the visions for economic growth will be implemented (including the relationship of the Alliance's cluster strategies and local/regional economic development strategies), how the Alliance will undertake economic benchmarking, and the Alliance's communications plan.

The final sections deal with governance issues, including participation in the Alliance, annual meetings, the selection and duties of the Steering Committee, administrative and financial arrangements, participant commitments and benefits, and financing the Alliance.

The 16-97 Economic Alliance's three-year business plan can be found in the concluding section.

How Will the Alliance Work?
The Model for Expanding our Economies

There are many ways of approaching the task of improving regional economies. After an examination of alternatives, the Alliance has determined that the most effective way involves the development and implementation of regional economic cluster plans that are directed at increasing jobs and investment through the growth and diversification of the existing economy. It is the Alliance's view that creating stronger, bigger, industrial clusters will result in a more diversified economy, more quality jobs, and a higher quality of life.

Dynamic industry clusters are:

- the key source of competitive advantage in today's global economy;
- concentrations of competing, complementary, and interdependent organizations from several industries, that are related by links of various kinds.⁵
- encompass large as well as small companies;
- include manufacturing and services.

Examples of Industry Clusters:

- Vehicle manufacturing in Ontario's "Golden Horseshoe"
- Petroleum energy in Calgary
- Computer hardware and software in Silicone Valley
- Wine production in the Napa Valley

A cluster can include service providers, suppliers, government agencies, educational institutions, as well as final product manufacturers. Clusters derive their comparative advantage by sharing common economic foundations (such as specialized labour pools, innovative networks, readily available supplies, support services, access to capital and technology resources, economies of scale and ease of communications), and from the ability to rapidly anticipate and adjust to final demand.

These relationships rest on a co-dependency on competitiveness. Domestic rivalry helps to fine tune these competing companies, which in turn improves their international competitiveness. The success of clusters depends on achieving a critical mass, and on communications and relationships between the organizations that establishes as strong identification with the cluster. It is important to note that strong cluster identification is evidenced by high levels of local sourcing and by firm, formal links between companies and post-secondary institutions.

⁵ The link may be vertical (such as buyer/supplier relationships) or horizontal (such as common customers, technology, or channels).

Working Together – Expanding Our Economies

Successful clusters also depend on a group of export-oriented producers (that is, producers who send goods and services to customers located outside the regional area).

The cluster provides the framework to accelerate economic growth and development. It is this feature that motivates the Alliance to focus on the clusters. In order to fully exploit the potential of industrial clusters, it is important to understand the issues, challenges and opportunities that each group faces. This will be explored in more detail in the following section.

Examples of Clusters in the Alliance area:

- High-end tourism (national and international markets)*
- Forest (natural resources) technology*
- Transportation and logistics
- Non-forestry manufacturing for export
- Mining*
- Value-added wood (furniture?)*
- Adventure tourism*
- Oil and gas

* denotes a cluster identified in the Vital Economy research.

How Will the Alliance Work?
Developing Cluster Plans and Strategies

This section presents an outline of how the Alliance will go about developing cluster plans and strategies. The implementation of the strategies will be discussed in the following section. The development of cluster plans and strategies will occur in three stages: identification and prioritization of the industrial clusters to be studied; the actual study of the industrial clusters; and, the development of recommendations and an implementation plan for each cluster.

This work will not necessarily occur sequentially. That is, there may be a strong consensus about the existence of some industrial clusters, and the need to study them, at the outset of the Alliance's work (indeed, some work on cluster studies has already begun). Where that is the case, the appropriate cluster study may proceed before all the possible clusters have been identified and prioritized. Limited funding (and human and other resources) will not allow all cluster studies to proceed simultaneously. The intention is to address the highest priority clusters first, and to address lower priority clusters as time and funding permits. This means that, in the case of higher priority clusters, work on implementation of the recommendations of the cluster study may have commenced before work begins on lower priority cluster studies.

In general, the development of the cluster plans and strategies will be overseen by the Alliance's Steering Committee (the membership, duties and responsibilities of the Steering Committee are described in detail in a following section). However, each cluster study will be directed by a specially constituted Cluster Coordinating Committee (described in detail in the discussion of the cluster studies). Cluster implementation management is included in the discussion of the development of recommendations and an implementation plan for each cluster.

How Will the Alliance Work?
Developing Cluster Plans and Strategies

Identification and Prioritization of Industrial Clusters

The identification of competitive industry clusters (existing and potential) is a key step. Components of the identification process include:

- Reviewing previous work, such as key research studies and reports (those that analyze key industries, industry sectors, and related emerging and global trends);
- Cataloguing the assets of the region (including natural resources, infrastructure, and human resources);
- Identifying assets that provide competitive advantages that can be used to leverage economic growth and diversification;
- Prioritizing industry clusters for further study (by identifying those industry clusters with the best growth and diversification potential).

In accordance with the Alliance's principles, this will require a high level of consultation with communities and businesses. In particular, the Alliance's intention is to work closely with Aboriginal and First Nations organizations so that they are fully involved in the consultation process.

Identifying the highest priority existing and potential clusters and the region's assets requires skills and experience in economic and industrial research and in facilitating community consultation. It is the Alliance's intention to engage a consultant to undertake this process, under the oversight of the Alliance's Steering Committee.

