

***Canadian Northern  
Economic Development  
Agency***

***2014-15***

**Report on Plans and Priorities**

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The Honourable Leona Aglukkaq, P.C., M.P.  
Minister of the Environment, Minister of the  
Canadian Northern Economic Development Agency and Minister for the Arctic Council

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ISSN 2292-4132

Cat. No. R1-41/2014E-PDF

# 2014-15

## ESTIMATES

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### PART III – Departmental Expenditure Plans: Reports on Plans and Priorities

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#### **Purpose**

Reports on Plans and Priorities (RPP) are individual expenditure plans for each department and agency. These reports provide increased levels of detail over a three-year period on an organization's main priorities by strategic outcome, program and planned/expected results, including links to related resource requirements presented in the Main Estimates. In conjunction with the Main Estimates, Reports on Plans and Priorities serve to inform members of Parliament on planned expenditures of departments and agencies, and support Parliament's consideration of supply bills. The RPPs are typically tabled soon after the Main Estimates by the President of the Treasury Board.

#### **Estimates Documents**

The Estimates are comprised of three parts:

Part I - Government Expenditure Plan - provides an overview of the Government's requirements and changes in estimated expenditures from previous fiscal years.

Part II - Main Estimates - supports the Appropriation Acts with detailed information on the estimated spending and authorities being sought by each federal organization requesting appropriations.

In accordance with Standing Orders of the House of Commons, Parts I and II must be tabled on or before March 1.

Part III - Departmental Expenditure Plans - consist of two components:

- Report on Plans and Priorities (RPP)
- Departmental Performance Report (DPR)

DPRs are individual department and agency accounts of results achieved against planned performance expectations as set out in respective RPPs.

The DPRs for the most recently completed fiscal year are tabled in the fall by the President of the Treasury Board.

Supplementary Estimates support Appropriation Acts presented later in the fiscal year. Supplementary Estimates present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or have subsequently been refined to account for developments in particular programs and services. Supplementary Estimates also provide information on changes to expenditure forecasts of major statutory items as well as on such items as: transfers of funds between votes; debt deletion; loan guarantees; and new or increased grants.

For more information on the Estimates, please consult the [Treasury Board Secretariat website](#).<sup>i</sup>

### **Links to the Estimates**

As shown above, RPPs make up part of the Part III of the Estimates documents. Whereas Part II emphasizes the financial aspect of the Estimates, Part III focuses on financial and non-financial performance information, both from a planning and priorities standpoint (RPP) and an achievements and results perspective (DPR).

The Management Resources and Results Structure (MRRS) establishes a structure for display of financial information in the Estimates and reporting to Parliament via RPPs and DPRs. When displaying planned spending, RPPs rely on the Estimates as a basic source of financial information.

Main Estimates expenditure figures are based on the Annual Reference Level Update, which is prepared in the fall. In comparison, planned spending found in RPPs includes the Estimates as well as any other amounts that have been approved through a Treasury Board submission up to February 1<sup>st</sup> (see Definitions section). This readjusting of the financial figures allows for a more up-to-date portrait of planned spending by program.

### **Changes to the Presentation of the Report on Plans and Priorities**

Several changes have been made to the presentation of the RPP, partially to respond to a number of requests – from the House of Commons Standing Committees on Public Accounts (PAC - [Report 15](#)<sup>ii</sup>) in 2010 and on Government and Operations Estimates (OGGO - [Report 7](#)<sup>iii</sup>), in 2012 – to provide more detailed financial and non-financial performance information about programs

within RPPs and DPRs, thus improving the ease of their study to support appropriations approval.

- In Section II, financial, human resources and performance information is now presented at the Program and Sub-program levels for more granularity.
- The report's general format and terminology have been reviewed for clarity and consistency purposes.
- Other efforts aimed at making the report more intuitive and focused on Estimates information were made to strengthen alignment with the Main Estimates.

### **How to Read this Document**

RPPs are divided into four sections:

#### Section I: Organizational Expenditure Overview

This Organizational Expenditure Overview allows the reader to get a general glance at the organization. It provides a description of the organization's purpose, as well as basic financial and human resources information. This section opens with the new Organizational Profile, which displays general information about the department, including the names of the minister and the deputy head, the ministerial portfolio, the year the department was established, and the main legislative authorities. This subsection is followed by a new subsection entitled Organizational Context, which includes the *raison d'être*, the Responsibilities, the Strategic Outcomes and Program Alignment Architecture, the Organizational Priorities and the Risk Analysis. This section ends with the Planned Expenditures, the Alignment to Government of Canada Outcomes, the Estimates by Votes and the Contribution to the Federal Sustainable Development Strategy. It should be noted that this section does not display any non-financial performance information related to programs (see Section II).

