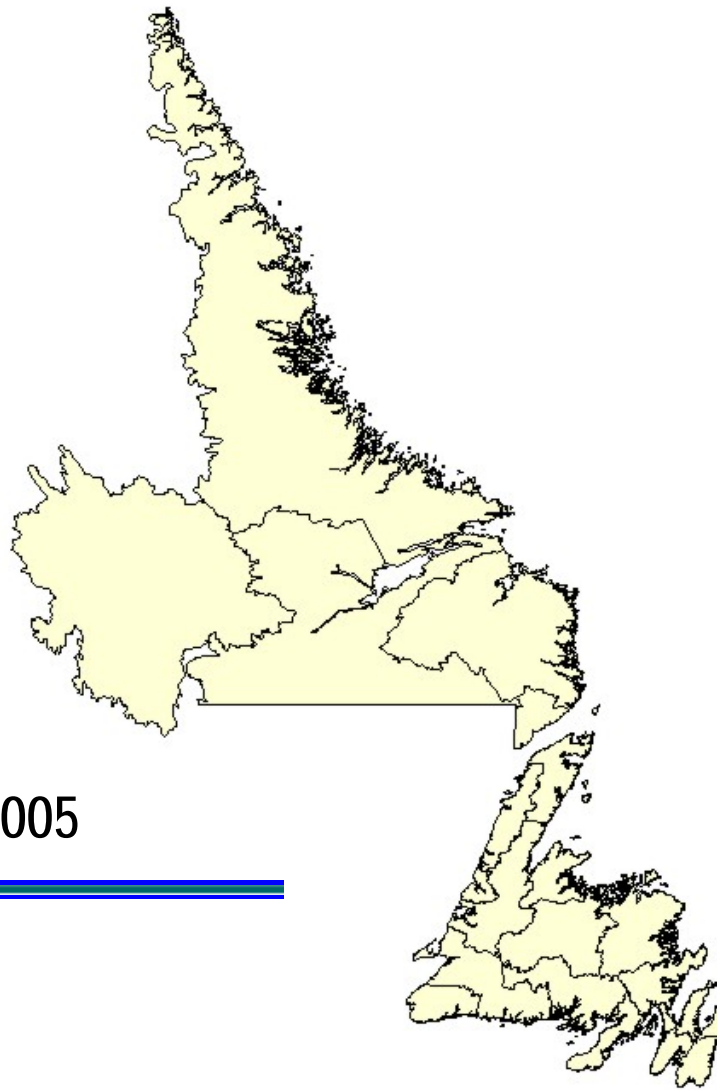




Report of the Ministerial Committee on the Process to Renew Regional Economic Development



December 2005

Final Report

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The information contained within the Final Report of the Ministerial Committee on the Process to Renew Regional Economic Development does not reflect official provincial or federal government policy. This document is intended for advisory purposes only.

The recommendations of the P.J. Gardiner Institute are independent of the recommendations of the Ministerial Committee but were used to inform the Committee in its work.

Representatives on the Committee:

The Newfoundland and Labrador Federation of Municipalities:

Mayor Graham Letto: Chair of the Committee
Deputy Mayor Herbert Brett

The Newfoundland and Labrador Regional Economic Development Association:

Dave Curran
Sean Wiltshire

The Department of Innovation, Trade and Rural Development:

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Secretariat to the Committee:

John Cowan (INTRD)

November 30, 2005

Minister:

The Ministerial Committee is pleased to advise that it has completed its role to inform the regional economic development renewal process.

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Glossary of Acronyms

ACOA	Atlantic Canada Opportunities Agency
CBDC	Community Business Development Corporation
CED	Community Economic Development
IBP	Integrated Business Plan
INTRD	Innovation, Trade and Rural Development
LMDA	Labour Market Development Agreement
MOU	Memorandum of Understanding
NLFM	Newfoundland and Labrador Federation of Municipalities
NLREDA	Newfoundland and Labrador Regional Economic Development Association
REDB	Regional Economic Development Board
SEP	Strategic Economic Plan

1.0 Introduction

The Ministerial Committee on Regional Renewal was initiated by the Minister of Innovation, Trade and Rural Development in response to the changing economic environment of Newfoundland and Labrador since the inception of regional economic development boards in 1995. The renewal process undertaken by this Committee is intended to address the continued progress of regional economic development in this province and the role of regional economic development boards.

This document is intended to strengthen the regional economic development process and the role of regional economic development boards by addressing issues for discussion in the following areas:

- Clarifying expectations;
- Solidifying the role of the regional economic development boards (REDBs);
- Demographics and environment;
- Zone board communications;
- Pan provincial considerations and the role of NLREDA;
- REDB relationship with the private sector;
- Capacity building at the sub-zone level;
- Informing policy and the orders of government;
- Transparency and accountability;
- Inter-regional co-operation;
- Municipal government and REDBs;
- Regional economic development boards and Community Business Development Corporations;
- Federal / Provincial Government relationships.

2.0 Committee Mandate

The mandate of the Ministerial Committee is to review the regional economic development process, regional economic development boards, and the supports offered by the orders of government. The purpose of the committee has been to provide an evidence based document that informs provincial government policy in regional economic development and the role of REDBs. It is intended that these recommendations will strengthen the regional economic development process and support the vision of a diversified economy with productive and prosperous people in all regions of the province.

