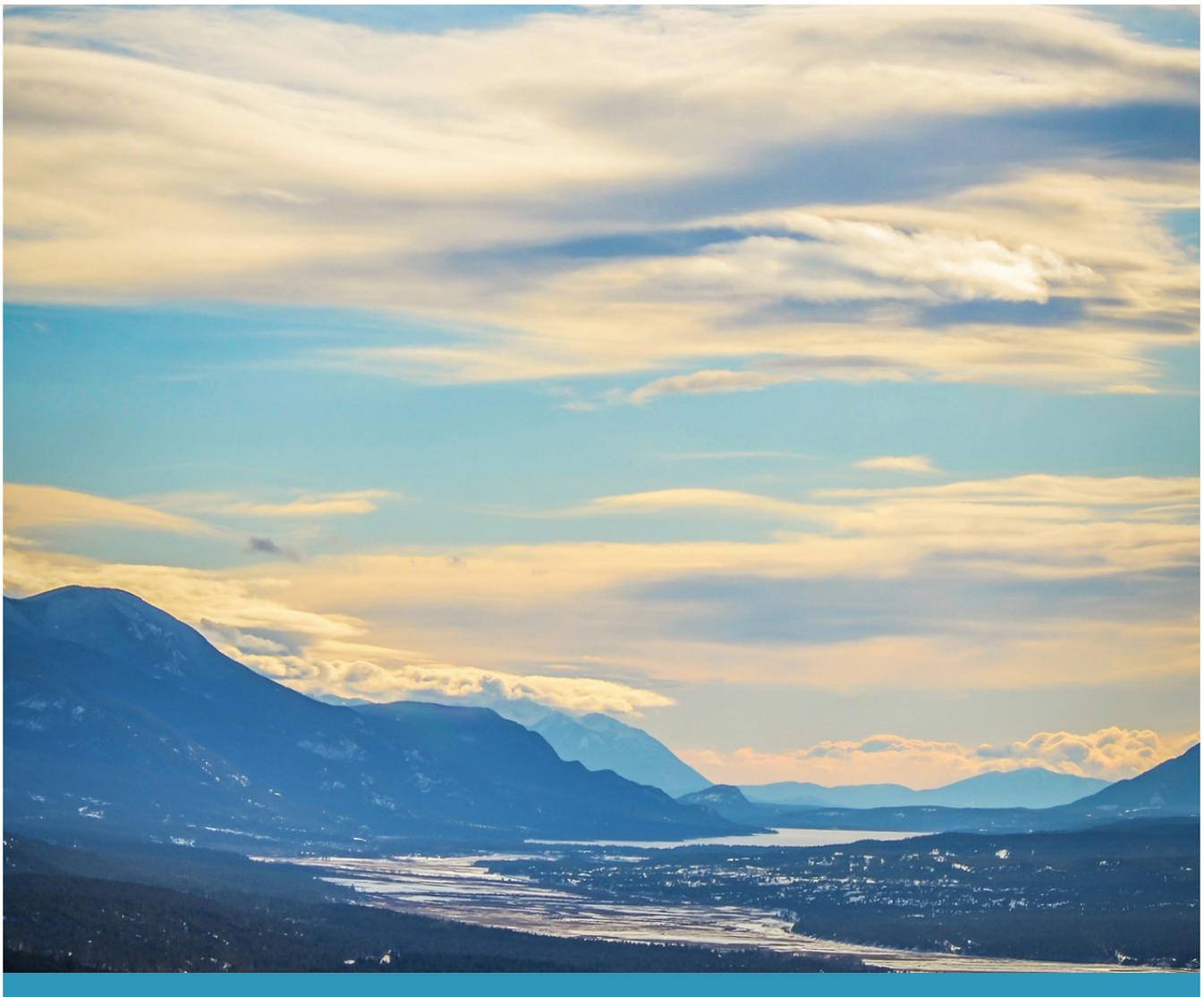


REGIONAL DISTRICT OF EAST KOOTENAY -
2021 APPLIED RESEARCH PROJECT

Exploring Options for Local Economic Development Delivery Models



APPLIED RESEARCH
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EXECUTIVE SUMMARY

This project responds to the research question: “what models of local economic development exist, and which would be appropriate for the Regional District of East Kootenay’s Columbia Valley sub-region?” The goals of this study were to:

- 1) Identify and explore the potential and suitability of models of local economic development;
- 2) Identify and understand needs and ideas related to the current Columbia Valley Economic Development Advisory Commission approach; and based on #1 and #2
- 3) Provide evidence-based advice to the Regional District of East Kootenay (RDEK).

To deliver on the goals of this study and respond to the research question the research team completed a literature review; conducted targeted interviews within the RDEK; conducted targeted interviews with representatives from external (non-RDEK) examples; and prepared a summary report of the findings.

Key Findings

Models

- There are three overarching models of economic development service delivery: internal to local government, external to local government, and a hybrid model.
- These models exist on a spectrum where existing approaches may lean toward one end or the other, however a trend was observed of models moving toward the centre – to a co-constructed, hybrid model.
- **There is no single model that is superior to others.**

Columbia Valley

- The Columbia Valley approach can be described as an internal leaning hybrid model.
- There are five aspects of the current approach that were commonly identified as working well: having political support; the networking abilities of the Economic Development Officer (EDO); maintaining and implementing a strategic plan; having open meetings; and the involvement of First Nations.
- There are five aspects of the current approach that were commonly identified as needing improvement: (in)active engagement; organizational shape; decision making structure; clarity in roles and responsibilities; and alignment on scope.

Key Factors Influencing Success

- Seven enabling and supporting factors were identified by interviewees as being critical to success: communication and information sharing; engagement and relationship building; diversity and inclusion; planning; funding; political support; and human capacity.
- **Of the key success factors communication and information sharing received the most attention.**
- Seven barriers and challenges were identified by interviewees as impacting success: administrative structure; clarity and alignment; competition; funding; human capacity; data and information; and the intangible aspects of economic development.
- **Columbia Valley interviewees frequently mentioned challenges related to competition and data and information; while interviewees from other external examples mentioned funding more frequently.**

Next Steps for the RDEK

- Three items for consideration have been identified for the short term:
 - Maintain existing strengths;
 - Clarify and align Advisory Commission perspectives on scope, roles, and responsibilities; and
 - Enhance the autonomy of the EDO position.
- Four items for consideration have been identified for the long term:
 - Shift governance further toward the middle of the spectrum;
 - Build an Equal Partnership;
 - Integration not Competition; and
 - Regional and Provincial Collaboration.