#### Section II: Analysis of Program(s) by Strategic Outcome(s)

This Section provides detailed financial and non-financial performance information for strategic outcomes, Programs and sub-programs. This section allows the reader to learn more about programs by reading their respective description and narrative entitled "Planning Highlights". This narrative speaks to key services or initiatives which support the plans and priorities presented in Section I; it also describes how performance information supports the department's strategic outcome or parent program.

### Section III: Supplementary Information

This section provides supporting information related to departmental plans and priorities. In this section, the reader will find future-oriented statement of operations and a link to supplementary information tables regarding transfer payments, as well as information related to the greening government operations, internal audits and evaluations, horizontal initiatives, user fees, major crown and transformational projects, and up-front multi-year funding, where applicable to individual organizations. The reader will also find a link to the *Tax Expenditures and Evaluations Report*, produced annually by the Minister of Finance, which provides estimates and projections of the revenue impacts of federal tax measures designed to support the economic and social priorities of the Government of Canada.

### Section IV: Organizational Contact Information

In this last section, the reader will have access to organizational contact information.

#### **Definitions**

##### *Appropriation*

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

##### *Budgetary Vs. Non-budgetary Expenditures*

Budgetary expenditures – operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to crown corporations.

Non-budgetary expenditures – net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

##### *Expected Result*

An outcome that a program is designed to achieve.

##### *Full-Time Equivalent (FTE)*

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. FTEs are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

##### *Government of Canada Outcomes*

A set of high-level objectives defined for the government as a whole.

*Management Resources and Results Structure (MRRS)*

A common approach and structure to the collection, management and reporting of financial and non-financial performance information.

An MRRS provides detailed information on all departmental programs (e.g., program costs, program expected results and their associated targets, how they align to the government's priorities and intended outcomes, etc.) and establishes the same structure for both internal decision making and external accountability.

*Planned Spending*

For the purpose of the RPP, planned spending refers to those amounts for which Treasury Board (TB) submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014-15 Main Estimates.

*Program*

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results, and that are treated as a budgetary unit.

*Program Alignment Architecture*

A structured inventory of a department's programs, where programs are arranged in a hierarchical manner to depict the logical relationship between each program and the Strategic Outcome(s) to which they contribute.

*Spending Areas*

Government of Canada categories of expenditures. There are [four spending areas](#)<sup>iv</sup> (social affairs, economic affairs, international affairs and government affairs) each comprised of three to five Government of Canada outcomes.

*Strategic Outcome*

A long-term and enduring benefit to Canadians that is linked to the department's mandate, vision, and core functions.

*Sunset Program*

A time-limited program that does not have on-going funding or policy authority. When the program is set to expire, a decision must be made as to whether to continue the program. (In the case of a renewal, the decision specifies the scope, funding level and duration).

*Whole-of-Government Framework*

A map of the financial and non-financial contributions of federal organizations receiving appropriations that aligns their Programs to a set of high level outcome areas defined for the government as a whole.



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## Minister's Message

As Minister of the Canadian Northern Economic Development Agency (CanNor), I am pleased to present to Parliament, and to Canadians, the 2014-15 Report on Plans and Priorities.



With Canada's North at a turning point towards unprecedented growth, jobs and prosperity, all partners must keep working together if we are to maximize the potential of Canada's northern economy. As the federal hub for northern economic development, CanNor will continue to focus on bringing together the private sector, Aboriginal organizations, territorial and federal government departments, to develop shared plans and strategies, and to pool our resources and efforts.

Resource development remains the primary economic driver in the North. Last year, seven major projects were approved after their environmental assessments were completed. In 2014-15, CanNor and its Northern Projects Management Office will be putting an emphasis on advancing our community readiness initiative, ensuring that Northerners benefit from these major projects and those that are to come in the future.

CanNor will also launch its new Northern Aboriginal Economic Opportunities Program (NAEOP), simplifying and streamlining programming for its funding recipients, and increasing the focus on investing in emerging business opportunities. The Northern Adult Basic Education Program, now in its fourth year, will complement this by helping more Northerners take advantage of the job opportunities available to them. CanNor's other contribution programs will build on these efforts, focusing on key priorities, including infrastructure and economic diversification.