The Committee's mandate is to make recommendations regarding an efficient and effective approach to regional economic development which is fully acceptable, insofar as is possible, to all parties:

- to review existing zone economic development organizational structures including mandates, strengths and weaknesses;

- to make recommendations that strengthen community economic development for the province's 20 economic zones specifically to:
 1. improve mechanisms for effective development and implementation of strategic economic plans and integrated business plans (see section 5.2.2);
 2. integrate the development and implementation of a regional economic strategy in each zone with key stakeholders;
 3. coordinate partnerships;
 4. support an accountability framework that assesses regional and governmental approaches in the 20 economic zones;
 5. review government supports that assist the zone process.

3.0 Methodology

A statement of work was developed to guide a research component for the Ministerial Committee. The statement of work provided a comprehensive list of issues and questions that needed to be examined in order to ensure evidence based recommendations.

The P.J. Gardiner Institute was contracted by the Department of Innovation, Trade and Rural Development to conduct independent evidence-based research and analysis that engaged people throughout Newfoundland and Labrador to inform regional economic development. The P.J. Gardiner Institute conducted its research based on the statement of work for each of the 20 economic zones. The collection of this research was one of several pieces of information that were used to inform the Ministerial Committee.

The P.J. Gardiner Institute was informed by NLREDA and the individual zone boards. The Institute worked with assistance from Innovation, Trade and Rural Development (INTRD) staff to conduct 25 interviews in each zone. The P.J. Gardiner Institute also worked with assistance from INTRD to conduct two roundtable sessions in each zone; a municipal and an external stakeholder session. All interview samples were provided by the P.J. Gardiner Institute.

The Ministerial Committee was also presented with briefs from several Regional Economic Development Boards. The boards that provided these briefs were:

- a pan Labrador brief (zones 1 to 5);
- Zone 6 (Nordic);
- Zone 8 (Humber);
- Zone 10 (Marine and Mountain);
- Zone 19 (Capital Coast);
- and Zone 20 (Irish Loop).

A jurisdictional and statistical scan was conducted by staff of INTRD to further inform the Ministerial Committee.

The Ministerial Committee met sixteen times during 2004-05 as follows: December 2nd, December 20th, January 17th, February 9th, April 12th, May 5th, June 23rd, August 9th, August 30th, October 3rd, October 11th, October 21st, November 1st, November 17th, November 18th, and November 30th.

4.0 Pan Provincial Considerations

The Ministerial Committee on the Process to Renew Regional Economic Development has been committed to exploring opportunities that will strengthen the regional economic development process in Newfoundland and Labrador. This section identifies issues that will be further discussed in the recommendations section of this report. This section has been informed by the discussions of the Ministerial Committee and the REDB briefs that were tabled at the Ministerial Committee.

- **Clarifying expectations**

REDB image and credibility within some zones may impact on the ability of the boards to attract leaders and gain support. If these factors exist, they may be based on unrealistic expectations and rooted in past approaches to local development.

In order to strengthen regional economic development, it is important to clarify the expectations for all agencies involved in the process. It is hoped that this clarification will dispel any misconceptions at the community level and assist REDBs by creating an environment that is focused and realistic.

Clarifying expectations will help ensure that REDBs are working towards directed goals rather than struggling to satisfy all zone agencies. REDBs that are not adequately addressing economic development issues must now revitalize their process in a manner that ensures greater zone impact. This must be done in agreement with government to ensure that all parties are working towards the same goal. Government must also raise its expectations with REDBs in terms of the development and implementation of the integrated business plan (section 5.2.2). REDBs must be held more accountable in relation to their integrated business plans and government must be absolutely candid in its dialogue with REDBs.

- **Solidifying the role of REDBs.**

In the regional economic development process, REDBs should be recognized as the lead economic grassroots agency that coordinates economic planning and implementation for key economic zone stakeholders. In this role, REDBs should work with and be responsible to inform government, and action the planning and development activities of the board. The solidification of the role of the REDB should help to ensure that the process is better understood by people at the community and government levels. Governments should demonstrate through their programs and policies a commitment to the REDB process.

- **Demographics and Environment**

Economic, environmental, natural resource, demographic, labour market and social issues vary by zone and provide various challenges. The large number of unincorporated communities also presents challenges to the economic development process. These factors impact on a board's ability to focus on long-term economic development. Stakeholders in zones often look to boards for assistance which is short-term in nature and is reactive as opposed to proactive.

Problems associated with infrastructure and capacity including transportation (roads, marine facilities and ferries), municipal services, the labour force, access to education, research and development etc., present major challenges but are critical aspects of any economic development process.

The demographic, environmental and geographic realities of zones vary greatly in Newfoundland and Labrador. In terms of REDB composition and activity, one size does not fit all.

- **Zone Board Communications**

Communicating with zone stakeholders in an efficient and meaningful manner provides zones with an opportunity to better inform stakeholders and promote engagement by those within the zones.

- **Role of the Newfoundland and Labrador Regional Economic Development Association**

The mandate of the Newfoundland and Labrador Regional Economic Development Association (NLREDA) as defined by NLREDA is to represent the 20 regional economic development boards of the province on issues of common concern. The Association was formed to promote and strengthen relationships, communications, human resources and organizational development and coordination.

