

# Canada

## Recent policy developments

- The latest wave of federal regional development agencies includes the addition in 2009 of two more (for a total of six): the Federal Economic Development Agency for Southern Ontario and the Canada Northern Economic Development Agency.
- The Regional Development Agencies (RDAs), along with national innovation policy, continue to promote the importance of innovation and skills for regional development. For example:
  - ❖ Western Economic Diversification Canada launched the Western Innovation Initiative (WINN) a CAD 100 million five-year federal initiative that offers repayable contributions for SMEs to move their new and innovative technologies from the later stages of research and development to the marketplace.
  - ❖ Federal Economic Development Agency for Southern Ontario's (FedDev Ontario) Southern Ontario Prosperity Initiatives focus on innovation, productivity and economic diversification; additionally, the Agency's Advanced Manufacturing Fund is a \$200-million fund to support product and process innovation in the manufacturing sector.
  - ❖ Atlantic Canada Opportunities Agency provides approximately CAD 90 million annually to support innovation and commercialization under its current programmes, including the Atlantic Innovation Fund and the Business Development Program.
- A renewed focus on rural development in Canada, as the federal government has ended funding to the Rural Secretariat within the Department of Agriculture and Agri-Food Canada. Providing support to the development of rural businesses, the federal Community Futures program has been made more robust in recent years. Community Futures has become part of the RDA's core programming, recognizing the existing rural development expertise found in the country's federal RDA network.

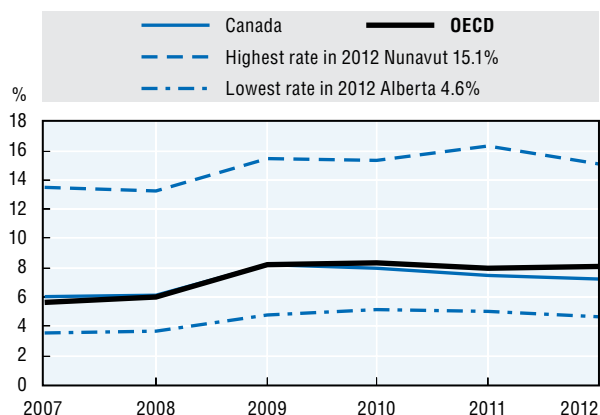
Government structure	Municipal-level governments*	Intermediate-level governments	Regional or state level governments
Federation	4 147		13

\* The municipal level corresponds to "census subdivisions", i.e. cities, districts, villages, regional municipalities, etc. Indian reserves, Indian settlements and unorganised territories (i.e. 1 106 entities in 2011) as well as special purpose entities such as school boards are excluded.

Regional development policy	
Lead ministry(ies) or committees	<p>Six federal regional development agencies (RDAs) support regional development policy in addition to the actions delegated to provinces/ localities:</p> <ul style="list-style-type: none"> <li>• Atlantic Canada Opportunities Agency</li> <li>• The Economic Development Agency of Canada for the Regions of Quebec</li> <li>• Federal Economic Development Initiative in Northern Ontario</li> <li>• Federal Economic Development Agency for Southern Ontario</li> <li>• Western Economic Diversification Canada</li> <li>• Canada Northern Economic Development Agency</li> </ul>
Regional development framework	Federal RDAs focus on supporting innovation, trade and investment, business development, and community/ local economic development.

Urban development policy	
Lead ministry(ies) or committees	Shared responsibilities, including federal RDAs and their place-based investments.
Urban policy framework or strategy	No general federal framework for urban policy.
Rural development policy	
Lead ministry(ies) or committees	Shared responsibilities, with the Community Futures program part of the core mandate of federal RDAs.
Rural policy framework or strategy	No general federal framework for rural policy.

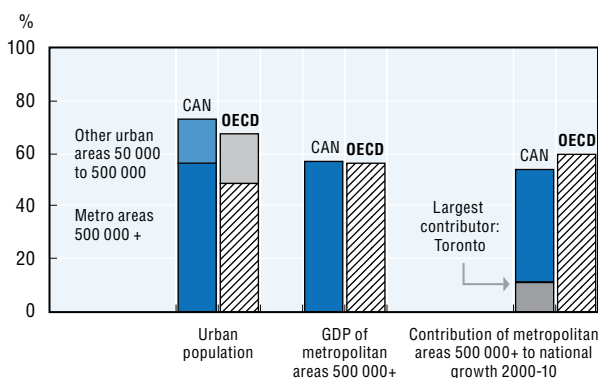
### Regional disparities in unemployment trends



In 2012, the unemployment rate was the highest in Nunavut (15%) and the lowest in Alberta (4.6%). The youth unemployment rate was below the OECD average but it remained high in Newfoundland and Labrador (19%).

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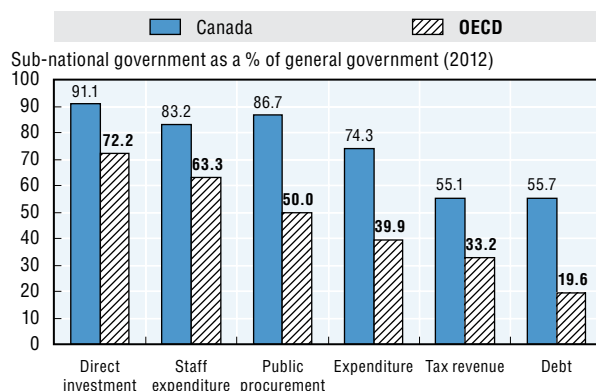
### The importance of urban areas



In Canada, 73% of the population lives in cities of different sizes. The share of population in metropolitan areas (urban areas with more than 500 000 people) is 56% compared to 49% in the OECD area.

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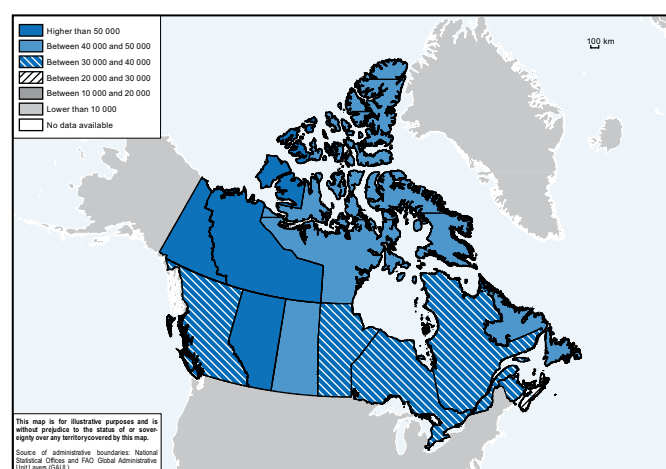
### The role of sub-national governments in public finance



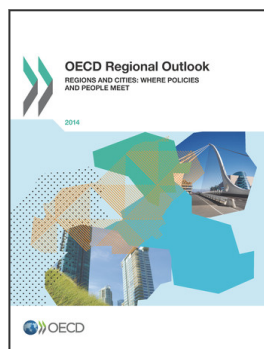
In Canada, 91% of the total public investment was carried out by sub-national governments (SNG) the highest among OECD countries, compared to 72% in the OECD area. SNG investment has increased in Canada from USD 1 129 per capita in 2007 to USD 1 474 per capita in 2012.

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### Regional differences in GDP per capita levels



Canada had the 3rd largest regional disparities in GDP per capita in OECD countries in 2010. In the previous decade, regional growth varied from +7.1% annually in Nunavut to +1.2% in Ontario.



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