



Canada

Pan Canadian Community Futures Group

Framework and setting

- Geographic scale** There are 268 Community Futures Development Corporations (CFDCs) covering all rural and semi-rural areas in Canada. They are private, non-profit organisations, locally driven and are financed by the Government of Canada. The population covered in Canada is 12,000,000.
- Policy framework** The primary policy framework is the Community Futures Program of the Government of Canada, which has been running since 1986. Some CFDCs already exist since 1979 and the former were financed under the LEAD Program (Local Employment Assistance Development).

Partnerships at work

- Rationale** In the late seventies, the Government of Canada experimented with a new approach to sustaining the economy of rural communities by offering local groups decision-making powers and responsibility for an investment fund and an operational budget to assist entrepreneurs to create or expand businesses in their communities. In 1985, the Community Futures Program was developed to integrate the business development services into a larger process of strategic planning in the community.
- Objectives** The CFDCs support community economic development by assisting communities to develop and diversify, and working with them to assess local problems, establish objectives, plan and implement strategies to develop human, institutional and physical infrastructures and promote entrepreneurship, employment and economy. They deliver a wide range of business, counselling and information services to small and medium-sized enterprises, provide capital and access to funds in order to assist existing businesses or to help entrepreneurs to create new businesses.
- Functions** Those partnerships are multi-functional as they, for example, develop and implement economic development strategies and plans, provide advisory services and financing assistance to businesses, initiate and support local projects, develop entrepreneurship, animate the economy, give access to technologies and provide youth entrepreneurship training.
- Policy areas** Labour market policy, community economic development, rural development
- Policy tools/ Instruments** Main policy tools and instruments used are investment funds (and the special Youth Investment Fund), entrepreneurs with disabilities and literacy programmes, Fisheries Legacy Trust, Aboriginal Business Canada, women entrepreneurship funds, capacity building programmes, social economy and micro-credit funds, technology programmes (broadband and Internet centers), rural enterprises development, youth entrepreneurship summer camps, on-line training and self-employment assistance programmes.
- Timeframe** Ongoing (first CFDCs have been created in 1979; the majority of Community Futures exist since 1986)
- Partners** The partners are all members of communities, such as, for example, elected representatives, business people, school boards, health workers, farmers, women groups and youth groups.
- Contracts** CFDCs have been private organisations for 25 years. The Government of Canada finance the CFDCs on a five year contract basis (2001 – 2006).
- Legal status** CFDCs are private non-profit organisations and are driven by an elected Board.

Sources of Financing The Government of Canada (financing the operational budget and some specific initiatives), the return on their investment funds and local or regional sources fund the partnerships.

Results In years 2003 to 2004, CFDCs supported over 30,000 businesses, made 5,700 new loans, invested 212,000,000 Canadian dollars (CAD) for a leverage of 518,000,000 CAD and contributed to create and maintain 27,000 jobs. More than 5,000 volunteers and 1,600 staff members are involved in CFDCs. The staff members can also be implicated in 50 local initiatives at the same time.

Partnerships' highlight

Programme/Project Project "Youth Strategy"
("Youth Strategy" is a Quebec project. The application of this initiative differs in other parts of the country).

Timeframe The initiative is ongoing since 1997. The Government of Canada signs three years contracts.

Objectives The project "Youth Strategy" has been launched to counter the migration of young people to large urban centres, to encourage the acquisition, implementation, expansion or modernisation of a business by one or more young people, to enhance young people's employability and develop their social, cultural and economic commitment to their community.

Activities

- _ financial assistance;
- _ personal loans of between 5,000 and 15,000 CAD;
- _ 24-month interest holiday;
- _ possibility of two-year capital repayment holiday;
- _ possibility of two entrepreneurs applying with respect to the same project;
- _ CFDC professionals will provide personalised assistance and rigorous follow-up.

Results In seven years, 3,300 youths have bought or started 2,700 businesses in Quebec regions. They have created or maintained 9,800 jobs. The loss rate for that fund is 6,7%. Less than 2% of those businesses stopped their activities each year.

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