- **REDB relationship with the private sector.**

There is an expectation that REDBs develop and work through initiatives that will contribute to private sector development in Newfoundland and Labrador. A key contributor to economic development is the private sector and it is important that REDBs engage this sector, including both business and labour.

- **Capacity building at the sub-zone level**

A key success factor for ensuring a strong regional economic development process is the ability to build economic development capacity within a zone. A zone with strong leadership capacity will be better able to engage stakeholders and implement initiatives in a meaningful and effective manner.

- **Informing Government Policy**

As the lead economic development agency at the grassroots level for close to 10 years, there is an opportunity for REDBs to identify policy issues and inform government about improved processes.

- **Transparency and Accountability**

Ensuring government and community acceptance at all levels, a publicly funded organization must work to ensure that its activities are transparent.

Ensuring that a process is accountable provides legitimacy to that process. Accountability must come from the expectations that are highlighted by government and included in a REDB integrated business plan (5.2.2).

- **Inter-regional Cooperation**

Inter-regional co-operation between zone boards should permit enhanced opportunities that incorporates the strengths of the co-operating zones while maximizing impact for stakeholders. Zone boards, in varying degrees, currently utilize a caucus system whereby boards within identified regions (Labrador, Western, Central and Avalon) meet and discuss issues within that caucus. Where opportunities exist, inter-regional cooperation should be encouraged to move beyond the caucus level to capitalize on economic development opportunities that benefit different zones through partnership.

- **Municipal Government and REDBs**

Municipal governments have a major role to play in regional economic development in this province. It is important to ensure that municipal governments are engaged in the regional economic development process especially at the planning level. Municipalities bring community legitimacy,

resources and skills to the regional economic development process. REDBs should work closely with municipalities to ensure that their integrated business plans (5.2.2) are focused on issues that are important to all key stakeholders within their zones.

- **REDBs and Community Business Development Corporations**

REDBs and Community Business Development Corporations must create stronger linkages. A strengthened relationship will strengthen the regional economic development process and highlight the importance of business.

- **Federal/Provincial Government**

It is important to create engagement in and understanding of the REDB process by all government departments and agencies that play a role in economic development. There is a need for consistent ACOA/INTRD messaging around the REDB process. This would be supported by joint planning, business plan development, funding, implementation, and accountability.

Service Canada's Labour Market Development Agreement should be encouraged to adapt to the labour market needs of Newfoundland and Labrador to advance an economic agenda. INTRD and ACOA should work to advance this agenda through the use of LMDA in Newfoundland and Labrador.

5.0. BOARD STRUCTURE/OPERATIONS

5.1.0 CORE FUNCTIONS OF A REDB

Board mandates and core functions need to be revised where necessary to ensure a clear understanding that economic development is the central role of regional economic development boards.

REDBS must provide leadership in the development of economic priorities and initiatives within each zone that permits them to work cooperatively with the various levels of government and specific zone partners in strengthening regional economies. These activities will be guided by the development of a strategic economic plan that is focused on specific and achievable economic development targets that will benefit the economic zone.

The original 5 core functions of the boards are listed below.

1. **Provide Leadership in the development and implementation of a Strategic Plan for the Zone;**
2. **Provide Business development support;**
3. **Support communities and organizations within the zone;**
4. **Co-ordinate social and economic initiatives related to regional economic development;**
5. **Promote public participation and community education.**

The Ministerial Committee recommends that:

1. *These core functions be revised. The revised core functions of REDBs are to:*

1. **Develop and coordinate the implementation of a strategic economic plan (SEP) in each zone supported by an integrated business plan.**

REDBs must develop strategic economic plans that identify key economic sector priorities.

The strategic economic plans must incorporate an annual integrated business planning process that identifies the coordination of activities with key zone economic stakeholders and partners.

2. **Develop a strong partnership with municipalities in each zone that incorporates the strategies and priorities of municipalities in the economic planning process.**

REDBs must actively work with municipalities within their zones. The strategic economic plans of zones should be consistent with key municipal economic strategies and priorities where those priorities can advance the economic development agenda of a zone. It is recognized that REDBs cannot be planners for every community in their zones, but the strategic economic plans of the REDBs must reflect key opportunities within municipalities in each zone in order to further economic development. Municipalities must have strong representation on regional economic development boards. NLREDA and the NLFM must explore options to ensure the development of a strong working relationship. This will include the identification of joint councils, regional clusters of communities, as well as municipalities that must have a role in the REDB process.

3. **Develop partnerships in planning and implementation with Chambers of Commerce, Industry Associations, labour organizations, post secondary institutions, CBDCs, and other zones that advance and support the economic and entrepreneurial environment of a zone.**

REDBs must actively engage these key stakeholders with the intention of supporting business development activity and economic infrastructure. REDBs should create an entrepreneurial environment.

4. **Undertake capacity building and provide support to stakeholders to strengthen the economic environment of the zone.**

If the community at large does not have the necessary skills to be actively engaged and further the goals of a REDB strategic economic plan, then a REDB must address this requirement. REDBs must build organizational capacity within their zone in order to implement initiatives.