1. INTRODUCTION

Economic development is consistently identified as a top priority, particularly within the context of the response to and recovery from the COVID-19 pandemic. Once considered to be the responsibility of provincial and federal governments, the role of local government in economic development has expanded since the late 1990s/early 2000s with local governments increasingly taking on more responsibility and activities.^{1,2}

How local governments approach economic development varies widely. There are opportunities to tailor local approach, scope, and scale to best suit communities and regions. However, this can result in a daunting number of options, making it challenging to understand what approach is most appropriate.

The Regional District of East Kootenay (RDEK) is responsible for delivery of economic development services in the Columbia Valley. In 2021, the RDEK approached Applied Research and Innovation at Selkirk College with an idea to conduct a research project exploring the current approach to the delivery of economic development services in the Columbia Valley and to research alternative options. The research question posed was “what models of local economic development exist, and which would be appropriate for the RDEK’s Columbia Valley sub-region?”

Based on this question the goals of this study were to:

- 1) Identify and explore the potential and suitability of models of local economic development;
- 2) Identify and understand needs and ideas related to the current Columbia Valley Economic Development Advisory Commission approach; and based on #1 and #2
- 3) Provide evidence-based advice to the Regional District of East Kootenay.

In order to deliver on the goals of this study and respond to the research question, four objectives were identified:

- 1) Complete a literature review of relevant examples of local economic development combined with a review of broader literature on local economic development. Identify and describe the overarching economic development service delivery models.
- 2) Conduct targeted interviews within the RDEK/Columbia Valley to:
 - Inform model descriptions,
 - Identify needs, and
 - Better understand experiences with the existing approach to local economic development in the Columbia Valley.
- 3) Conduct targeted interviews with representatives from external (non-RDEK) examples of local economic development delivery approaches to:
 - Inform model descriptions,
 - Identify lessons learned, and
 - Better understand factors that drive success.
- 4) Prepare summary report of objectives 1-3, emphasizing the applicability and relevance for RDEK.

This report presents the results of this study and is organized as follows: overview of the methodology (Section 2); presentation of findings (Section 3); discussion of relevance for RDEK (Section 4), and conclusions (Section 5).

2. METHODOLOGY

The research team took a qualitative, case study approach. This is a common research technique used when there is minimal established literature specific to the topic (i.e., local economic development services) or place (i.e., rural British Columbia) and is used to study and better understand a complex topic through existing examples.³

2.1. Data Collection

The methods used were a literature review and content analysis and semi-structured interviews.

Literature Review and Content Analysis: A targeted review was completed first and focused identifying two types of literature. The first group generally explored local approaches to delivery of economic development services in rural communities. The second identified and provided details on existing rural examples of local approaches to delivery of economic development services. Both peer review and grey literature were identified through targeted searches. Documents were also provided by the RDEK, interviewees, and other subject matter experts. Emphasis was placed on documents focused on rural BC in order to ensure relevance to the RDEK, although some non-BC examples were included for additional context.

Semi-Structured Interviews: Semi-structured interviews were conducted with two target groups. The first group focused on key individuals related to the existing RDEK/Columbia Valley Economic Development Advisory Commission. These interviewees were identified by the RDEK. The data gathered through these interviews formed the basis of a situational analysis of the existing Columbia Valley approach. This data was also used to situate and support the identified recommendations to ensure relevance for the RDEK.

The second group of interviews targeted individuals associated with other existing examples of local economic development within comparable locations and jurisdictions in rural BC. Interview data gathered provided detail and clarification to the findings of the literature review, as well as providing valuable lessons for the Columbia Valley. These interviewees were identified through the literature review.

The interview process was approved by the Selkirk Research Ethics Board (#2021-010). Twenty individuals were invited to complete an interview (11 RDEK/Columbia Valley and 9 from other case studies). Fourteen individuals accepted the invitation (8 RDEK/Columbia Valley and 6 from other case studiesⁱ). The interview topic guide included open-ended questions related to the existing structure and mechanics of the model, funding structure, functionality, and changes (see final question guide included in Appendix A).

2.2. Analysis

The overarching analytical approach was a case study approach, focused on explanation building. RDEK input was sought through regular project meetings.

The literature was analyzed for two purposes. First, to understand key variables that we could use to identify and describe the overarching models. Second, to identify and match existing examples to an appropriate model, as well as to identify lessons learned. Additional factors of interest were identified and described. Findings from the literature review and content analysis were triangulated and compared to the interview findings.

Due to the ongoing COVID-19 pandemic, interviews were completed digitally and were recorded and transcribed using Zoom. Systemic qualitative analysis of transcripts was completed using NVivo Qualitative Analysis Software. The analysis instruction guide was developed and shared between the primary researcher and student research intern. Coding was done independently by the student research intern and was followed by a post-coding review and discussion of the results with the project team. The analysis of interview data began with predetermined (closed) codes based on an existing conceptual framework designed to respond to the research question. An emergent (open/not pre-determined) coding approach was subsequently applied to identify themes and topics of importance.

2.3. Limitations

The focus of project was on the “how” aspect of economic development service delivery, meaning the emphasis was on the structure and mechanisms, as opposed to the specific topics and activities. Regarding the literature review, a targeted search was conducted, as opposed to a systemic (comprehensive) literature review. Regarding the interviews, there are additional individuals from the Columbia Valley whose input would have resulted in a more comprehensive project. Additionally, for the other existing examples, the project team interviewed one individual per example – resulting in a more limited understanding of perceptions of these other cases. It is possible that the opinions around these cases could diverge between respondents. From an analytical perspective, having coding led by a single individual

ⁱ Note: one interviewee was able to speak to both perspectives – Columbia Valley, as well as other case studies.

may result in biased results due to the perceptions of that individual. The project team attempted to account for this by having a team review and discussion of the coding results. The decisions that led to the above limitations were made as a result of the limitations of the project timeline and budget.

