

## News Releases

14 May 2009

### **HARPER GOVERNMENT LAUNCHES \$1 BILLION FUND TO HELP FORESTRY AND OTHER COMMUNITIES AT RISK ACROSS CANADA**

*Miramichi, New Brunswick*

Atlantic Canada to receive \$100.4 million in support through the new Community Adjustment Fund

Canadian workers, families and businesses in communities that are hardest hit by the global recession will be able to pursue new economic opportunities in their communities thanks to Community Adjustment Fund, a major job creating investment contained in the Harper Government's Economic Action Plan.

The Community Adjustment Fund will deliver a total of \$1 billion over the two years to local economies throughout Canada. While in Miramichi, New Brunswick, the Honourable Keith Ashfield, Minister of State for the Atlantic Canada Opportunities Agency (ACOA), today officially launched the CAF program in Atlantic Canada. Atlantic Canada's share of this funding will be worth \$100.4 million.

"Resource and manufacturing industries remain the backbone of the local economy for many communities across Atlantic Canada. These communities need to know we will stand with them through these difficult times. That's why we are responding with unprecedented urgency to ensure funding from this Community Adjustment Fund starts flowing as quickly as possible," said Minister Ashfield.

Projects to be funded could include reforestation activities, investments in machinery or equipment, demonstration of new mining technologies, and initiatives to improve market access for products.

The Community Adjustment Fund will also build on the ongoing work of existing federal programs and initiatives such as the \$1-billion Community Development Trust, the \$170-million fund for forest products market diversification and innovation, and programs delivered by Canada's regional economic development agencies, including ACOA.

Minister Ashfield also announced the first project for New Brunswick under the Community Adjustment Fund, developed in consultation with the New Brunswick provincial government and the industry. The federal government will provide up to \$7 million over the next two years to a silviculture initiative designed to create jobs and short-term stimulus in forestry-dependent communities. A total of \$3.5 million will be invested in Crown land activities with the other \$3.5 million to be allocated to private land activities.

This investment will have immediate impact in the 2009 growing season, supporting such activities as tree planting, thinning and site preparation. It will also increase forest carbon storage capacity and protect the ecological and economic sustainability of the province's forests.

"Forestry is critically important to the Atlantic economy, employing almost 28,000 people in mostly rural areas. The industry accounts for 4.5 per cent of Atlantic

Canada's GDP and is the second largest source of export earnings. New Brunswick's forest industry alone accounts for 63 per cent of the region's forestry industry output and nearly 13,000 jobs," Minister Ashfield said.

Minister Ashfield also noted that the CAF is one of the tools the government has at its disposal to address challenges in other hard-hit industries in the region such as the lobster fishery, and that the federal government is working with Atlantic provincial governments and the industry to develop measures in response to the downturn in the lobster fishery.

The total CAF allocation for Atlantic Canada is \$100.4 million over two years and will be delivered in the region by ACOA. In keeping with the national program, each Atlantic province will receive a base amount of \$10 million, with the balance of funding allocated on a per capita basis. The provincial allocations are: \$28.7 million for New Brunswick; \$33.6 million for Nova Scotia, \$22.7 million for Newfoundland and Labrador and \$13.3 million for Prince Edward Island.

Non-profit organizations; post-secondary institutions; individuals; co-operatives; small-and-medium sized commercial, duly incorporated, for-profit enterprise; First Nations governments; and provincial and municipal governments that have eligible projects that can be completed before March 31, 2011 are invited to submit proposals.

Individuals interested in learning more about how to apply for funding under the Community Adjustment Fund are encouraged to contact their local ACOA office. For more information regarding the application process, community criteria, and timelines to access funding from the Community Adjustment Fund will be available on ACOA's website at

<http://www.acoa-apeca.gc.ca/English/ImLookingFor/ProgramInformation/CAF/Pages/Home.aspx>.

To learn more about Canada's Economic Action Plan, visit <http://www.actionplan.gc.ca/>.