5. **Coordinate and facilitate linkages with federal /provincial /municipal government departments and agencies in support of the strategic economic plan.**

REDBs must work with the orders of government in coordinating and facilitating opportunities that have been identified through their strategic economic plans. Opportunities identified by REDBs to advance economic development will require the creation and development of effective and meaningful linkages with government departments and agencies that are essential to the success of an economic zone.

5.2.0 PLANNING / IMPLEMENTATION / ACCOUNTABILITY PROCESS

5.2.1 The Strategic Economic Plan

The Ministerial Committee agrees that an up-to-date strategic economic plan (SEP) should remain a key document in the development of an economic zone. An updated SEP should provide focus for a Regional Economic Development Board and a focus for government policy and investment. In the REDB planning process, the SEP must continue to outline the broad goals and activities for a zone board. The SEP, however, must continue to be a fluid document that is revisited throughout its life to inform and direct the board's activities.

REDBs are facilitators of regional economic development. They succeed when they foster partnerships with stakeholder groups, government, and other agencies. Stronger linkages between REDB planning and planning by

government departments and agencies will contribute to more complementary and achievable plans. Active planning participation by sub-zone groups must take place in order to instill community ownership and support of SEPs. Focused efforts must be undertaken in order to ensure planning is supported by objective research and analysis of regional capabilities and opportunities.

The development of the SEP should occur in cooperation with the three orders of government. Government must work with REDBs to ensure their strategic economic plans complement the economic priorities of government.

This process should be informed by:

- INTRD's Comprehensive Regional Diversification Strategy;
- ACOA 's economic development priorities;
- The NLFM and municipalities within each economic zone.

The SEP should contribute to both short and long-term outcomes. It is not the expectation of the committee that the SEP be re-written every year. There is a clear acknowledgement by the Committee that the development of a SEP is an involved process that requires consultation with the stakeholders of a zone.

There is, however, an expectation from the Ministerial Committee that the SEP not become a stale document. In order to assure stakeholders that there continues to be value placed in the SEP; the plan must be reviewed and renewed every three years. From a practical perspective, the renewal of the SEP may not require a changing of the goals and objectives, but rather an evaluation of targets and adjustment to changing circumstances.

The Ministerial Committee stresses that INTRD and ACOA must play a strong role in working with REDBs to develop and implement realistic economic development initiatives that have been championed by REDBs and bring benefit to the various regions of Newfoundland and Labrador.

The Ministerial Committee recommends that:

2. *A REDB review and renew its SEP every fourth year through an open consultation and evidence based process within the economic zone that includes the three orders of government.*
3. *A REDB review the SEP on a regular basis to inform its on-going planning activities including the development of the integrated business plan.*
4. *REDBs engage government to ensure that the activities of the SEP are informed by the economic development priorities identified by government for a economic zone.*
5. *All orders of government take a proactive approach in the development of the SEP and the resulting integrated business plan.*

5.2.2 The Integrated Business Plan

The integrated business plan (IBP) will combine information which has up until now been provided in the integrated work plan (IWP) and the REDB business plan. The integrated business plan is intended to identify specific activities with a clear indication of direction and provide information on projected board activities, time frames, and partners. Boards should prepare integrated business plans that are focused on specific sectors and are clearly tied to the SEP of a board. INTRD, ACOA and municipalities have an important role in the development of the IBP and should proactively participate in the process.

It is important that CED groups within a region work towards a common set of goals and objectives. The Ministerial Committee is hopeful that the integrated business plan will provide a strong operational guide to these activities.

The IBP should include:

- an Environmental Scan;
- identification of opportunities/issues which will provide an overview of the strategic sectors/economic opportunities that the Board will focus on over the next three years;
- management/operations outlining staff requirements necessary to implement the IBP;
- communications as identified in section 5.3.2;
- a detailed three year budget.

The activities of the integrated business plan will include:

- taking the action plans of partner organizations and identifying common goals and initiatives, and providing a comprehensive listing of the initiatives which all of the key partnership groups, including government, would like to see undertaken during the upcoming year. Some of these initiatives may be started, some may be at the approvals stage, or some may be new.
- These initiatives should relate to the SEP. Adhering to the SEP will ensure that REDBs are not trying to be "all things to all people." Where required, if targets have changed then this should be reflected in the integrated business plan.

The Functions and Benefits of an IBP are expected to include:

- serving as a communication tool, which encourages better cooperation and agreement on priorities;
- encouraging "buy-in" at an early stage in the development of initiatives;
- providing clarity of roles and responsibilities;
- providing for effective and efficient planning and implementation;
- providing for accountability;

- providing for improved team building within the organization and among partner groups;
- providing a focused approach to CED planning;
- building common goals and purpose.

The Ministerial Committee recommends that:

6. *INTRD and ACOA with input from NLREDA, will prepare a framework that will guide the development of the Integrated Business Plan for REDBs.*
7. *The IBP, which is informed by the SEP, will be a requirement for the renewal of funding and will form the basis of negotiations for renewal.*
8. *The lead government agencies, INTRD and ACOA, through formal joint reporting will provide clear and timely direction as to their economic priorities, which includes input from other provincial and federal departments and agencies.*
9. *The IBP should be directed to the Deputy Ministers of relevant provincial departments and agencies and senior federal officials once they have been developed and updated.*

5.2.3 Implementation

Since the inception of REDBs there have been major shifts in stakeholder capacity to implement projects. In some cases this capacity has been negatively affected by such factors as the down-turn in the fishery and out-migration.