3. FINDINGS

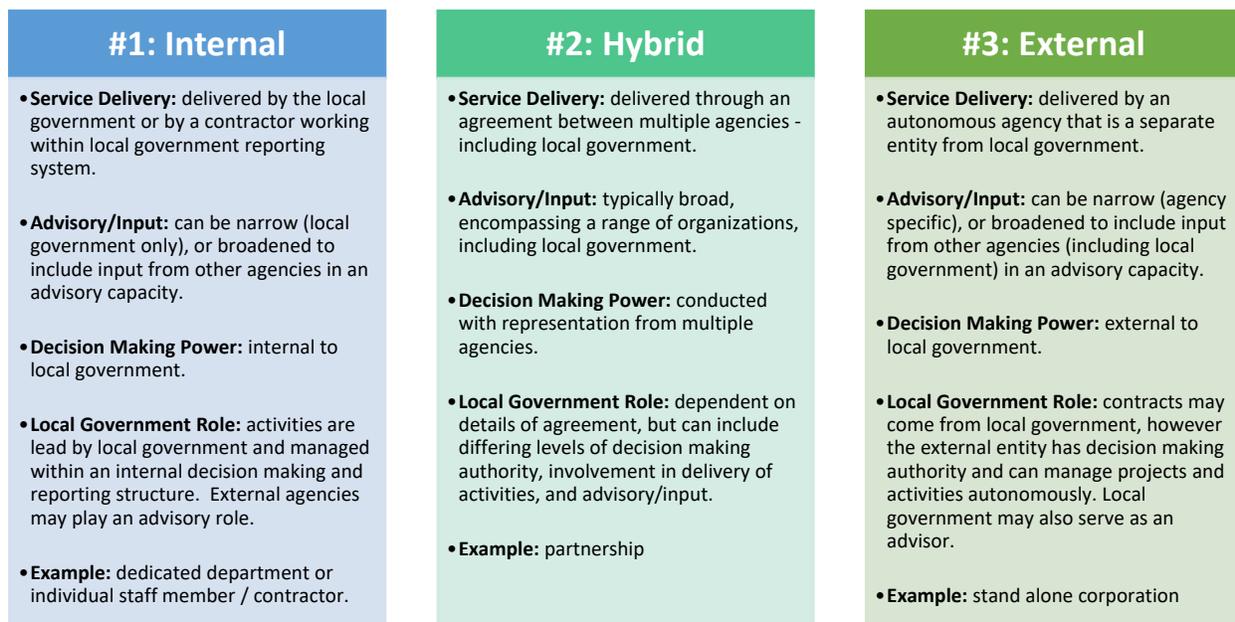
3.1. Overarching Models of Local Economic Development

“Models” are a simplified understanding of existing examples and approaches. Within the delivery of local economic development services there may be dozens or even hundreds of unique approaches, owing to the wide range of activities, changes, and pressures.⁴ But these unique approaches also share commonalities, fitting into a smaller number of overarching models. Within the literature, overarching models have been identified and discussed in different ways.

Through the literature review, several variables were identified that are relevant to the creation and discussion of overarching models, including governance and administration structure; legal structure; scale; scope; collaboration, and funding. Each of these variables can be combined in different ways on the ground – resulting in a large number of existing approaches. It is important to note that this variable list does not include the factors that enable or challenge the success of the models. These factors are identified and discussed in Sections 3.2 and 3.3.

In conversation with the RDEK, we focused on governance and administrative structure and its relation to local government as the basic model variable. Governance and administration structure are understood to include decision making authority, execution of activities, and advisory (input). This focus on governance is not unique, and similar approaches are found in the literature. For example, one study identified two overarching models: the municipal model (internal) and the not for profit corporation model (external).⁵ However, based on our review of both the literature and existing examples, we identified three overarching models: internal, hybrid, and external (see Figure 1 for description).

Figure 1: Overarching Models of Local Economic Development Service Delivery



The literature review, as well as interviewee responses indicates that there is no single model that is superior to others. What model is best is place and time specific. Each has benefits, risk, and challenges. Often the benefits and challenges can be different sides of the same topic. For example, a benefit to full internal approach can be a high level of

transparency and accountability, however this can involve a complex reporting structure and lengthy timelines.⁵ A fully external approach may have the benefit of being simple, timely, and responsive, but may be less accountable.⁵ A comparison of key differences between internal and external models was well articulated by a 2014 study in a comparative table (see Appendix B).

From the initial literature review, few examples were identified as internal – either through self-identification or by matching the identified characteristics. However, it was noted that historically this was a common approach. This finding was corroborated by interviews. Of the 14 interviewees, zero identified as an internal model. One interviewee from an existing approach outside the Columbia Valley noted that in the past they took an internal approach, but has shifted over time to a hybrid in order to enable a more flexible administrative structure and to allow the Economic Development Officer more decision making power. Interviews and literature showed a move away from the purely internal model.

Within the literature and interviews, a small number identified as externals.

Within the literature, collaborative features like advisory committees appeared in both internal and external models.⁵ Other cases demonstrated a clearly hybrid approach. The majority of interviewees we spoke to identified as neither internal nor external – substantiating the addition of the hybrid model. However, although 11 of 14 interviewees identified with the hybrid model, some noted that they “leaned” toward being internal or external, suggesting a division within the hybrid models. Based on interviewee comments, whether they leaned to one side or the other was primarily determined by where the decision making power was held, but also who is responsible for execution of activities and who provides input.

It is possible that the “hybrid” approach has grown out of a desire to achieve the benefits or avoid pitfalls of the two extremes. It is also possible that the hybrid approach is more prominent in rural locations. Future research could explore these topics.

