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GREEN PRAIRIE ECONOMY

SUMMARY OF ENGAGEMENT

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INTRODUCTION

On December 15, 2022, the *Building a Green Prairie Economy Act* received Royal Assent. The legislation requires the Minister responsible for Prairies Economic Development Canada (PrairiesCan) to work collaboratively with several Cabinet colleagues, and Prairie partners and stakeholders, to develop a framework to enhance local cooperation and engagement in the implementation of federal programs to grow the green economy in the Prairie provinces. This framework must be tabled in Parliament by December 15, 2023.

From February to July 2023, the Minister and PrairiesCan officials carried out the department's largest consultation to date. This included over 130 engagement meetings and roundtables in Alberta, Saskatchewan and Manitoba. Input was also invited online and via e-mail, where more than 130 submissions were received. Through these efforts, we heard from more than 500 respondents in total, including provincial and municipal representatives, Indigenous communities, industry and industry associations, organized labour, academia, think tanks, and people living and working across the Prairies. PrairiesCan appreciates their efforts to provide input and contribute ideas. This initiative is about strengthening federal engagement and conversations with these stakeholders will continue.

Respondents provided input on:

- What they see as the major opportunities for sustainable economic growth for the Prairies;
- What federal supports are needed to advance those opportunities;
- How to improve federal collaboration with Prairie businesses and communities; and,
- How to maximize the economic and social benefits of sustainable growth and promote inclusivity for underrepresented groups, Indigenous communities, workers, businesses, and rural and remote communities.

Recognizing that specific opportunities and priorities vary by community and region, below is a high-level summary of stakeholder feedback received.

ECONOMIC OPPORTUNITIES

Prairie stakeholders see many opportunities for sustainable economic growth, diversification and innovation. This optimism stems from progress that is already happening where they work and live to adapt to global trends, spur growth and increase exports. People living and working on the Prairies want to see an overall Canadian economic plan that supports the advancement of local and regional opportunities and that lends itself to strong, resilient and thriving communities, now and in the future. Most importantly, they want to be global leaders in areas of growth that build on regional strengths such as energy, manufacturing, mining, agriculture and agri-food, and to pursue new economic opportunities that leverage regional assets and expertise. Some of the growth opportunities identified include:

- Adding more value in the energy and manufacturing sectors, including by becoming leading suppliers of hydrogen and biofuels to meet rising domestic and international demands, and enabling the chemicals and building materials sectors to be global suppliers of goods needed in the transition to a net-zero economy;
- Growing the agriculture, agri-food, and fertilizer sectors to help feed the world;
- Supporting the mining sector to become a clean and secure supplier of critical minerals needed for batteries and other clean technologies, and expanding the critical minerals value chain on the Prairies;
- Enhancing sustainability and resilience for businesses and communities, including through the development and deployment of new clean technologies and processes, making those technologies and processes available to the global market, as well as increasing efficiency and resilience through retrofits, refurbishments and construction of buildings and critical infrastructure, and support for nature-based solutions; and,
- Scaling emerging sectors such as life sciences, digital technologies and waste management/waste-to-energy, while also enabling success for locally important sectors such as transportation and logistics, forestry and tourism.

As a region heavily dependent on trade and exports, capitalizing on these opportunities will require complementary supports to enable trade, both domestically and internationally.

POTENTIAL AREAS OF ACTION IDENTIFIED BY STAKEHOLDERS

Throughout the engagement period, respondents identified several areas where federal action could help advance economic opportunities and allow Prairie businesses and communities to thrive in a changing global economy. Some of the key themes include:

- **Growing Key Regional Sectors, including Natural Resource, Agriculture and Manufacturing:**

Natural resource sectors, including oil and gas, mining, and forestry, as well as agriculture and agri-food, and manufacturing sectors are significant contributors to the economies of the Prairie provinces and Canada alike. These sectors are undergoing significant change, and major efforts to enhance their sustainability are underway, all while global demand for their products remains strong. Within the energy sector, supports for carbon capture, utilization and storage, electrification and other clean technologies are needed to continue to enhance sustainability and prosperity for Prairie communities. Within the agriculture sector, investments in ongoing process improvements and actions to increase resilience to climate change (e.g., irrigation, continued development of drought-resistant and flood-resilient crops) are needed to enable food security. Emerging opportunities in the chemistry, energy, food processing and manufacturing sectors will require investments in infrastructure, including new water distribution and water treatment infrastructure. Opportunities exist to support the manufacturing and testing of zero-emission vehicles. All of these sectors are advocating for greater clarity and streamlining of regulatory processes to advance major projects and opportunities.