A key role for REDBs is to build capacity of stakeholders including the private sector within the zones that allows various groups to become implementers of their initiatives. Implementation capacity currently varies by zone. In some cases, zone boards are the only agencies that are able to implement projects. In cases where initiatives can significantly contribute to regional economic development and the capacity does not exist elsewhere to implement the initiative, zone boards should be encouraged to take the lead implementation role.

In cases where zone boards take the lead implementation role, however there must also be a clear divestiture plan in place to ensure that zone boards do not maintain long-term ownership of initiatives. Zone boards must focus mainly on long-term regional economic development, not developing specific projects. While there can be a fine line between these activities, an exit strategy should permit a zone board to maintain its focus when it becomes involved in implementing specific projects.

If a zone board assumes an implementation role, it must do this with the direct intention of building zone capacity in order for another zone organization or group

to assume control of an initiative. REDBs that continue to add projects and staff to their organizations become administrators rather than planners. Continued long-term implementation by zone boards may be an indication that the zone board is not building zone capacity and should be discouraged.

The Ministerial Committee recommends that:

10. *REDBs develop zone capacity for stakeholders, including the private sector, to implement economic initiatives. REDBs should continue to develop zone capacity for other organizations to develop their own and REDB initiatives.*
11. *Zone boards be permitted to implement initiatives where the capacity of other organizations in the zone to implement such initiatives is missing. Where REDBs take the lead role in the implementation of a project, there must be a clear exit strategy in place. The use of an exit strategy should make strong business sense and not compromise the development of an initiative.*

5.2.4 Accountability Framework

The annual review of REDBs must be based on their actual activities as they relate to their planned activities. Government must expect REDBs which have developed integrated business plans to advance the economic agenda of their zones. Boards should be measured against their annual integrated business plans and specific activities related to the integrated business plan.

The Ministerial Committee recommends that:

12. *There must be an annual review of individual zone board activity based on the IBP and specific activities identified by ACOA and INTRD in the annual renewal.*
13. *A joint accountability framework be developed by government with clear expectations and targets established based on the SEP, IBP and the resulting activities from those plans.*
14. *Through the renewal process, zone boards must clearly demonstrate actions that indicate they have worked with businesses and municipalities.*

5.3.0 REDB STRUCTURE

5.3.1 The Number of REDBs

There are changing circumstances within individual zones, including demographic and infrastructure profiles which may warrant a reassessment of current zone structures, the number of boards, and board boundaries.

The research that has been presented to the Ministerial Committee at this time does not provide sufficient evidence to support the Committee recommending changes to the number of REDBs, but the Boards themselves are encouraged to review their own circumstances in collaboration with neighboring boards.

The Ministerial Committee recommends that:

- 15. If zone boards see merit in the consolidation of existing zone structures due to changing economic and demographic circumstances, they should be encouraged to explore opportunities to merge board structures and/or board boundaries.*
- 16. That the orders of government in consultation with NLREDA conduct a diagnostic over the next three years on the number and boundaries of REDBs to inform future direction.*

5.3.2 Communication Plan

Zone boards have communicated their messages and activities with varying levels of effectiveness. Zone boards need to develop communication plans that have zone specific applications and implications and ensure better information flow to stakeholders.

A focused mandate and engagement of board members with stakeholders will have a strong impact on communication.

Another consideration of a board communication plan must be the communication of board members to their constituent groups. A mechanism should be devised that allows board members to indicate to their board and government that this activity is occurring.

The Ministerial Committee recommends that:

- 17. REDBs include communications strategies with their integrated business plans. This activity must enhance a REDB's focus on economic development.*
- 18. The reporting activities of board members be reflected in the annual renewal process.*

5.3.3 Board Governance

The Ministerial Committee recognizes that the REDB process is led and should continue to be led by volunteers. One of the activities of this Committee is to make recommendations it feels will strengthen the capacity of volunteers to operate within the regional economic development environment.

The Ministerial Committee also recognizes that the central activity of a REDB is economic development. In order to ensure that activities are definitively tied to economic development, the committee is recommending that board governance reflect an economic composition.

The Ministerial Committee has identified some of the characteristics of a strong board which include:

- a board executive or at least a portion that have a business background;
- boards which have a strong relationship with key municipalities and key organizations;
- boards that have active committees in a zone.

The recommendations of this Committee regarding board governance will support these characteristics.

The Committee also recognizes that boards often require specific skill sets that will assist them in their activities. The question of how to bring those skill sets to a board has been raised. The committee is recommending that a board adopt a structure which continues to elect volunteers, with some elected seats reserved for competency-based requirements. These requirements may be sector specific, financial, or any appropriate area identified by a board.

Board size is another factor that the Ministerial Committee has considered. Boards should be manageable in size and focused on key stakeholders to advance the integrated business plan.

The REDBs should enforce their by-laws regarding terms, director removal and accountability. Some of the problems encountered may be tempered by the enforcement of these regulations. For example, many boards have by-laws stating that if three or more meetings are missed, then it is automatic for that director to be removed.