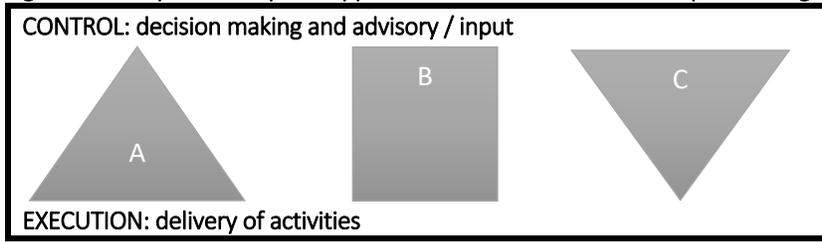
Based on the details provided by interviewees, rather than three discrete overarching models as illustrated in Figure 1, there appears to be a spectrum where any single example could sit at / move along different parts based on the three main aspects of governance and administrative structure (see Figure 2).

Figure 2: Spectrum of Local Economic Development Service Delivery



Beyond the overarching delivery model, the structure of each individual approach differs greatly depending on the number of organizations and individuals involved and the roles that they play. These structures can be visualized as shapes. An approach with centralized control with one individual or one agency, but a large number of people or organizations executing activities would look like example A (see Figure 3). An approach with a large number of people or organizations providing input and decision making, but with a single person executing activities would look like example C (see Figure 3). Shape differs across and within the basic models and within the spectrum. You can have shape A in all three overarching models. You can also have rectangles and triangles in the same model type.

Figure 3: Examples of Shape of Approach Based on Number of People and Organizations Involved



There are also other variables that apply across the models. Each of the following variables has a range of options and combinations, regardless of the overarching model.

- **Legal structure:** existing approaches are established and delivered under a range of legal structures, including memorandums of understanding, municipal bylaws, partnerships, not for profit societies, and incorporated for-profits.
- **Scale:** existing approaches are delivered at a range of scales, starting at a single community or municipality and increasing the numbers of jurisdictions involved generally up to a sub-regional level that is smaller than a regional district.
- **Scope:** the areas of focus for existing approaches range from narrow, single areas of focus (e.g., investment attraction) to broad and all encompassing (e.g., community economic development), led by locally identified priorities.
- **Collaboration:** the number of organizations involved in existing approaches ranges substantially.
- **Funding:** there is a spectrum from core funded by local government to grant dependent. Most existing examples are a mix of the two. Core funding sources from local government are generated through avenues like resident taxes or service fees (e.g., business licenses). Grant funding primarily includes both regional sources (CBT, ETSI-BC) and provincial sources. There are also examples of fee for service revenue generation.

3.2. What model reflects the current Columbia Valley approach?

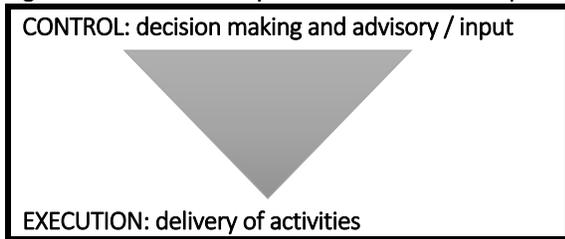
Of the 14 interviewees, 8 of them represented the Columbia Valley. All of the Columbia Valley interviewees identified the current model as a hybrid. However, the same interviewees also noted that the current approach concentrates decision making power and administrative authority with the RDEK, resulting in an internal leaning hybrid (see Figure 4).

Figure 4: Columbia Valley Local Economic Development Service Delivery: Delivery Model Spectrum Placement



In terms of shape of the organization, the observations of Columbia Valley interviewees indicate that while the advisory/input includes multiple organizations, the concentration of execution of activities is with one individual (see Figure 5).

Figure 5: Columbia Valley Local Economic Development Service Delivery: Approach Shape



The benefits and challenges of the current delivery model, and organizational shape were reflected in interviewee responses to questions on what is currently working well and where there are areas for improvement.

While the Columbia Valley interviewees largely agreed on what is working well and where there is area for improvement, there was some disagreement, which is further discussed below. When there was disagreement it was consistently between two groups – Advisory Commission members who are also RDEK board members and Advisory Commission members who are not. While all Advisory Commission members have equal say in Advisory Commission decisions, it was observed that these decisions are recommendations to the RDEK and related committees (e.g., Columbia Valley Director Services Committee meeting) where the final decisions are made, creating a power imbalance.

3.2.1. What is Working Well

Interviewees provided a range of responses when asked what is currently working well in the Columbia Valley. Five overarching themes emerged.

#1: Political Support

Local government plays a critical role in economic development by ensuring a secure and stable environment in which economic development can occur. According to the analysis, all interviewees noted there is significant support and participation from local elected officials as well as staff at the RDEK to maintain and improve economic development in the Columbia Valley. They have been actively participating in Advisory Commission meetings and supporting new ideas and initiatives to increase the success of the Advisory Commission. They also encourage full participation, consultation, and engagement, as well as providing adequate funding to enable them to play effective roles as facilitators of local economic development.

#2: Networking Abilities of the Economic Development Officer

Economic development officers (EDOs) advocate for economic growth and sustainability. An economic development officer can serve in a variety of capacities. One of the most common is to support and encourage existing businesses while also working to attract new businesses to their area.

According to the findings, the majority of interviewees observed the importance of having an EDO with strong networking capabilities. This skill was viewed as key in achieving success in the early stages of economic development. Being available to prospective clients and approachable at all times has aided in laying a solid foundation for the current model.

#3: Maintaining and Implementing a Strategic Plan

Strategic planning is the process of documenting and establishing an economic development direction by assessing both where you are and where you want to go. The strategic plan provides a place to record long-term goals as well as action plans that will be implemented. A well-written strategic plan can be critical to growth and success because it explains how to best respond to opportunities and challenges.

According to the analysis, all interviewees felt that the strategic plan has been extremely helpful in identifying issues, prioritizing them, and developing solutions. As one interviewee noted, “We have tried to become far more focused in our strategic planning, we have really tried to be very clear and very specific.” The strategic plan also aided in

determining what each entity was working on and, based on the success of their efforts, updating or changing if anything new was on the horizon.

#4: Having Open Meetings

An open meeting is one that is accessible to the general public. It is a gathering for the purpose of facilitating informal information exchange. It allows all participants to express their concerns, issues, and ideas. It also allows for the exploration of alternative strategies and the formation of consensus.