- **Improving the Movement of Goods, People and Information:** The Prairie provinces are major exporters. Stakeholders across the Prairies have identified trade corridors and sustainable transportation infrastructure as key enablers of trade and economic growth. This is also a priority for the three Prairie provinces, who recently entered into a Memorandum of Understanding to work together to advance economic corridors. At the same time, businesses have identified challenges in getting workers and supplies to and from project sites, and broadband and connectivity – increasingly viewed as a public need for commerce and trade, and to deliver essential services – remain key challenges for many Prairie communities and businesses. Investments in connectivity are essential for the growth of digital industries, monitoring and remote technologies used in a number of sectors, and smart agriculture.

- **Expanding and Capitalizing on Clean Electricity:** With its significant hydro electricity assets and generation capacity, Manitoba has a good foundation for clean economic growth, and may be well-positioned as a backstop for the continued deployment of renewables such as wind and solar across the grid. Alberta and Saskatchewan are working to add more clean power generation capacity to their grids; however, both face unique challenges and significant costs to do so, while also facing increasing demand due to electrification. Over the next two decades, the development and deployment of non/low-emitting baseload electricity supply options such as small modular reactors, natural gas plants with carbon capture technologies, and geothermal generation, is also seen as a major opportunity. Ongoing efforts to shift to cleaner power generation in ways that maintain affordability for businesses and households will support sustainable growth opportunities across the whole economy and will help make the Prairies more attractive to future investment.

- **Community Economic Development:** Municipal governments and regional economic development organizations, particularly in rural and northern regions, require the supports and infrastructure to help their communities to advance new economic opportunities. Many businesses across the Prairies also report ongoing difficulties in finding and retaining qualified workers to fill positions, and some, especially those in rural and remote areas or in highly specialized sectors. Some stakeholders have requested new skills training programs, supports to attract youth to key sectors, and/or improvements to the immigration system to respond more effectively to evolving Prairie needs and interests. At the same time,

labour organizations are closely monitoring the pace and breadth of changes unfolding in workplaces. These changes include not only structural economic shifts, but also increasing automation and digitization. Organizations want to ensure that adequate standards, supports and programs are in place for workers to adapt and thrive.

- **Economic Reconciliation and Inclusive Growth:** There is a need for governments to continue their work to meet commitments under the United Nations Declaration for the Rights of Indigenous Peoples, and there is an opportunity for a coordinated approach to support local and place-based economic planning and economic development capacity, especially in Indigenous and rural communities. There are several examples of successful models that could be leveraged to enhance collaboration between federal, provincial, municipal, Indigenous and private sector partners (e.g., collaborative funding between levels of government and industry and benefit sharing agreements). To achieve success, collaboration with individual Indigenous communities needs to be focused and ongoing. In addition, ideas have been shared on ways to promote and enhance economic inclusivity for youth, underrepresented groups and rural communities. In part, this will require consideration of social policies related to housing, education, healthcare and childcare, which underpin all community economic development, as well as exploring options for investments in key infrastructure and access to capital to support major economic opportunities.

STRENGTHENING FEDERAL COLLABORATION AND ENGAGEMENT IN THE PRAIRIE PROVINCES

Respondents identified several issues to consider related to enhancing collaboration with Prairie partners and stakeholders. For example:

- **Building Trust:** While respondents were generally appreciative of efforts to engage them regarding framework development, there remains an overall desire for genuine collaboration between all levels of government to promote sustainable economic growth and increase the resilience of communities. Some respondents have questioned whether their participation and engagement will amount to any real change to how the federal government operates, and there have been questions on how PrairiesCan can bring along other federal partners. Overall, there is a desire to see results through the framework, marked by clear signals that the federal government is listening, and coordinated efforts to advance Prairie opportunities.
- **Meaningful Engagement with Regional Partners and Flexibility to Meet Federal Requirements:** A common theme has been stakeholders' desire for earlier and more meaningful engagement on federal policy and program development, especially in areas related to emissions reduction and environmental policies. For some, there is a general sense that design of federal policies and programs have lacked flexibility to account for local circumstances and context on the Prairies. There is a strong desire for more regional input and certainty, especially concerning the future of our energy, agriculture and natural resource sectors. Stakeholders want to develop their own economic priorities and action plans, rather than have a federal process imposed.
- **More Responsive Federal Programs and Stronger Federal Coordination:** Respondents are asking for more flexible and longer-term federal funding supports to de-risk opportunities and innovation. Additionally, some have flagged how challenging it is to understand and access the range of federal programs that are available. For economic opportunities, the lack of coordination between federal departments and programs is seen as a major concern. Some stakeholders have pointed to investments or flexibilities for priorities like batteries and electric vehicles that are seen to be benefiting other regions within Canada, and they have questioned why similar tailoring is not happening for the Prairies.
- **Locally Defined Priorities and Opportunities:** While some pan-Prairie priorities have been raised, many of the opportunities flagged are local or sub-regional. Models for collaboration and framework implementation need to be flexible to advance common priorities, while also accounting for regional differences to advance specific, local priorities. Even in regions where there have been significant investments in clean energy (e.g., Manitoba) or other

sustainable infrastructure, there are major economic growth opportunities that federal programs can better support.