Possible industrial clusters:

- High-end Tourism*
- Forest (natural resources) technology*
- Transportation/logistics
- Non-forestry manufacturing (export)
- Mining*
- Value-added wood
- Adventure Tourism*
- Oil and Gas

* Identified in the initial analysis conducted by Vital Economy

Preliminary discussions have resulted in the identification of a number of existing and potential industry clusters.⁶ Nevertheless, a more rigorous process needs to be undertaken to ensure that the appropriate level of consultation is undertaken before determining the clusters that are to be examined in more detail. The process has been designed to ensure that appropriate consultation is

⁶ The RAMP UP! study by Vital Economy suggests a number of industrial clusters for the 16-97 Economic Alliance area.

Working Together – Expanding Our Economies

undertaken before choices are made so that the Alliance can minimize the possibility that viable potential industrial clusters are overlooked.

The consultant's tasks will include:

- A) Reviewing and reporting on previous work and existing economic data, including
- 1) Reviewing previous cluster studies in the region, other recent key research studies, and reports that analyze existing key industries and industry sectors (this may include community and regional economic development strategies and profiles, industry reports, and resource potential reports and surveys);
 - 2) Reviewing economic data for the region, with specific attention to demographics, the components of the region's economy, the nature and source of investment in industry in the region, exports of manufactured goods and of services from the region, and imports of manufactured goods and of services into the region;
 - 3) Reviewing emerging and global trends in all industries and sectors that may have applicability to the 16-97 Economic Alliance region;
 - 4) Analyzing the assets of the region (including natural resources), built infrastructure, and human resources with a particular focus on existing or emerging industry clusters;
 - 5) Highlighting assets that provide competitive advantage that, in the consultant's opinion, can be used to leverage economic growth and diversification;
 - 6) Highlighting industry clusters (existing or potential) that appear to have the best growth and diversification potential. In undertaking this portion of the work (and the work described in the previous paragraph) the consultant is expected to assess the attractiveness of specific markets in terms of market size, future demand, profitability and supply/demand projections;
 - 7) Preparing a detailed report for the use of the Steering Committee, the economic development community, and by those involved in industry cluster studies;
 - 8) Preparing a summary report of the findings, so that participants in the consultation process will have accurate, factual, information for use in the consultation process.

**Working Together –
Expanding Our Economies**

- B) Facilitating consultations with the Alliance’s members, Aboriginal and First Nations organizations, industry stakeholders, and participating communities:
- 1) with the objective of:
 - a) communicating to the residents of the region the findings of the work outlined above;
 - b) verifying that the principal assets of the region have been identified;
 - c) obtaining the views of the participants of the assets that provide competitive advantage that, in the consultant’s opinion, can be used to leverage economic growth and diversification;
 - d) obtaining the views of the participants of the industry clusters (existing or potential) that, in the consultant’s opinion, appear to have the best growth and diversification potential.
 - e) eliciting information on assets and potential industry clusters that have not been identified by the consultant;
 - f) obtaining the views of the participants about the relative priority that should be assigned to the existing and potential industry clusters.
 - 2) after submitting a “consultation plan” to the Steering Committee for review, comment and approval.
- C) Preparing a summary report of the consultations described above.
- D) Preparing a final report to the Steering Committee. The final report is to contain a summary of the work described in A) and B). In addition, the consultant shall recommend which industry clusters should be the subject of further detailed study, and the order of priority that should be assigned to the industry clusters.

The Steering Committee will present the final report to the Alliance’s participants, together with any recommendations that the Committee deems desirable. Final determination of the industry clusters to be studied, and the priority that should be assigned to the industry clusters, will be the prerogative of the 16-97 Economic Alliance participants.

The Steering Committee will invite consultants to submit proposals to undertake the work described above.

How Will the Alliance Work?
Developing Cluster Plans and Strategies
Studies of Industrial Clusters

The Cluster Plans, and the strategies for developing the clusters, will be prepared over a number of years, depending on the Alliance's fiscal and human resources. The business plan makes provision for the development of four industrial cluster studies in each of years two and three of the three-year plan. The order that the studies are undertaken will depend on the priorities that are assigned at the conclusion of the work outlined in the previous section. The organization and components of the individual cluster studies are discussed in this section.

A Task Force, under the general oversight of the Alliance's Steering Committee, will undertake each individual industrial cluster study. The Task Force composition and size will be determined by the Steering Committee. It is probable that the Task Force size and composition will vary from study to study. In general, the Task Forces will consist of:

- a) One or more members of the Steering Committee;
- b) A Chair (or co-Chairs), appointed by the Steering Committee (but who may not necessarily be on the Steering Committee);
- c) Representatives of the Alliance's members whose communities or organizations have an interest in the industry being studied;
- d) Representatives from the industries being studied;
- e) Individuals who the Steering Committee or Task Force believes can add value to the study.

Each task force will be supported by a consultant, appointed by the Steering Committee on the recommendation of the Task Force. The consultant will be required to:

- a) Undertake, or coordinate, a variety of forms of economic and industrial research. It is expected that the consultant will be able to undertake most of the research and report drafting, but specialists may be required to assist in the process in some instances.
- b) Facilitate consultation with communities, Aboriginal and First Nations organizations, industry and government.
- c) Draft reports, analysis and recommendations for discussion by the Task Force, and facilitate the discussions.