According to the analysis, having open meetings that included both voting and non-voting members, as well as different organizations related to economic development works well. These open meetings assisted the Columbia Valley Economic Development Advisory Commission in understanding potential opportunities in the area, as well as evaluating the successes of their strategic plan. These meetings served as an opportunity for feedback session and information exchange. Furthermore, having multiple representatives from across the Columbia Valley assisted the Advisory Commission in identifying alternatives for resolving regional economic development problems.

#5: Involvement of First Nations

Actively engaging First Nations helps to ensure that a broad representation of opportunities, challenges, and perspectives and encourages collaboration among people from different backgrounds.

According to the findings, all interviewees agreed that having First Nations represented on the Advisory Commission and involved in Advisory Commission projects is helping build respectful relationships. As noted by one interviewee, *“They are doing a good job by having the Indigenous communities as part of the advisory group, is so great like that is working great and I hope that they continue whatever in what way, because that is tremendous.”* Inclusion of the First Nations introduces a new aspect to economic development and assists with valley-wide communication and collaboration.

3.2.2. What are Areas for Improvement

Interviewees also provided a range of responses when asked about areas for improvement in the Columbia Valley. Five overarching themes emerged.

#1: (in)Active Engagement

People behave in a variety of ways for a variety of reasons. People are sometimes motivated to act because of internal desires and needs, but other times their actions are motivated by a desire for external rewards.

One concern raised is the disengagement those Advisory Commission members that are not part of the higher level RDEK decision making processes. As noted above, some interviewees observed a power imbalance between Advisory Commission participants between those who also play an RDEK decision making role and those that do not. This has an impact because the entire structure of the Advisory Commission was built to with engagement and collaboration in mind. Generally, this disengagement is observed when the concerned individuals do not feel involved. This can be because they have (or perceive) a lack of agency (e.g., final decision making), or have the impression that their opinions are not valued.

Greater involvement of people and organizations in decision making and activities can increase sense of responsibility and lead to greater engagement. This can be accomplished by forming working groups or by dividing work among the members, as well as changes to the decision making structure (see #3 below). This will increase their sense of responsibility and ownership.

#2: Organizational Shape

Within the Advisory Commission there are a large number of people and organizations identifying activities and providing input, and a single person responsible for execution (see Figure 5). This puts a lot of pressure on the Economic Development Officer Position. This can lead to disengagement from the work (or aspects of work), or when that individual is overstretched on multiple projects, prioritization becomes a challenge and timelines and deliverables can be impacted. It is also difficult for this person to meet the expectations of this broad group. As one interviewee noted,

"[the current EDO is] are only able to achieve as much as one person can achieve. So, I would consider ways that grow that capacity."

There are numerous ways to address this issue. Increasing the number of people and/or organizations executing activities could help with this challenge. For example, one potential solution is to enable a small team with a range of strengths so that the work can be delegated among them based on their strengths. Another option is for partner organization (e.g., Community Futures) to become more involved in a specific area, taking over execution of specific activities. These options work to shift some of the pressure and expectations.

#3: Decision Making Structure

Making decisions is an important factor in determining the success or failure of economic development. Before making a decision, various considerations and time are given to ensure that the outcome is positive and achieves the desired goal.

Currently, one area for improvement is the decision-making structure. The formal internal structure for requesting and making decisions was noted as being complex and time consuming. Because of the current structure, the time period to make decisions can be lengthy, impacting the time it takes to complete a project. Interviewees noted that even minor changes can get caught in this process and significant amount of time can be wasted depending on when the issue was raised and when the execution is to be carried out. A division was also observed between interviewees, between those also involved in RDEK decision making and those that are not. Those that are not expressed a stronger desire for a change in the decision making and approvals process.

This challenge was noted in other examples, particularly ones that were previously Internal models, or internal leaning hybrid models. Simplifying the decision making structure is one option. Another is to change the parameters of the decisions the EDO or the Advisory Commission are able to make without seeking permission. One interviewee from an example outside the Columbia Valley noted their ability to sub-contract work under a certain financial threshold without permission from the local government has allowed them to be more efficient. This shift in structure is used by various existing economic development approaches, and they have yielded positive results, not only in terms of getting work done, but also in terms of gaining interest in their work.

#4: Clarity in Roles and Responsibilities

The term "role" refers to one's position on a team. The tasks and duties of their specific role or job description are referred to as their responsibilities. Understanding the roles and responsibilities is critical for the smooth operation.

According to the analysis, there are substantial differences in interviewee perceptions of the roles and responsibilities of Advisory Commission members and the EDO position. This misalignment in perceptions related to roles and responsibilities have led to confusion among interviewees in terms of deliverables and expectations. This misalignment has led to misunderstanding as well as some conflict. In some cases, examples of inefficiency were observed, as well as situations in which no one is held accountable if the project is not delivered. There have been cases where it has been difficult to determine who is responsible for carrying out activities and who is responsible for the inputs.

This is a common challenge in collaborations. There are times when individuals or organizations may become involved in each other's work and complicate matters. To help avoid this issue, roles and responsibilities of all participating individuals and organizations should be made clear and agreed upon. There must also be proper supervision and accountability to ensure that the designated work is carried out by the specified individual or organization. There must also be mutual trust between individuals that they will work within their assigned role and responsibilities. Other existing examples have effectively used a variety of methods to be very specific in determining who is responsible for what task and then giving them freedom to execute their task as they see fit.

#5: Alignment on Scope

Similarly to #4, interviewees demonstrated a lack of alignment of the scope of the Advisory Commission, in particular, differences between Local (Traditional) Economic Development and Community Economic Development. According to the analysis, there is some disagreement as to whether the committee should focus on economic development or

community economic development. Some interviewees – primarily those with a business focus - want to focus solely on projects for economic development, while other interviewees preferred a broader focus, more inclusive of social and environmental factors.

It is critical that the scope of the Advisory Commission and related activities is clear and agreed upon. While disagreement and discussion are expected, there should be a clear delineation of scope that can be referred to in order to determine if activities fall within scope. Looking at other existing examples, one thing that is consistent is that the members are in relative agreement as to what they are working towards and what activities will help them achieve it. When a new person or organization joins, one priority should be to ensure that they understand what the Advisory Commission expects of them, so that all members work together to achieve a common goal.