As Minister for the Arctic Council, I have also aligned some of the Council's work with efforts at CanNor. This next year will see the launch of a new economic advisory body to the Arctic Council. The creation of this new organization comprised of circumpolar business leaders is a key initiative under Canada's chairmanship.

The North, like many other emerging economies around the world, is full of great potential. However, challenges remain to realize opportunities. Now in its fifth year, CanNor is committed to addressing those challenges with its partners, and 2014-15 will be another important year in the path forward.



## Deputy Head's Message

Since its creation in 2009, CanNor has grown and flourished. I am proud of the Agency's achievements and of the programs and services that we deliver in collaboration with our northern partners.

CanNor delivers approximately \$40 million in contribution programs and services to foster economic development in the North. Funding has been provided for community infrastructure projects, including day care and community centres, energy upgrades, and investments in sports facilities. Our programs have provided support for community involvement in major resource development projects, contributed to business capacity and innovation, improved local infrastructure, and enhanced participation in local labour markets.



CanNor's Northern Projects Management Office (NPMO) has made great strides to advance responsible resource development across the three territories. The NPMO has successfully moved many projects through the environmental assessment phase and on to the permitting stage. Memoranda of Understanding (MOUs) have been signed with key northern partners to formalize collaborative relationships to advance resource development, and ensure that benefits come to communities from major projects. As part of the commitments outlined in these MOUs, a community readiness initiative was launched that is enabling the Agency to work with several communities across the North to support pre-development planning.

The Agency also performs an important economic policy function, which is reflected in the [CanNor Strategic Framework](#).<sup>v</sup> This new Framework outlines CanNor's work in the North, our relationship with our partners, and our priorities for the next five years. Considerable work has been under way for the renewal of key contribution programs, so that they can continue to be delivered effectively for Northerners. Work is also continuing to identify and better align the efforts of federal programs in the North, with a focus on infrastructure development, including transportation, connectivity and energy, and the northern labour market.

Canada's chairmanship of the Arctic Council has been an exciting addition to the Minister's portfolio, and CanNor is leading on the work to establish a new economic advisory body to the Council.

CanNor is achieving significant progress, but there is still much work to do. I am confident that the Agency will continue to collaborate with northern partners and stakeholders to help develop and diversify territorial economies to support prosperity for all Northerners.



## Section I: Organizational Expenditure Overview

### Organizational Profile

**Minister:** The Honourable Leona Aglukkaq, P.C., M.P.

**Deputy head:** Patrick Borbey

**Ministerial portfolio:** Environment

**Year established:** 2009

**Main legislative authorities:** [Public Service Rearrangement and Transfer of Duties Act, R.S.C. 1985, c. P-34](#)<sup>vi</sup>

#### **Mandate**

To advance economic development in Canada's northern territories and serve as the federal hub for these efforts. The Agency does this through delivery of a suite of economic development programs, by developing policy and conducting research, and by aligning the efforts of partners and stakeholders, particularly among federal organizations. As well, the Agency coordinates and serves as the regional delivery agent for certain national economic initiatives.

The Northern Projects Management Office (NPMO) is part of CanNor. It provides regulatory path-finding services for industry and Aboriginal organizations, coordinates federal departments through environmental assessment processes, while overseeing Crown consultations, and provides a central point for advancing resource development in the North.

#### **Head Office**

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1106 Inuksugait Plaza IV  
Iqaluit (Nunavut) X0A 0H0  
Canada

[CanNor web site](#)<sup>vii</sup>

## Organizational Context

### Raison d'être

Contributing to jobs and growth in Canada, the Canadian Northern Economic Development Agency (CanNor) works to develop a diversified, sustainable and dynamic economy across Canada's three territories. It does this by delivering funding programs to Northerners and Aboriginal people, guiding resource development and major projects across the North through the Northern Projects Management Office, undertaking research to support the development of evidence-based policies, advocating for northern economic prosperity and diversification, and collaborating with and aligning the efforts of other federal departments, territorial governments, Aboriginal organizations, and industry.

### Responsibilities

As the only federal department headquartered in the North (in Iqaluit), CanNor offers a unique perspective and value added to the federal government's efforts to advance the socio-economic component of the Northern Strategy. The Agency does this by aligning, sequencing and leveraging the efforts of all federal government departments whose operations impact the North's economic development. This work is enhanced by coordinating federal approaches with those being adopted by territorial governments, communities, Aboriginal organizations and the private sector.