Working Together – Expanding Our Economies

Since each industrial cluster study will be different, depending on the location and characteristics of the cluster, it is not possible to definitively enumerate the characteristics or components of each study. There are, however, certain common features that are expected to be found in each study, including:

- a) A Cluster Profile: An overview description of the economic cluster in the region as it existed at the time of the study. This would include identification of key firms and products as well as suppliers to the cluster.
- b) A Growth Opportunity Analysis: This analysis would project expected growth trends for the cluster, based on global, national and provincial trends, an analysis of the regional assets that are relevant to the cluster, and on forces that would affect the competitiveness of cluster members located in the 16-97 Economic Alliance region. Major federal or provincial strategies or initiatives relevant to expansion of the cluster should be included.
- c) A Summary of Community and Regional Aspirations for Cluster Development: It is expected that each Task Force will consult with communities that may be affected by growth of the industrial cluster to determine community aspirations for growth of the cluster. In many cases consultation with Aboriginal and First Nations communities and organizations will be of particular importance.
- d) Identification of Potential Partners: The studies should identify companies and leaders in private industry that have an interest in and commitment to making the sector grow. In addition, the studies should identify stakeholders that have a similar interest in growth in the sector (such as economic development officials and agencies, education institutions, Aboriginal and First Nations groups, and government agencies).
- e) Identification of Policy or Regulatory Inhibitors: The studies should identify any existing policies and regulations that are perceived as hindering or preventing expansion of the cluster.
- f) Identification of Land and Resource Requirements: The studies should identify the land and resources that are required to enable growth of the cluster. In this case, “resources” refer to physical, financial and human resources.
- g) Identification of Infrastructure Requirements: The studies should identify new infrastructure that may be required to support cluster growth. This should include all forms of infrastructure such as (but not limited to) transportation facilities, community facilities required to

Working Together – Expanding Our Economies

attract a skilled work force, communications facilities, and scientific/technical facilities.

The Task Forces are expected to:

- a) Recommend Expansion Targets: These targets will result from the growth opportunity analysis. They should be measurable targets for expansion of the cluster within the region, and include estimates of the economic and employment impacts that would be achieved if the targets were met.
- b) Recommend changes in policies and/or regulations that would stimulate growth in the cluster (including land and resource issues). This might include recommendations dealing with labour force and financing issues.
- c) Recommend strategies for the development of the required infrastructure (including, where possible, using potential ROI measurement tools that could be used to evaluate proposed projects).
- d) Recommend a cluster growth strategy, that would include:
 - (i) Strategies for engaging the private sector in the implementation of growth plans;
 - (ii) Strategies for recruitment of investment for the new business opportunities that will be created by cluster growth;
 - (iii) Strategies to foster increased collaboration within the structure (noting that increased collaboration will support and engender cluster growth);
 - (iv) A detailed action plan that identifies the steps required to implement cluster growth and that identifies an organization or entity that is responsible for implementing components of the plan.

Each Task Force is expected to keep the Steering Committee informed about the progress of its work by the provision of progress reports at appropriate times (to be negotiated by the Steering Committee and the Task Force). Each Task Force is expected to provide the Steering Committee with a Final Report, containing its findings and recommendations, and an Executive Summary (suitable for general public distribution).

Working Together – Expanding Our Economies

The 16-97 Economic Alliance places particular importance on communications, consultation and inclusiveness. Therefore, it is expected that each Task Force will develop a communications plan that will:

- Make basic factual information about the cluster under available to communities and stakeholders before consultations begin;
- Provide adequate notice of consultation activities;
- Make the Task Force's findings of facts available to communities and stakeholders before beginning consultation on the Task Force's recommendations;
- Include consultation with stakeholders and communities before finalizing recommendations.

Each Task Force is expected to be dissolved when its Final Report is accepted by the Steering Committee. Members of the Task Force may, however, continue on through the implementation phase by participating in other Task Forces or implementing organizations, as discussed in the following section.

How Will the Alliance Work?
Developing Cluster Plans and Strategies
Implementation of Cluster Growth Strategies

Because of the wide variety of possible circumstances, it is difficult to be precise about the steps that might be taken to implement the cluster growth strategies recommended by the Task Forces. In general, it is expected that “Cluster Teams” would be established. These teams:

- a) Could be extensions of the previous Task Force, and would include stakeholders from business and industry, communities, First Nations, economic developers and educators who are interested in and committed to the growth of the cluster.
- b) Would, initially, be created by the Steering Committee, in consultation with the previous Task Force and others. Subsequent arrangements would depend upon the nature of the cluster and the communities and industries that are involved. It is possible that, through agreement, the implementation responsibilities might be delegated to a cluster team sponsored by a Regional District or an economic development agency.
- c) Would work on a continuing basis to implement the plans, largely through collaboration with others. It is expected that local communities would participate to implement the plans locally, using their own local resources. The Cluster Team would act as a coordinator and facilitator.
- d) Would be responsible for ensuring that the growth strategies and other recommendations from the Task Force study are communicated in an appropriate and effective manner to those who are in a position to advance the growth of cluster.
- e) Would be responsible for collaborating with others to communicate information about the cluster and the growth strategies to the public and to potential stakeholders.
- f) Would be expected to collaborate with communities and their economic development agencies to have the recommended cluster growth strategies incorporated into regional and municipal economic development strategies.
- g) Would be assisted by a cluster plan facilitator (expected to be appointed by the Alliance in Year 3). The facilitator would assist in the dissemination of information, organization of meetings, facilitation of consultative sessions and workshops, and liaison with those responsible for annual benchmarking. The facilitator is also expected to work in conjunction with the Alliance’s regional cluster plan champions to

Working Together – Expanding Our Economies

build economic development capacity at the local level (where required).

The Alliance will identify regional cluster plan champions from among the Alliance's participants. The role of these champions will include building public support for the development of industrial clusters within their region, and to work with the cluster plan facilitators to build economic development capacity at the local level (where required).