3.3. Key Factors Influencing Success

All interviewees were asked questions intended to identify and explore the key factors that influence the success of their local approach to economic development. Key factors were both positive (i.e., factors that supported or enabled their approach) and negative (i.e., factors that presented a challenge or barrier to their approach).

Based on the responses from all 14 interviewees, we identified seven key success factors. Each of the seven factors is described in Table 1. The number of interviewees who identified and discussed each factor is also listed, as is a separate breakdown specific to the Columbia Valley Interviewees.

Table 1: Enabling and Supporting Factorsⁱⁱ

| Name | Description | Total Interviewees (/14) | Columbia Valley Interviewees (/8) |
|--|---|--------------------------|-----------------------------------|
| <i>Communication and Information Sharing</i> | Strategies and activities related to communication and information sharing both internally within the approach, and externally with the broader community/region. | 10 | 6 |
| <i>Engagement and Relationship Building</i> | Includes both team building (internal) strategies, as well as community engagement (external) strategies. Relationship building includes key aspects like time and trust. | 10 | 5 |
| <i>Diversity and Inclusion</i> | The approach incorporates a diverse range of voices. Recent efforts to engage and include First Nations and Indigenous peoples were highlighted. | 9* | 5* |
| <i>Funding (positive)</i> | Positive characteristics of funding that enable success, including, stable core funding, flexibility in funding programs, and appropriate allocation of resources. | 7 | 4 |
| <i>Political Support</i> | Importance of both political support and political will were identified as critical the success. | 7 | 4 |

ⁱⁱ One interviewee presented perspectives both specific to the Columbia Valley, as well as to other existing examples. Where indicated by a * their responses were counted in both columns.

| Name | Description | Total Interviewees (/14) | Columbia Valley Interviewees (/8) |
|----------------------------------|--|--------------------------|-----------------------------------|
| <i>Human Capacity (positive)</i> | Positive side of human capacity included the unique combination of skills and abilities specific to the people and organizations involved. | 7 | 5 |
| <i>Planning</i> | Importance of the planning process and/or the resulting documentation in establishing directions for future work. | 6 | 3 |

No enabling and supporting factor was universally identified by all interviewees, but all interviewees identified multiple factors working in combination. The percentage of internal versus external interviewees who agreed on various factors was proportional.

Of the factors listed in Table 1, that which received the most attention is communication and information sharing. Interviewees repeatedly raised the point that that communication and information sharing is extremely important because it aids in tracking successes, identifying issues, and exchanging information, as well as facilitating collaboration, increasing awareness, and efficiency. Six out of eight internal interviewees agreed, while four out of six external interviewees agreed for communication and information sharing. Similar patterns were discovered in other enabling factors as well.

Based on the responses from all 14 interviewees, we also identified seven key barriers and challenges, described in Table 2. Each of the seven barriers and challenges is described in Table 2. As with Table 1, the number of interviewees is also listed, with a separate breakdown specific to the Columbia Valley interviewees.

Table 2: Barriers and Challengesⁱⁱⁱ

| Name | Description | Total Interviewees (/14) | Columbia Valley Interviewees (/8) |
|---------------------------------|---|--------------------------|-----------------------------------|
| <i>Administrative Structure</i> | Includes the structures and processes surrounding management, decision making, and reporting. Complexity and time were key related factors. | 13* | 9 * |
| <i>Clarity and Alignment</i> | Conflict caused by lack of agreement or alignment on scope, activities, including fundamental differences in understanding. | 11 | 7 |
| <i>Competition</i> | Competition between member organizations related to prioritization of activities, where activities occur, and how resources are allocated were noted as causes of conflict. | 5 | 4 |

ⁱⁱⁱ One interviewee presented perspectives both specific to the Columbia Valley, as well as to other existing examples. Where indicated by a * their responses were counted in both columns.

| Name | Description | Total Interviewees (/14) | Columbia Valley Interviewees (/8) |
|---|---|--------------------------|-----------------------------------|
| <i>Funding (negative)</i> | Negative funding characteristics that act as barriers, including unpredictable and inconsistent funding cycles, lack of flexibility in what money can be spent on, and inappropriate allocation of resources. | 7 | 3 |
| <i>Human Capacity (negative)</i> | Negative human capacity characteristics include deficits and failings specific to individuals and organizations, as well as overarching issues related to the lack of certain skill types and the general lack of capacity due to competing tasks and priorities. | 13* | 8* |
| <i>Data and Information</i> | Absence of, difficulty attaining, inconsistency; or existing data not consistently applied to decision making. | 5 | 3 |
| <i>Intangible aspects of Economic Development</i> | Challenges in demonstrating process due to lack of tangible metrics or deliverables. Difficulties demonstrating importance and being understood to be making progress. | 7 | 3 |

No barrier or challenge was universally identified by all interviewees, but each interviewee identified multiple barriers and challenges. Human capacity, administrative structure, and clarity and alignment were all similarly prioritized as challenges and barriers by interviewees. Most agreed that a single person cannot meet all expectations or excel in all areas, and that the decision-making challenge includes not only time but also other factors such as supervision and complexity. The proportion of internal versus external interviewees was nearly equal. However, internal interviewees also frequently mentioned challenges related to competition and data and information. When compared to internal interviewees, the proportion of external interviewees who agreed to these challenges was very low. However, this may be as a result of the larger number of Columbia Valley interviewees when compared to other examples. In contrast, funding was mentioned as a challenge more frequently by external interviewees. This may be a positive reflection of the core funding provided to the Columbia Valley.

The key factors – positive and negative – discussed above are similar to what was identified in the literature. For example, one study identified 13 key factors impacting collaboration in regional development.⁶ There are several overlaps with the factors identified in this study – particularly related to consistent and available human and financial resources, governance structure, information and evidence, and a common understanding.⁶

4. DISCUSSION

When considering the spectrum of models of economic development service delivery discussed in Section 3, it is important to consider that this is not a directional continuum, where the expectation is to move from one end to another. Rather, based on the evidence from the literature, as well as the interview data, the research team observed a move from the two ends toward the middle, with the goal of equal partnerships.

