

Statement by the Delegation of Canada to the Sixteenth Session of
the United Nations Commission on Sustainable Development

**Wednesday, May 7th, 2008, 10:00 am – Rural Development Intervention on
Economic Diversification in Rural Communities**

Mr./Madame Chairperson,

Sustainable agriculture development is a key component of current Government of Canada approaches to rural development; however natural resource and service industries and manufacturing are also economic drivers in Canada's rural regions. Accordingly, sustainable rural development in Canada requires a broad-based approach that considers a wide variety of rural economic bases, social and environmental circumstances, and takes into account the need for economic diversification.

In Canada, in 2004, rural-based small and medium-sized enterprises represented 28 percent of the estimated 1.4 million small and medium-sized enterprises. Nearly one third of these rural-based businesses operated in agricultural and primary industries, such as mining, fisheries and forestry. These small businesses face challenges related to lack of labour, infrastructure, capital and networks. To support capacity enhancement, a variety of federal training, education and skill enhancement programs have been developed for individuals, businesses and communities as well as investments in infrastructure.

Improving and supporting the competitiveness of small businesses is a major focus of the Government of Canada. Programs and funds are targeted to contribute to research and development activities, promote innovation in manufacturing activities related to the agriculture, aquaculture/fisheries and forestry sectors, assist micro and small business in smaller communities to explore global market and investment opportunities, advance the presence of women in the business world, enhance entrepreneurial skills for the unemployed and underemployed, and merge economic, environmental, and social goals for enhanced community sustainability and revitalization.

Acknowledging the importance of access to capital for small businesses, the Government of Canada supports Community Futures Development Corporations across the country. These corporations provide access to capital for small and medium-sized businesses and social enterprises through business loans to current or prospective entrepreneurs who may have difficulty accessing capital from traditional lenders. Micro credit financing is also a response to foster support for local small businesses. A Government of Canada funded Micro-Credit Financing model project, which taps into existing credit unions to foster small business growth at the grassroots level and supports a credit union mandate to become the principal financial provider for small enterprises, is being assessed for effectiveness. Successful implementation will see communities employing their own financial resources to support local development.

To address the challenges of balancing the different demands that are placed on Canada's forests, which are of great ecological and economic importance to not only rural

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communities throughout Canada but also to urban Canadians and to the global ecosystem, the Government of Canada created the Model Forest Program. Through research and testing, the Canadian Model Forest Network and its partners have been at the forefront of developing forestry practices that help to manage forests in a way that benefits both forest managers and the environment. In 1995, the Government of Canada established the International Model Forest Network Secretariat to facilitate the creation of a global network of model forests dedicated to managing the world's forest-based landscapes in a sustainable manner. There are now more than 40 Model Forests in existence or under development in 20 countries and this number continues to grow.

The Government of Canada's initiatives have focused on facilitating the conditions for small business growth and economic diversification. These initiatives supports the three pillars of sustainable development by recognizing social and community aspects, economic development, and sustainable management of natural resources.

Thank you Mr./Madame Chairperson.