It is the Alliance's intention to collaborate with community and regional economic development agencies and governments to incorporate the cluster growth strategies into local and regional economic development strategies (where that is appropriate). In addition, the Alliance expects this process of collaboration will help to inform the Alliance and its Cluster Teams about the aspirations of the various communities and regions, and about the problems that they encounter in encouraging economic growth in their areas. This knowledge will assist the Alliance in its future programs.

The completion of a cluster growth strategy and the establishment of arrangements for implementation does not mark the end of the process. As described in the section on economic benchmarking, the Alliance intends to undertake benchmarking the measure the results of the implementation of cluster growth strategies (among other things). Depending on the results of the benchmarking, adjustments to growth targets and strategies may be required. That, however, will take place beyond the term covered by this business plan.

How Will the Alliance Work?
Implementing Visions for Economic Growth

The primary vision for economic growth in the 16-97 Economic Alliance region is that growth will be the result of development of industry clusters. The Alliance does not intend to embark, at the outset, with a “grand plan” for development. Its intention is to focus on industry clusters and, through consultation and collaboration, identify opportunities for growth that are consistent with the values and aspirations of the communities in the region. The process is, to a very large degree, a “bottom up” process, based on community consultation and on economic, geographical, and demographic facts. There is no pre-conceived solution, other than that growth is best achieved by concentrating on clusters.

That is not to say that a more comprehensive and specific vision for economic growth may not arise out of the Alliance’s work. The cluster plans (and, in fact, the initial action of identifying high-priority clusters) will identify growth opportunities. It is probable that commonalities will be identified which, taken together, would form an overall vision and strategy for the development of the 16-97 Economic Alliance region. The vision and strategy would be directed toward building regional advantages in areas such as workforce preparation, innovation, finance, transportation, energy and water, and other infrastructure, so that clusters can evolve and grow. Cluster recognition is a significant asset in motivating government and business to implement the development strategy.

How Will the Alliance Work?
Economic Benchmarking and Performance Goals

In undertaking any program or project to bring about a change in circumstances it is necessary to monitor the changes that take place. This monitoring makes it possible to determine whether the program or project is, in fact, producing the desired changes. The monitoring helps to tell us what works, and what doesn't work. It also helps to identify those factors that may be impeding the desired changes.

Economic Benchmarking is the most appropriate way of measuring changes that arise from economic development and diversification programs or projects. The 16-97 Economic Alliance has begun to assemble the necessary baseline data. It completed a 2006 Benchmarking Report, and has demonstrated that measurement can be conducted on an annual basis for the regional districts, using economic indicators that are appropriate for the measurement task. The Benchmark Indicators for 2006 included:

Population and Demographics

- Population
- Migration
- Immigration
- Education

Employment and Income

- Job Creation
- Employment Rate
- Average Income

Economic Growth

- Business Incorporations
- Building Permit Values
- Assessed Property Values

Economic Dependency and Diversification

- Largest Sectors by Number of Firms
- Sectors with Significant Change in Number of Firms
- Largest Sectors by Employment
- Sectors with Significant Change in Employment
- Knowledge-based Industries

It is possible that, as industrial cluster plans are completed, additional indicators will be added to the benchmarking to measure factors that are unique or specific to a cluster.

**Working Together –
Expanding Our Economies**

It is the Alliance's intention that the benchmarking will be undertaken on an annual basis.

The Alliance also intends to establish performance goals. These goals have not been established or quantified. Goal setting will not take place until the cluster plans (with the estimated economic impacts) are available to inform the goal-setting exercise. Consequently, the goals are not likely to be set until after the end of the time frame for this business plan.

How Will the Alliance Work?
Communications Plan

The work of the 16-97 Economic Alliance is to be based on principles of inclusion and collaboration. Collaboration and inclusion cannot be effective in the absence of effective communication. It follows that the Alliance must pay particular attention to communications with those with whom it seeks to collaborate and to include in its activities.

There are other reasons for ensuring that the Alliance has an effective communications plan. Within the Alliance's area the general public (as well as the business community, the economic development community, and government) must be informed of the facts of the challenges that the regional economy faces, and of the benefits that can be derived from economic expansion and diversification. This is necessary to generate public support for economic change. In addition, factual information about strategies for economic expansion and diversification, and related achievements, must be made available.

Much of the "power" of industrial clusters comes from communications between participants in the cluster (both large and small). Ensuring that accurate and timely information is available will enhance effective communications within and between clusters.

Effectively communicating the results of industry cluster studies and benchmarking to economic development agencies, industry and government will assist those bodies in effective promotion of the region to potential investors, and will assist them in their recruitment and retention efforts.

In order to carry out an effective communications program, the Steering Committee will:

- a) Create an appropriate visual identity for the Alliance's printed material (including advertising and notices).
- b) Ensure that a summary of the Alliance's activities is provided quarterly to its participants, the regional media, and those whom it has involved in the Alliance's activities (including those with whom it is collaborating). In order to reduce costs, this may be done in collaboration with some other organization or organizations that have objectives similar to those of the Alliance and/or it may be in the form of an e-newsletter.
- c) Create policies governing the dissemination of the Alliance's reports, studies, etc., so that requests for information can be responded to quickly and efficiently.

**Working Together –
Expanding Our Economies**

- d) Ensure that the terms of reference for each study include appropriate provisions for consultation and inclusion, and for reporting of the results to participants.