The Ministerial Committee recommends that:

- 19. Board composition reflect economic opportunities by including business and municipal seats. Others should be included only if an important linkage to economic development can be demonstrated.*
- 20. The composition of a board should reflect the economic realities of a zone. Realizing, identifying and responding to zone differences will strengthen the economic effectiveness of REDBs and will improve the contribution to the economic development of Newfoundland and Labrador.*
- 21. A board aim to have a cap of 14 individuals including a chair.*
- 22. Boards establish a membership committee which will review specific membership requirements of the board. The membership committee will*

identify and recommend individuals to participate on the board in competency based seats.

- 23. Boards undergo an annual internal review of their committee structure to ensure that it is fulfilling the needs of the zone. This process will be a requirement of the overall funding arrangement.*

5.3.3.1 Board Recruitment / Succession Planning / Terms

Recruiting strong board members and succession planning are key activities in the creation and continued success of a board. Boards must have strong recruitment strategies and plans for filling vacant positions.

The strength of an organization is in its diversity. If boards are to continue to evolve and develop as organizations, they must address the need to recruit new members and plan for membership changes.

Many REDBs have a small volunteer base from which to draw. If the length of time a volunteer can serve is restricted, this may impact on the level of board engagement at the local level. Many boards however, currently do not restrict the length and amount of terms an individual member can serve. This has resulted in cases where board members have served on a board since it was created. This practice can result in boards becoming stagnant and failing to generate new ideas. This could reduce the level of community responsiveness in general.

The Ministerial Committee recommends that:

- 24. The membership committee should recommend a succession planning process that is reported on at the Annual General Meeting of the board.*
- 25. The succession plan be reported on at the annual renewal process.*
- 26. Terms on REDBs be limited in order to encourage diversity. Terms should be limited to a total of six successive years.*

5.3.3.2 Role of committees

A strong committee structure contributes to the development of a strong REDB. A board with an active committee structure has an advanced support system. The presence of committees can alleviate constraints on the activities of a board which may include administrative details. Committees can also be sector specific and strengthen a board's ability to deal with key economic priorities.

A strong committee structure ensures that board members and community stakeholders are actively engaged in the process. A strong committee structure is a positive way of facilitating community participation.

The Ministerial Committee recommends that:

27. *Committees of REDBs be composed of stakeholders from the community and board members. This is an opportunity to engage more people at the community level.*
28. *All REDBs be encouraged to develop their committee structures. These structures should reflect the board SEP/IBP priorities and be developed with a terms of reference. The terms of reference should include a reporting procedure. These activities should be highlighted in the renewal process.*

5.3.4 Board Orientation

REDBs must ensure an effective and comprehensive orientation session and package for their board members.

A board orientation process should include a thorough communication of the strategic economic planning process and the development of integrated business plans. Board members must also be made aware of their roles and responsibilities not only to the board but to their respective stakeholders.

The Community Capacity Building program of INTRD offers an orientation module which has been delivered to boards in the past. This orientation can be modified to ensure that the points of this recommendation are met.

The Ministerial Committee recommends that:

29. *All boards conduct board orientation sessions on a yearly basis. These sessions help to build zone board awareness and capacity. No organization is beyond this stage of the process, especially a process that is driven by volunteers. The orientation sessions should include the following topics:*
 - a. *A presentation of the strategic economic plan and the integrated business plan;*
 - b. *A stated economic agenda;*
 - c. *A presentation on strategic planning;*
 - d. *A presentation on the local economy of the region*
 - e. *A presentation on roles and responsibilities, including accountability to respective stakeholder groups;*
 - f. *A presentation on directors' legal liability;*
 - g. *A presentation on board governance.*
30. *The boards use INTRD's Capacity Building program to facilitate this process with modifications where required to ensure all components of an orientation session are included.*

31. *The REDBs conduct an annual orientation for board chairs that will provide guidance in specific areas that are important for a chair to properly perform his or her duties.*

5.3.5 Board Meetings

Boards should hold at least 10 board meetings per year. Ensuring a truly integrated planning process and discussion is very important to a board's development. Continued dialogue by the board is a major contributor to opportunity identification and progression.

The Ministerial Committee recommends that:

32. *All boards convene at least 10 board meetings per year.*
33. *Boards use these meetings for planning and focused economic development discussion. Minimal time should be allocated to address administrative details.*
34. *All REDBs have an executive committee which will be a committee of the board.*
35. *Boards initiate executive meetings to address administrative requirements.*
36. *Boards initiate training for meeting management for executive members of the board.*
37. *REDBs should enforce their by-laws in cases of poor attendance and performance issues.*

5.3.6 Staff Development and Planning

There are several human resource issues facing REDBs. One key success factor for a REDB is ensuring that staff have the necessary qualifications to address the economic planning requirements of a zone. Ensuring that REDBs have the necessary human resource tools to support the hiring process is important. This is part of an overall process that requires REDBs to have strong human resource policies and practices. The membership committee of a REDB, as proposed in this document, should collect the necessary resources and ensure the necessary competencies exist within the organization to adequately address any hiring issues.

Another human resource issue for REDBs is the funding for staff positions. This funding should be as stable as possible and permit activities that will strengthen REDB activities.