In light of the findings identified in Section 3, it is clear that a wholesale change in overarching model is not required. Interviewees demonstrated support for the existing approach, but with opportunities for improvements. Based on the findings we have identified several items for consideration of how the RDEK and the Columbia Valley Economic Development Advisory Commission can incrementally evolve and enhance their approach. Each of these suggestions necessitates discussion, within the RDEK and the Advisory Commission, to determine what is desired and appropriate.⁵

Three items for consideration have been identified for the short term:

#1: Maintain existing strengths. Significant foundational work has already been completed in the Columbia Valley. It is important to maintain existing strengths. In particular this includes the core funding for economic development service delivery, a strong emphasis on planning, strong political support, and involvement of First Nations.

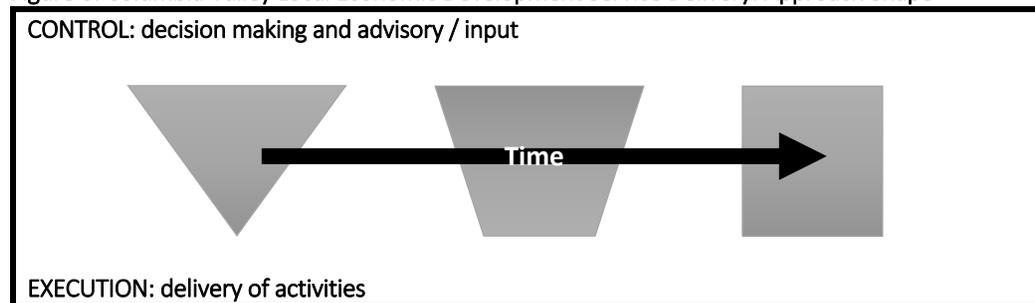
#2: Clarify and align Advisory Commission perspectives on scope, roles, and responsibilities. Given the evident misalignment between Columbia Valley interviewees it is advisable to revisit the scope of the Advisory Commission, as well as the roles and responsibilities of all involved, including the EDO. The agreed upon language should be captured, recorded, and revisited as needed. It would also be helpful to have a screening process or tool to demonstrate how potential activities and projects either align with, or are outside of the agreed upon parameters

#3: Enhance the autonomy of the EDO position. In order to avoid decisions and activities getting delayed or caught within the existing decision making structure the autonomy of the EDO position could be increased. The details of this should be discussed collaboratively and agreed upon. Ideas from existing examples range from the ability to sub-contract work under a certain financial threshold without approval to the agreement that the EDO is empowered to make all decisions required in order to execute identified projects or activities.

Four items for consideration have been identified for the long term:

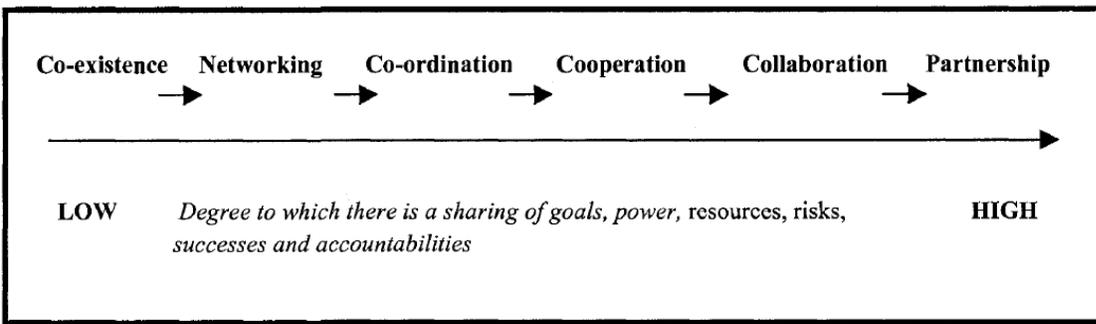
#1: Shift governance further toward the middle of the spectrum. The current overarching model in the Columbia is an internal leaning hybrid model. Shifting the overarching governance further toward the middle of the spectrum would enable a more inclusive decision making process and more equitable power distribution. This increased power and ownership can enhance partner engagement, responsibility, and involvement in activities. This change will also shift the overarching shape of the organization, as shown in Figure 6.

Figure 6: Columbia Valley Local Economic Development Service Delivery: Approach Shape



#2: Build an Equal Partnership. Building on the above, a shift in governance will enable increased engagement of existing and future partner organizations. This supports a shift to a truly partnership approach to economic development service delivery. The analysis indicated that the Columbia Valley Economic Development Advisory Commission currently demonstrates coordination, cooperation and collaboration. By further sharing power, resources, risks, and accountability, the Advisory Commission can progress to a full partnership (see Figure 7).

Figure 7: A Partnering Continuum¹



#3: Integration not Competition. At any given moment there are multiple, ongoing initiatives that have social, economic, and environmental implications. Efforts to build linkages between the Columbia Valley Economic Development Advisory Commission and other initiatives offers the ability to enhance efficiency, as well as to avoid potential conflicts.

#4: Regional and Provincial Collaboration. Similarly to #3, building linkages and alignment with initiatives at the broader regional and provincial scale allow for the opportunity to affect bigger changes. This is particularly important for rural communities, as it offers an opportunity to build strength in numbers. Ongoing relationship building and participation in events and activities help facilitate this type of bigger scale collaborative activities.

Both the literature reviewed, as well as the responses of interviewees indicate that local delivery of economic development services should be a process of continuous improvement over time. The longer individuals and organizations are able to work together, building relationships and trust, the more efficient and effective their efforts become. All existing examples reviewed demonstrate that it is not possible to skip directly to a fully functional hybrid partnership. Rather, this develops and evolves over time and with continued support.

5. CONCLUSION

This project responds to the research question: “what models of local economic development exist, and which would be appropriate for the Regional District of East Kootenay’s Columbia Valley sub-region?” The goals of this study were to:

- 4) Identify and explore the potential and suitability of models of local economic development;
- 5) Identify and understand needs and ideas related to the current Columbia Valley Economic Development Advisory Commission approach; and based on #1 and #2
- 6) Provide evidence-based advice to the Regional District of East Kootenay (RDEK).

To deliver on the goals of this study and respond to the research question the research team completed a literature review; conducted targeted interviews within the RDEK; conducted targeted interviews with representatives from external (non-RDEK) examples; and prepared a summary report of the findings.