The policies governing the dissemination of the Alliance's reports, studies, etc., will include the following:

- a) Identification and Prioritization of Industrial Clusters:
 - (i) Summary information will be widely disseminated (free) to economic development agencies, regional districts, industrial groups, and municipalities, and to those who request the information;
 - (ii) The Final Report will be made available to the Alliance's participants (free), and on a cost-recovery basis to others.
- b) Annual Benchmarking Reports:
 - (i) These reports will be distributed (free) to the Alliance's participants and the media, and on a cost-recovery basis to others who request the report.
 - (ii) Summaries will be made available (free) to others on request.
- c) Studies of Industrial Clusters:
 - (i) Summaries will be made available (free) to those who participated in the consultations and research, to local governments and economic development agencies, and to the media, and to others on request;
 - (ii) The Final Report will be made available to the Alliance's participants and to those who funded the Alliance's work (free), and on a cost-recovery basis to others on request.
- d) Participants requesting multiple copies for reports may be charged for the copies, on a cost-recovery basis.
- e) The Alliance reserves the right to distribute any material without charge or at reduced cost to those who, in its opinion, are likely to further the work of the Alliance.
- f) Where material is to be distributed on a cost-recovery basis, the cost shall be calculated to include the costs of printing, binding, shipping and storage, as well as a reasonable allowance to cover the costs of the Alliance's overhead.

***How Will the Alliance Work?
Participation in the Alliance***

It is expected that a wide range of government and non-government organizations (including Aboriginal and First Nations governments and organizations), as well as to individual businesses, will become active participants in the Alliance. The Alliance wishes to be as inclusive as possible as it needs to involve a range of stakeholders that will create an effective, critical mass of change agents within the region. The Alliance will look to these participants for general direction as well as for much of the human and financial resources that are required for the Alliance's operation and success. In particular, it looks to them to be champions for the Alliance's projects and activities.

Active participants will be restricted to the types of organizations described above, except as provided below. **Each participant will be eligible to name one of their administrative staff (preferably, someone with responsibility for economic development) to be their representative to the Alliance**, and to allow that individual (and other staff members) to participate in Alliance committees, task forces and teams, as the organization's resources permit and subject to the objectives/policies of your organization. If it is not possible to name a staff member to be the organization's representative, a member of the governing board can be named.

The Steering Committee may, where it is of the opinion that an individual has unique qualifications that would assist the Alliance, extend an invitation to that individual to become a participant.

Participation will be on an annual basis (matching the Alliance's fiscal year of 1 April to 31 March), upon payment of the designated fee. Participation is not restricted by geographic location. Each division of a multi-divisional corporation may be regarded as a participant.

The purpose of attracting business and industries to participate in the Alliance is to seek their active involvement and in regional efforts to stabilize, expand and diversify the economy of the region. It is the Alliance's intent that its initiatives will be rooted in the reality of the marketplace and the area's communities. It is critical that the Alliance consult and involve both the private sector and the communities in its initiatives.

The Alliance recognizes that some potential members may wish to join as active members, while others may chose to restrict their involvement to specific cluster initiatives that may be more closely linked to their interests. Businesses may become involved through an industry association and/or by joining the Alliance on an individual basis. The Alliance intends to remain flexible to involve communities and businesses to the greatest degree possible.

Working Together – Expanding Our Economies

As discussed in the following section (Organizational Structure) the intent is to keep the Alliance as “lean” as possible. If possible, the Alliance would prefer to avoid establishing a corporate structure. Instead, it would prefer to work in collaboration with other existing economic development organizations, utilizing their corporate structure, financial, and administrative services (with appropriate compensation, where required).

The Alliance will be seeking funding from various government sources. Nevertheless, financial support from the Alliances participants is essential. The following fee structure is proposed:

- A) Municipalities and regional districts: participation would be entered into via a service agreement with the 16-97 Economic Alliance, with a fee of \$0.50 per capita. Regional Districts have the option of joining on behalf of all or a portion of their members. This provides membership for the Regional District and any RD-member municipalities or electoral areas. Should a Regional District choose not to join in that model, municipalities or electoral areas may join as participants in their own name, with the same per capita fee levied. First Nations Bands and Tribal Councils: participation would be entered into via a service agreement, with a fee of \$0.50 per capita (calculated on the basis of the on-reserve population). Tribal Councils have the option of joining on behalf of all or a portion of their members. This provides membership for the Tribal Council and any TC-member Bands or communities. Should the Tribal Council choose not to join in that model, First Nations Bands may join as participants in their own, with the same per capita fee levied for on-reserve population.
- B) Regional Economic Development and Industry sector associations: participation would be via letter of intent, with a fee of \$500.
- C) Educational Institutions: participation would be via a service agreement, with a fee of \$2,000.
- D) Provincial and Federal Government agencies and departments: participation would be via a letter of intent, with services in kind provided in lieu of a fee.
- E) Businesses and Industries: participation would be via a letter of intent and payment of a fee ranging from \$500 to \$2,000 (the scale to be determined by the Steering Committee);
- F) Should at some future time either a representative organization or an individual organization wish to join the 16-97 Economic Alliance in a model other than that which they first indicated, arrangements will be made to meet those needs.

Further information on the responsibilities and benefits of participation in the Alliance can be found in the section on “Participant Commitments and Benefits.”

How Will the Alliance Work?
Organizational Structure

The participants in the Alliance are the basis for the organization. *The Alliance's intention is to make participation as meaningful and beneficial as possible, without undue obligations.* Therefore, the administrative and organizational details are to be managed by a Steering Committee (described in detail in the following section) and by a secretariat (described in the section on financial and administrative arrangements). The studies and the implementation of cluster plans are to be overseen by Task Forces or Cluster Teams, composed of volunteers drawn from the participants and from business and the communities.