Performance evaluations are another key part of REDB human resource issues that needs to be further developed. Performance evaluations should be required for all staff of zone boards.

The Ministerial Committee recommends that:

- 38. Stable funding be provided for zone staff committed to economic development.*
- 39. Each zone board conduct performance evaluations of its staff. This recommendation should be adopted in the REDB's policies and procedures manual.*
- 40. Each zone board report annually on its human resource policies.*
- 41. INTRD and ACOA, in cooperation with NLREDA, develop a human resource handbook for REDBs.*

5.4.0 MUNICIPAL ROLE

The Ministerial Committee recognizes that municipalities are important stakeholders in the REDB process. Municipalities bring resources and infrastructure. It is important to ensure that REDBs work with and link the economic objectives of municipalities with the planning process of a board. This does not suggest that REDBs become involved with municipal planning but rather that the working relationship between municipalities and REDBs on issues that relate to economic development be strengthened.

The signing of a Memorandum of Understanding between NLREDA and the NLFM represents a positive step in strengthening the relationship between the two groups.

The objectives of the MOU are to:

- increase the collaboration between the NLFM and NLREDA and their respective members;
- Increase information sharing and coordination of communication activities;
- seek opportunities to advance joint goals for regional economic development.

The Ministerial Committee recognizes that these objectives are important to economic development, but it also recognizes that the MOU must be supported by clear actions that will provide tangible outcomes.

Enhancing the relationship between municipalities and REDBs will support the overall economic development of a zone.

The Ministerial Committee recommends that:

- 42. Municipalities and the NLFM become more involved in the REDB process.*
- 43. NLREDA and the NLFM determine mechanisms to encourage the operationalization of the MOU.*

44. *As key stakeholders in economic development, municipalities inform the REDB planning process for both the SEP and IBP to ensure that valid municipal economic priorities are considered in the REDB planning process.*
45. *Municipalities through the NLFM enter into negotiations with the federal and provincial governments to explore a mechanism for the NLFM to contribute financially to regional economic development through the REDB process.*

5.5.0 PARTNERSHIPS

It is important that REDBs build strong partnerships with key stakeholders in each zone. As identified in the revised core functions, REDBs must develop strong relationships with Community Business Development Corporations (CBDCs), Industry Associations, Chambers of Commerce, Post Secondary institutions and other key economic development organizations.

The partnerships of a board must reflect the economic development role of a zone board. With the increased emphasis on economic development, boards must be strategic in maintaining and managing key partnerships, particularly with municipalities and with the private sector. Identifying strategic linkages with key partners will enhance a zone board's ability to influence economic development within the economic zone.

Partnering with key economic development organizations will provide REDBs with increased access to resources that will assist the progress of REDB economic development priorities.

The Ministerial Committee recommends that:

46. *REDBs develop their relationship with CBDCs, industry associations, chambers of commerce, post secondary institutions and other key organizations within their zone to support their economic development agenda.*

5.6.0 NEWFOUNDLAND AND LABRADOR REGIONAL ECONOMIC DEVELOPMENT ASSOCIATION

The role of NLREDA is to provide coordination to REDBs at a pan provincial level. NLREDA should operate within specific parameters that allow it to provide templates and models to its membership. NLREDA's role should be to act as disseminators of useful information and support.

NLREDA has outlined the following activities in its coordinating role;

- Partnerships: Partnering with federal and provincial government departments and agencies, as well as national and provincial organizations to further regional economic development in Newfoundland and Labrador. This activity is highlighted by the MOU signed between NLREDA and the NLFM.
- Communications: NLREDA will promote and improve internal communications with its membership.
- Advocacy: Acting as an advocate on behalf of the REDBs on provincial issues of common concern.
- Research: Disseminating information from various sources or providing direction and brokering services to its membership as to how or where required information may be located.
- Human Resource and Organization Development: In an advisory capacity where resources permit, NLREDA will provide human resource and organizational development assistance to its membership.
- Coordination: NLREDA will assist its membership and partners in coordinating provincial initiatives related to regional economic development.

The Ministerial Committee views these core functions as important to the REDB process with focused and efficient delivery.

The Ministerial Committee recommends that:

- 47. NLREDA's activities be conducted in the context of providing information and support to its membership.*
- 48. NLREDA remain an organization that draws upon the strengths and best practices of its member organizations in order to fulfill its mandate.*
- 49. The activities of NLREDA will be negotiated through the renewal process.*

5.7.0 GOVERNMENT

5.7.1 ACOA/INTRD Relationships

INTRD and ACOA must continue to work cooperatively to ensure that regional economic development policy is consistent at both levels of government. INTRD and ACOA need to review and respond to any inconsistencies that may develop.

In the spirit of partnership, both levels of government should remain open to such activities as sharing information, having stronger collaboration, and conducting joint evaluations. It is beneficial if both levels of government explore opportunities to work collaboratively on pan provincial issues including communications, training, capacity building and planning frameworks. Other

opportunities exist for the development of best practices and strategic partnerships.