Key Findings

Models

- There are three overarching models of economic development service delivery: internal to local government, external to local government, and a hybrid model.
- These models exist on a spectrum where existing approaches may lean toward one end or the other, however a trend was observed of models moving toward the centre – to a co-constructed, hybrid model.
- **There is no single model that is superior to others.**

Columbia Valley

- The Columbia Valley approach can be described as an internal leaning hybrid model.
- There are five aspects of the current approach that were commonly identified as working well: having political support; the networking abilities of the Economic Development Officer (EDO); maintaining and implementing a strategic plan; having open meetings; and the involvement of First Nations.
- There are five aspects of the current approach that were commonly identified as needing improvement: (in)active engagement; organizational shape; decision making structure; clarity in roles and responsibilities; and alignment on scope.

Key Factors Influencing Success

- Seven enabling and supporting factors were identified by interviewees as being critical to success: communication and information sharing; engagement and relationship building; diversity and inclusion; planning; funding; political support; and human capacity.
- **Of the key success factors communication and information sharing received the most attention.**
- Seven barriers and challenges were identified by interviewees as impacting success: administrative structure; clarity and alignment; competition; funding; human capacity; data and information; and the intangible aspects of economic development.
- **Columbia Valley interviewees frequently mentioned challenges related to competition and data and information; while interviewees from other external examples mentioned funding more frequently.**

Next Steps for the RDEK

- Three items for consideration have been identified for the short term:
 - Maintain existing strengths;
 - Clarify and align Advisory Commission perspectives on scope, roles, and responsibilities; and
 - Enhance the autonomy of the EDO position.
- Four items for consideration have been identified for the long term:
 - Shift governance further toward the middle of the spectrum;
 - Build an Equal Partnership;
 - Integration not Competition; and
 - Regional and Provincial Collaboration.

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APPENDIX A: INTERVIEW QUESTION GUIDE

Final Version: May 26, 2021

Welcome and Introduction

- *Introduction of interviewer(s)*
 - *Short overview of project purpose*
 - *Review of interview process and confidentiality*
1. Do you have any questions about the project or the interview process before we begin?
 2. Can you introduce yourself and tell us about your role at [insert organization name]?

Existing Structure and Mechanics

3. Can you describe the governance structure of [insert model name]?
 - *Who makes decisions?*
 - *What is the relationship with local government?*
4. Can you describe how activities and projects are identified?
 - *Who has input?*
 - *Role of collaboration*
5. Can you describe the organizational function of [insert model name]?
 - *Who is leading the activities?*
 - *Confirm primary category*
 - *Confirm legal structure*
6. How has [insert model name] changed over time?
 - *What impact does shifting priorities and personalities have on [insert model name]?*
7. What are the primary sources of funding for [insert model name]?

Functionality – What Works Well

The next two questions focus on what works well about the current structure and function.

8. Thinking about how [insert model name] works, what does [insert model name] do well?
 - *We want to focus on the mechanics and structure – so the how, as opposed to topics*
9. What do you consider to be the key factors that enable success?
 - *Role or influence of community assets and capacity; relationships; organizational structure; time / how long organization has worked together*

Functionality – Areas for Improvement

The next two questions focus on what could be improved about the current structure and function.

10. Thinking about how [insert model name] works, what can [insert model name] do better?
11. What do you consider to be the key barriers or challenges?
 - *Role or influence of community assets and capacity; relationships; organizational structure; time / how long organization has worked together*

Future / Change

12. If you could change something about [insert model name], what would you change?
 - *Prompt for changes specific to function or organization*
13. What would happen to existing projects and activities if the model changed?
 - *Example of change from external to internal model*
 - *Institutional memory – transfer of relationships, activities, information*
14. If you think about economic development opportunities in [area name], what is needed from [insert model name] to meet those needs?

Closing

15. Is there anything that you would like to add?
 - *Review of next steps*
 - *Thank interviewee*

APPENDIX B: COMPARISON OF OPERATIONAL CHARACTERISTICS

| | External | Internal |
|-----------------------------|--|--|
| Alignment | Well connected with the business community. Potentially disconnected from municipality and council. | Potentially disconnected from business community. Potential stronger working relationship with municipal departments. |
| Autonomy | Able to work with minimal bureaucracy in an environment that often requires fast-paced decision making. | Structured decision making framework involving committee/council process. |
| Coordination | Viewed as an external stakeholder. | Able to access city resources and coordinate projects across departments. |
| Policies | Able to have its own set of policies reflecting the nature and needs associated with their activities. | City policies prevail. |
| Focus | Able to set the focus of activities on the core priorities identified through an economic development strategy. | Projects that don't fit with any other department may be assigned to the economic development office, making it more of a special projects office. |
| Full Cost Accounting | Expenses are born by the corporation. | Expenses are generally not assigned back to department. |
| Accounting | Financial overruns and under runs stay with the corporation. Surplus or debt from one fiscal year automatically gets carried from one fiscal year to the next. | Ability to cover financial overruns by savings in other departments. Financial savings may fund overruns by other departments. |
| Risk Taking | Able to respond to opportunities with a greater ability to be aggressive and bold. | Additional checks and balances to limit risky decisions. |
| External Funding | Some funding programs are not available to municipalities but are available to non-profit corporations. | Some funding programs are not available to non-profit corporations but are available to municipalities. |
| Administration | Handled by Corporation staff. A separate set of audited books exists and the associated costs. | Streamlined through integration with council meetings, and the associated administration, incorporation of finances with City operations. |
| Collaboration | Separate corporation structure leads to a degree of isolation of the corporation. | Potential to increase collaboration between departments and economic development, tourism and events staff. |
| Marketing | Primarily focused on marketing associated with economic development, tourism, and special events. | Opportunity for greater involvement in communications and marketing. |
| Municipal Expertise | Limited or no access to city expertise. | Able to access city expertise. |
| Contracting | Contracts, with vendors, if multi- year, typically do not extend beyond the term of council. | Contracts with vendors, if multi- year, typically do not extend beyond the term of funding by council. |

Modified from Thompson, 2014⁵