An Annual General Meeting will be held once per calendar year (with not more than sixteen months elapsed time between one Annual General Meeting and the next), for the purpose of:

- a) Electing persons to the Steering Committee (when there are more volunteers than positions available on the Committee);
- b) Receiving financial statements, business plans, and budgets recommended by the Steering Committee;
- c) Receiving Industry Cluster Plans recommended by the Steering Committee.

The intention is to keep routine organizational business to a minimum at the Annual General Meeting, so that the occasion can be used to develop collaboration among participants and to disseminate information about the economic development and diversification of the Alliance area.

Participants are to be consulted before the finalization of the identification and prioritization of industrial clusters, and before the finalization of cluster strategies. This is in addition to any consultations that may take place during the course of the studies. It is expected that the Steering Committee will determine whether this is best done by convening a special meeting, by referring the matter to an Annual General Meeting, or by utilizing some form of electronic communications.

The Alliance does not want to develop a corporate hierarchy. However, administrative and management support is required to further the work of the Alliance. In the initial stages of development, staff support requirements will be met by the secretariat and by independent contractors engaged to perform limited and specific tasks on a part-time basis.

**Working Together –
Expanding Our Economies**

A full time coordinator will be required to guide the operations of the Alliance. The duties of the coordinator will include:

- a) Responsibility for managing the day to day operations under the direction of the Steering Committee;
- b) Preparation of the annual operating plan and the preparation of annual and quarterly reports under the direction of the Steering Committee;
- c) Playing a coordinating and facilitation role with respect to specific initiatives, and in particular arranging meetings, forums, and consultations, and arranging for the publication and/or distribution of written and electronic materials;
- d) Liaising on behalf of the Alliance and the region with various provincial and federal departments and agencies, as appropriate.

How Will the Alliance Work?
The Steering Committee

The Steering Committee is charged with the responsibility of interpreting the direction that the participants wish to take, as expressed through the Annual General Meeting and through consultations on various matters. Their mission is to provide day-to-day organizational direction that will enable the Alliance to meet its objectives as expressed in the business plan.

The Steering Committee will consist of volunteers who represent participants in the Alliance (or who are individual members of the Alliance). Ideally, the Steering Committee should consist of approximately 12 members, but may consist of a larger number to be determined by the Steering Committee.

While the selection of the Steering Committee will depend on those who volunteer, the Alliance would benefit from having Steering Committee members who possess certain attributes, including:

- a) Current or previous regional economic development experience, and/or community-based board experience;
- b) A positive and enthusiastic attitude regarding the potential and benefits of regional economic development;
- c) The ability to think regionally and to put regional interests ahead of local self-interest;
- d) Sufficient time to attend Steering Committee and other meetings.

It is intended that, if the number of members on the Steering Committee is 12, the Committee should include:

- a) Two representatives from the private sector;
- b) Two representatives from First Nations or Aboriginal organizations;
- c) One representative from a Regional District;
- d) Three representatives from municipalities or regional districts;
- e) Three representatives from regional or business associations;
- f) At least one representative from training and educational institutions;

In addition, ex-officio members will be invited from the BC Ministry of Economic Development, from a federal government agency, and from a Regional Trust.

In determining the size of the Steering Committee, the members of the Committee shall take into account the amount of work to be done, the need to

Working Together – Expanding Our Economies

develop support for the Alliance's activities among the participants and potential participants, and the functional problems that can arise from having too many members on a committee.

A quorum of the Steering Committee shall be 50% of the members of the committee, plus one.

If more representatives of members volunteer for positions on the Steering Committee than there are positions available, the Steering Committee may initiate an election, using an appropriate election or selection mechanism determined by the Steering Committee that is consistent with encouraging the broadest possible participation. If an election is necessary it shall be at the next Annual General Meeting, or electronically at a time determined by the Steering Committee. All participants shall have an opportunity to participate in the election or selection process.

The 16-97 Economic Alliance wishes to build consensus in decision-making. However, where consensus cannot be established, the Alliance will utilize a two-thirds majority as a mechanism to resolve impasses (this will apply to the Steering Committee and to the Annual General Meeting).

The Steering Committee (and the business portion of the Annual General Meeting) will follow Roberts Rules of Order, with such adjustments that may be agreed by consensus or two-thirds majority.

The Steering Committee will be responsible for the following:

a) Managerial Issues:

- (i) Supervision of the Coordinator on a regular basis in order to provide direction regarding the ongoing operations of the Alliance's activities and projects;
- (ii) Providing direction to the Coordinator with respect to job descriptions and contracts for services to the Alliance;
- (iii) Approving contracts for services to the Alliance;
- (iv) Approving contracts under which the Alliance will provide services to other organizations;

b) Policy Issues

- (i) Approving personnel policies;
- (ii) Approving compensation policies;
- (iii) Approving operational policies, and liaising with the Coordinator with respect to operational procedures;

**Working Together –
Expanding Our Economies**

c) Financial Issues:

- (i) Oversight of the operations of the secretariat, to ensure that the Alliance's accounting and financial affairs (including the preparation of financial statements) meets the standards required by generally accepted accounting principles and by granting agencies;
- (ii) Providing direction to the Coordinator with respect to the preparation of the annual and quarterly reports and the annual business plan and budgets;
- (iii) Providing direction to the Coordinator with respect to submission of applications for grants and financial assistance, and participating with the Manager and others to seek financial and other support from the federal and provincial governments, as well as from the Alliance's membership;
- (iv) Monitoring the financial affairs of the Alliance to ensure compliance with budgets and other policies;

d) Organizational Issues

- (i) Developing and implementing an annual partner recruiting campaign;
- (ii) Recruiting and hiring the Coordinator;
- (iii) Developing agendas for, and overseeing, regional events and forums, and the Annual General Meeting;
- (iv) Developing programs for the benefit of the membership;
- (v) Ensuring that appropriate terms of reference are established for each initiative or project undertaken by the Alliance;
- (vi) Ensuring that the roles and responsibilities of the Alliance are well-defined and executed.