The Ministerial Committee recommends that:

- 50. A protocol committee composed of ACOA, INTRD, the NLFM and NLREDA meet to review REDB issues, including pan provincial program initiatives and future direction. A terms of reference will be established by all parties for this committee.*
- 51. A Management Group comprising senior federal and provincial government staff be created that will provide support and coordination of government policies and priorities to the REDB process.*
- 52. ACOA and INTRD, with input from NLREDA, develop a policies and procedures manual for the REDB process.*

5.7.2 Government Department and Agency Education

There is a need to have better government department/agency integration and understanding of economic development.

It would be beneficial for INTRD and ACOA to develop an orientation session that could be delivered to relevant government departments and agencies regarding regional economic development. These orientation sessions would need to be structured in manner that explains the regional economic development process including the role of REDBs as well the intentions of the federal and provincial governments in promoting the economic development of Newfoundland and Labrador. These sessions would inform front-line delivery people of the integrated business plans and the information that they contain. These sessions must be developed in a manner that engages front line delivery staff into the integrated business planning process.

There are structural opportunities that exist between various departments and agencies and ACOA and INTRD that should benefit the overall effectiveness of regional economic development.

The Ministerial Committee recommends that:

- 53. INTRD and ACOA in consultation with NLREDA, develop a REDB orientation session for federal and provincial government departments and agencies.*
- 54. INTRD take the lead role in informing key provincial government departments and agencies on the process and importance of regional economic development.*

55. *ACOA take the lead in informing key federal government departments and agencies on the process and importance of regional economic development.*
56. *On a semi-annual basis the REDBs through NLREDA provide senior government staff of key departments and agencies an information session on the status of integrated business plans and key economic initiatives.*
57. *Provincial government managers, through the Regional Councils of Provincial Government Managers, meet regularly with REDB representatives to be updated on and explore opportunities to further key initiatives highlighted in the integrated business plans. Prior to the first meeting with the Regional Councils, INTRD should meet with REDBs in a region to establish a committee that will meet the Council and that is reflective of the REDBs in that region.*

5.7.3 Zone Board/Government Relationships

Zone boards need to build stronger and more consistent relationships with the departments and agencies of government.

Government must work to ensure that departments and agencies are familiar with zone boards and how zone boards can benefit from good relations with government to support their efforts in regional development in Newfoundland and Labrador.

The Ministerial Committee recommends that:

58. *Where operational challenges exist with provincial departments and agencies, INTRD will facilitate the process where required at the field and corporate level.*
59. *NLREDA work with INTRD and ACOA to inform the regional economic development policies of both orders of government based on best practices that have been developed by REDBs.*
60. *Enhance the capacity building program to identify and address areas that will support the development of the integrated business plans of a zone including project management.*
61. *Further develop the Business, Retention and Expansion program and opportunities with the Federation of Co-operatives to advance the business development and growth agenda in economic zones.*
62. *NLREDA be given the opportunity to put forward to INTRD an annual presentation for the Economic Initiatives Committee of Cabinet.*
63. *INTRD advance to the Economic Initiatives Committee of Cabinet, where appropriate, economic priorities of REDBs.*

6.0 Conclusion: Strengthening Regional Economic Development

Environmental pressures throughout Newfoundland and Labrador have raised the importance of developing our regional economies and the ability of community to advance opportunities that will strengthen their regions. Working to meaningfully impact economic development requires a collaborative based approach that builds on and utilizes the strengths of key stakeholders throughout Newfoundland and Labrador. The ability and structure of a REDB to bring key economic stakeholders together to plan, develop and inform government can and should be a valuable commodity in our overall approach to economic development. This Committee has met over 11 months to review and discuss information and develop recommendations that strengthen the on-the-ground approach taken by community.

This committee has revisited and revised the core functions of the REDBs to strengthen their economic development focus and provide clarity as it relates to their role in the overall regional development process. The role and importance of municipalities in the REDB process has also been enhanced in recognition of the key role that they should play in the economic development of our province. Structural REDB issues have been examined in an effort to streamline the process and better capitalize on economic development opportunities. The desire for government to be informed by and work with community has also been solidified in this review.

There is a clear desire by this committee to ensure that REDBs are positioned to fully inform all levels of government of their economic development initiatives. Key to the overall process is an effective relationship between the federal and provincial governments. This report represents a commitment to ensure the development of opportunities that will meaningfully impact the prosperity of Newfoundland and Labrador.

Appendix A:

Diagram of Core Functions indicating level of activity highlighted by a color along a continuum of activities from idea generation to initiative development.

Core Functions

1. **Develop and coordinate the implementation of a strategic economic plan (SEP) in each zone supported by an integrated business plan.**


2. **Develop a strong partnership with Municipalities in each zone that incorporates the strategies and priorities of municipalities in the economic planning process.**

3. **Develop partnerships in planning and implementation with Chambers of Commerce, Industry Associations, labour organizations, post secondary institutions, CBDCs, and other zones that advance and support the economic and entrepreneurial environment of a zone.**

4. **Undertake capacity building and provide support to stakeholders to strengthen the economic environment of the zone.**

5. **To coordinate and facilitate linkages with federal /provincial /municipal government departments and agencies in support of the strategic economic plan.**

Idea Generation Research of Sectors and Opportunities Formulation of a SEP Infrastructure Business Climate Pre - Initiative Initiative Development



Appendix B

Map of 20 Economic Zones

