

TDPC Meeting at Ministerial Level
Canada's Speaking Notes

Session 1:

“Regions, National Objectives and Global Challenges”

Global challenges (economic crisis, climate change, ageing, migration) require decisive policy action and regional policy can play an important role.

What is the role of regional policies in dealing with the economic crisis?

- Very recent examples from Canada's 2009 Budget include the following:
 - Building on a 2008 commitment made by the Prime Minister to make federal regional development funding available to high-unemployment communities in southern Ontario and to establishing a new agency dedicated to the economic development of Canada's Far North, Canada's 2009 Budget provides \$ 1.16 billion over five years for regional economic development in Ontario and the North. This signals a strengthened commitment to the important role of RDAs in supporting economic diversification and in helping to create opportunities in communities across Canada.
 - \$1 billion over two years for the Community Adjustment Fund, to help mitigate the short-term restructuring in communities dependent on single-resource industries and manufacturing. The fund will support activities such as community transition plans that foster economic development, science and technology initiatives, and other measures to promote economic diversification. This fund will be administered by the regional development agencies.
 - A Recreational Infrastructure fund to support construction of new community recreational facilities and upgrades to existing ones. This fund will be delivered nationally through the regional development agencies.

Session 2:

“Unlocking Regional Growth: Innovation and Public Goods”

Globalisation has increased pressure on regions to exploit their own competitive advantages. To achieve this, they need well-functioning innovation systems and effective delivery of high quality public goods and services.

What is the policy experience in fostering regional innovation? What policy tools are the most effective?

- Canada’s regional development agencies’ see innovation and commercialization as important elements that contribute to a region’s R&D improvements. The regional agencies’ various approaches to innovation and commercialization support the priorities and objectives of *Mobilizing Science and Technology to Canada’s Advantage*, the national science and technology strategy. ACOA’s innovation and commercialization efforts, for example, are consistent with its coordination mandate and tradition of regional collaboration, and include a strong element of coordination among public sector players. ACOA works closely with the National Research Council (NRC), the federal granting councils and other federal departments and agencies to optimize alignment of efforts across the innovation and commercialization continuum. The Agency also works closely, individually and collectively, with the four provincial governments in Atlantic Canada in relation to the implementation of innovation and commercialization strategies. Canada’s other regional development agencies have similar horizontal and regional relationships in this regard.

Session 3:

“Mobilising Actors and Capacities for Regional Development”

Unlocking regional potential requires close collaboration among actors and capacity building at all levels. Effective leadership is crucial for regional development.

What has been done to facilitate horizontal co-operation within the central government? What policy lessons have been learnt?

- In Canada, there are three separate federal regional development agencies: Western Economic Diversification Canada; Canada Economic Development for Quebec Regions; and the Atlantic Canada Opportunities Agency (ACOA). Each agency is distinctly represented in the federal Cabinet by its own Minister, and receives discrete, stable, base funding. The agencies' Ministers are equal to other Ministers responsible for national departments/portfolios in that they are responsible for program and policy development as it relates to their agencies, and take part in the federal decision-making process by representing the interests of their agencies at the federal Cabinet table.
- The key driver behind the creation of Canada's Regional Development Agencies (RDAs) was a decision by the Government of Canada, in the mid-1980s to decentralize its approach to regional development. At that time, the Government of Canada recognized that the economic success of the country depends in large part upon how government addresses the unique challenges and strengths of its regions. The previous centralized approach to regional development had not been as effective in addressing challenges and maximizing opportunities associated with the various regional realities in Canada. A policy shift was also required to move from correcting regional disparities to encouraging the development of regional potential. The varying economic structures of Canada's regions require a tailored approach.
- In 1987, ACOA was the first of Canada's RDAs to be created with a legislated mandate that focused the Agency's efforts on increasing earned income, creating employment opportunities and targeting its efforts at small and medium-sized businesses. With its Head Office located in Moncton, New Brunswick, ACOA is responsible for the federal government's overall economic development efforts in the provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick.
- ACOA has a full complement of high level Government of Canada officials located throughout the four Atlantic provinces including the Agency's President (Deputy Minister) and Vice-President / Assistant Deputy Minister level federal officials in each province. This federal decision-making presence in the region fosters more direct collaboration and partnership with key public stakeholders, including other federal departments with regional offices in the region, provincial governments and municipalities, and private stakeholders including industry, entrepreneurs, higher education institutions, and business associations. ACOA puts an emphasis on having regional development come from within the region. The responsibility for planning and initiating regional development comes from Atlantic Canadians, and the Agency ensures a direct connection between federal decision-makers and the public and private sectors in

the region in order to move forward on regional development initiatives in Atlantic Canada.

- Ministers are individually and collectively responsible and accountable to the Prime Minister and Parliament. Individually, Ministers are accountable for the duties and functions conferred upon them through the corresponding enabling statute, in ACOA's case, through the *Government Organization Act, Atlantic Canada, 1987*. Collectively, Ministers are also expected to be accountable for upholding Cabinet policies as reflected in their individual portfolios. Regional considerations are taken into account by Cabinet in a number of different ways including the role of regional Ministers, consultation with regional caucuses, and the function of the regional development Ministers themselves. This system allows Cabinet to balance the need to be responsive to regional realities with the need to support and reflect national priorities and policies through their portfolios.
- Regional development agencies, like other national departments and agencies, are accountable to Parliament, and thus to the public. Federal regional development agencies must participate in the public reporting process, which includes the parliamentary tabling of yearly reports on plans and priorities for the coming year, as well as past-year performance reports. As these reports are focused on the outcomes and results of activities, and not on the activities themselves, they help ensure that departments and agencies are held accountable for the use of public funds.
- Initially, ACOA was focused on small business start-up and entrepreneurship promotion. Over the years, the Agency's approach has widened to include innovation, international trade, and community development. One key factor of the Agency's success has been its ability to build upon national strategies in areas like science and technology and adapt them to the specificities of Atlantic Canada through the creation of regional programs such as the Atlantic Innovation Fund.
- ACOA delivers the Community Futures (CF) program via the CBDCs. The CF program is a national program, delivered by Canadian Regional Development Agencies, which supports not-for-profit organizations in designated rural areas. These organizations assist in the creation of small businesses and the expansion and modernization of existing businesses by providing loans, equity investments, loan guarantees and technical services that are not normally available from traditional sources.