The Steering Committee is expected to undertake the normal functions of a Board of Directors, which includes ensuring that the participants receive tangible benefits for the contributions and commitment to the Alliance.

The Steering Committee shall elect a President from among its members, who shall be the President of the 16-97 Economic Alliance. The Steering Committee shall also elect a Vice-President from among its members, to fulfill the President's responsibilities in the absence of the President. The duties of the President shall include chairing meetings of the Steering Committee and the Annual General Meeting, and representing the Alliance as required at meetings,

**Working Together –
Expanding Our Economies**

conferences and other events. The President may delegate some of the Presidential duties to other members of the Steering Committee.

The Steering Committee shall also elect a Secretary and a Treasurer. The Secretary shall be responsible for working with the secretariat to ensure that the Alliance meets necessary requirements for minutes, reports, and returns. The Treasurer shall be responsible for working with the secretariat to ensure that the Alliance's financial affairs are in compliance with generally accepted accounting principles and the requirements of regulatory and granting agencies.

The Secretariat shall maintain a separate bank account or accounts for the Alliance's funds. Any one of the President, Vice-President, Secretary and Treasurer, together with one of the signing officers of the organization hosting the secretariat will be required on the Alliance's cheques, bank drafts, and other financial instruments.

How Will the Alliance Work?
Administrative and Financial Arrangements

It is the Alliance's intention to avoid establishing an administrative hierarchy. Rather, the Alliance intends to draw on the resources of participating organizations, wherever possible. As indicated earlier, the Alliance anticipates the need to hire a coordinator, but it is its intention to look to other organizations to provide financial and other administrative services for the Alliance.

In particular, the Alliance intends to enter into one or more agreements for the provision of administrative and support services of the type that would normally be provided by a "secretariat." This would include:

- a) Providing office space, a computer, general office software, a printer, telephone and fax equipment needed to support the work of the Alliance;
- b) Provision of bookkeeping services, including the preparation of periodic and annual financial statements and the preparation of financial reports or return that may be required from time to time by granting agencies;
- c) Maintenance of appropriate financial records so that the Alliance can obtain an audit opinion on its annual financial statements, in accordance with generally accepted accounting principles;
- d) Provision of general reception and telephone answering service;
- e) Maintaining a separate bank account or accounts for the Alliance's funds, and providing signing officers (to act with the Alliance's signing officers);
- f) Employment and supervision on a day to day basis of any administrative or clerical staff retained at the direction of the Steering Committee or the Alliance's Manager to:
 - (i) Establish and maintain a contact data base for the Alliance;
 - (ii) Assemble and distribute an electronic newsletter;
 - (iii) Organize Alliance meetings, prepare agendas, minutes and background materials and to distribute same as appropriate.

The Steering Committee has entered into an agreement with the Innovation Resource Centre to host the "secretariat" for 2006-07.

How Will the Alliance Work?
Participant Commitments and Benefits

The participants in the 16-97 Economic Alliance are the base of the Alliance. They will be required to make financial and other commitments to the Alliance and, in return, will receive the benefits of the collaborative effort in regional economic development and diversification. Multi-year commitments will be sought to provide longer-term stability to the Alliance, where possible.

Participants in the Alliance are expected to make the following commitments:

- a) An annual financial contribution, as indicated in “Participation in the Alliance” (subject to revision from time to time by the Alliance’s participants);
- b) Agree to name an individual to represent the participant at the Alliance’s Annual General Meeting and other events;
- c) Agree to permit staff members to serve on the Steering Committee, on Task Forces and Cluster Teams (as well as on other Alliance committees) from time to time and as resources permit;
- d) Provide in-kind human resources and/or office operations support to the Alliance, if appropriate;
- e) Provide additional financial contributions in support of specific project initiatives, as appropriate.

The Alliance commits itself to provide a collaborative structure that supports economic development and diversification, identification of economic opportunities, and development of a shared vision and action plan for the development of industry clusters, with a focus beyond the local and sub-regional.

Participant benefits will include:

- a) The opportunity to collaborate with others to develop and diversify the regional economy;
- b) Learning from other communities and defining best practices in economic development and diversification;
- c) A better understanding of the capacity that currently exists within the region’s communities, including the required intellectual capital and human resources;
- d) Development of industry clusters within an economic region (rather than within particular political boundaries), which has been shown to

Working Together – Expanding Our Economies

- be the most effective path to economic development and diversification;
- e) The development of collaborative skills and relationships that will enable industry clusters to respond and adapt more quickly to changes in technology, flows of goods and services, and other economic circumstances;
 - f) Accurate and timely information on markets, opportunities, and the regional economy;
 - g) Access to the full results and findings of Alliance projects and initiatives;
 - h) Promotion of participant organizations in Alliance communications and promotional materials (as appropriate);
 - i) An expanded and diversified regional economy;
 - j) The ability to mount a more significant economic development and diversification effort than would be possible by individual communities;
 - k) Strengthened business and investment attraction efforts, because some businesses and industries are more easily attracted to broader based regions with more critical mass than they are to individual communities;
 - l) An improved ability to leverage the impacts of new or expanded businesses in one part of the region to other parts of the region, by developing the ability to collaborate within economic clusters.

The Alliance intends to take a pragmatic, collaborative approach to economic development and diversification. It is more than willing to explore potential synergies in economic development programs and projects, with the potential to consolidate high-cost economic development services by either engaging existing entities to carry out the Alliance's projects and initiatives, or by undertaking projects and initiatives on behalf of its participants.

How Will the Alliance Work?
Financing the Alliance

The 16-97 Economic Alliance must have a sustainable financial plan that will ensure that it can deliver on its objectives and goals. To that end, the Alliance looks to funding from:

- The participants;
- The Ministry of Economic Development's Regional Economic Alliance Pilot program;
- Other Federal and Provincial Economic Development and Diversification Programs;
- Industry;
- Project participants.

The details of the proposed funding are set out in Appendix 1: Three year workplan and budget.

APPENDIX 1

16-97 Economic Alliance Three Year Work Plan and Budget

**Working Together –
Expanding Our Economies**

***How Will the Alliance Work?
The Business Plan and Budget***

The 16-97 Economic Alliance’s Business Plan and Budget for the first three years of operation are shown in the following pages.

The Business Plan

Objectives and Detail	
Objective: Develop Business Plan	
Responsible: Steering Committee Include elements such as: <ul style="list-style-type: none"> • Terms of reference/mandate for the Alliance (and Steering Committee) • Organizational Framework • Marketing and Communications Plan • Work Plan 	
Objective: Build Support for the Alliance to obtain 100% participation	
Responsible: Alliance Participants <ul style="list-style-type: none"> • Involvement with the planned northern economic development forum planned for the fall/06 • Begin to talk "regionally" through all internal communications channels • Provide awareness and advocacy materials to potential members 	
Objective: Identify Regional Benchmarks and Produce a Regional Benchmark Report	
Responsible: Steering Committee Identify the indicators to be measured, perform the required research and publish and distribute an annual benchmark report.	
Objective: Recruit and Engage a Coordinator	
Responsible: Steering Committee Recruit and engage an individual to be the Alliance's coordinator	
Objective: Identify and Prioritize Industrial Clusters	
Responsible: Steering Committee Call for proposals from consultants and undertake the project to Identify and Prioritize Industrial Clusters	

**Working Together –
Expanding Our Economies**

Objectives and Detail	
Objective: Prepare Cluster Development Strategies	
Responsible: Steering Committee <ul style="list-style-type: none"> • Call for proposals for the preparation of four cluster development strategies • Undertake one cluster development strategy • Undertake eight cluster development strategies over 3 years 	
Objective: Cluster Plan Implementation	
Responsible: Steering Committee and Alliance participants Carry out the actions necessary to implement the cluster plan recommendations.	
Objective: Identify and articulate the role of post-secondary institutions in the Alliance	
Responsible: Steering Committee Identify and meet with the appropriate representatives of CNC and UNBC to discuss and articulate the role of the institutions in the Alliance.	
Objective: Develop a visual identity for the Alliance's printed material	
Responsible: Interim Manager Develop a visual identity for the Alliance's printed material, by engaging an appropriate designer	
Objective: Develop initial human resources and other operational policies and procedures	
Responsible: Steering Committee and interim manager Develop the initial human resources and operational policies and procedures required to enable the Alliance to operate in a professional and accountable manner.	

Working Together –
Expanding Our Economies

Budget

Revenue	Year 1		Year 2		Year 3	
	In Kind	Direct	In Kind	Direct	In Kind	Direct
Ministry of Economic Development		\$60,000		\$150,000		\$100,000
Members Contributions						
Fraser Fort George Regional District				\$50,000		\$50,000
Bulkley Nechako Regional District				\$10,000		\$10,000
Cariboo Regional District				\$10,000		\$10,000
Other Members				\$5,000		\$10,000
In kind contributions from participants	\$56,000		\$117,000		\$97,000	
Federal Government Contributions				\$50,000		\$100,000
Private Sector Contributions				\$26,000		\$25,000
Cash from Participants in Projects		\$33,000		\$27,000		\$10,000
Other		\$20,000		\$20,000		\$20,000
	\$56,000	\$113,000	\$117,000	\$348,000	\$97,000	\$335,000
Expenditures						
Expenditures						
Coordinator		\$11,000		\$50,000		\$50,000
Administration Costs	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Office Space (in kind contribution)	\$10,000		\$10,000		\$10,000	
Communications Costs (website, telecom, print materials)		\$9,000		\$9,000		\$9,000
Meeting Expenses	\$18,000	\$3,000	\$18,000	\$3,000	\$18,000	\$3,000
Travel Costs		\$1,000		\$1,500		\$1,000
Business Planning		\$10,000				
Benchmarking	\$12,000	\$5,000	\$12,000	\$5,000	\$12,000	\$5,000
Recruitment of Coordinator		\$1,000				
Identify & Prioritize Industrial Clusters	\$5,000	\$2,000	\$30,000	\$60,000		
Prepare Cluster Development Strategies		\$63,000	\$42,000	\$164,500	\$42,000	\$160,000
Cluster Plan Implementation				\$50,000	\$10,000	\$102,000
Other	\$6,000	\$3,000				
	\$56,000	\$113,000	\$117,000	\$348,000	\$97,000	\$335,000
Surplus (Deficit)	\$0	\$0	\$0	\$0	\$0	\$0