CanNor brings partners together so that investments can be leveraged, ideas and insights exchanged, knowledge shared, and efforts coordinated. Major resource development projects are the single largest driver of economic development in the North, and CanNor's Northern Projects Management Office (NPMO) provides single-window path-finding and issues management for industry at all stages of resource development. Support is also provided to Aboriginal organizations that play a key role in the consideration of these projects. This work often begins during the exploration phase and takes on even greater importance during environmental assessment and regulatory permitting. NPMO coordinates all federal regulators to ensure the timeliness, transparency and predictability of regulatory efforts, while overseeing the Crown's Aboriginal consultations. NPMO also partners with communities to foster their readiness to maximize the positive impact of these projects, while working collaboratively to minimize and mitigate risks.

The Agency has a suite of contribution programs, which include the Northern Aboriginal Economic Opportunities Program (NAEOP) (a new version of CanNor's former Aboriginal economic development programs) and the Northern Adult Basic Education Program (NABEP). CanNor investments from these programs can be the impetus to get a business started or expanded. They can help a community plan to benefit from upcoming economic opportunities.

They can support a wide range of studies and projects from physical infrastructure, to preparing individuals to enter the workforce. Often, these investments are a catalyst to others investing additional funds in support of CanNor funding – a reflection of the importance of partnerships and aligning efforts that is characteristic of working in the North. The majority of the Strategic Investments in Northern Economic Development (SINED) program funding and the Community Infrastructure Improvement Fund (CIIF) sunset in 2013-14. Sunsetting programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

The Agency's pan-northern perspective and knowledge of the North are at the core of its efforts to champion the economic interests of the North within and outside the federal government. Complementing NPMO and CanNor's contribution programs, the Agency uses its policy and research capacity to examine and assess economic issues and opportunities. This informs the federal perspective on northern economic development and influences the response to challenges and opportunities. A common understanding of the facts is the foundation to successful partnerships and effective investments. Ultimately, for CanNor, success is a function of its partnerships, collaboration and networks.

## Strategic Outcome(s) and Program Alignment Architecture (PAA)

**1 Strategic Outcome:** Developed and diversified territorial economies that support prosperity for all Northerners.

**1.1 Program:** Economic Development

**1.1.1 Sub-Program:** Business Development

**1.1.2 Sub-Program:** Community Development

**1.2 Program:** Policy and Alignment

**1.2.1 Sub-Program:** Policy and Advocacy

**1.2.2 Sub-Program:** Coordination and Alignment

**Internal Services**

## Organizational Priorities

Priority	Type <sup>1</sup>	Strategic Outcome(s) and/or Program(s)*
Strengthening the northern economy, including by focusing on key relationships	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• Strengthening the northern economy is the Agency's raison d'être. All of the Agency's functions and work contribute to advancing this goal.</li> <li>• CanNor's success flows from its ability to build partnerships and coordinate and align action among stakeholders, including federal departments, territorial governments, Aboriginal people, and the private sector.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <p>CanNor will:</p> <ul style="list-style-type: none"> <li>• support fact-based decision making and policies through enhanced analytical tools and an economic research agenda that has as its focus the development of a whole-of-government approach to positioning Canada's North as a world-class location for resource development;</li> <li>• increase its external communications efforts to both assist in the promotion and marketing of the North, as well as improve and expand partnerships with other stakeholders in its economic success;</li> <li>• orient its suite of economic development contribution programs to align and prioritize investments based on the best and most immediate economic development opportunities; and</li> <li>• Improve the alignment of efforts among partners through greater outreach, leveraging investments and a more consistent application of a "northern lens" to other federal government initiatives and programs.</li> </ul>		

<sup>1</sup>. Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

Priority	Type <sup>2</sup>	Strategic Outcome(s) and/or Program(s)*
Advancing major project development in the North	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• Major resource project developments are key drivers of the overall economic development of Canada's North. They are important sources of job growth and business development, while representing an opportunity to improve socio-economic outcomes for Northerners.</li> <li>• Responsible resource development, and regulatory streamlining and simplification, are key priorities for the Government of Canada, particularly in relation to major projects.</li> <li>• Regulatory coordination, single-window path-finding service and issues management in relation to major projects, are critical to improving the investment and business climate for northern projects.</li> <li>• Socio-economic outcomes for Northerners are poor by Canadian standards and improvements must be part of any economic development strategy for the North.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <p>CanNor will:</p> <ul style="list-style-type: none"> <li>• use its Northern Projects Management Office (NPMO) to expand its portfolio of industry clients and work with more companies during the exploration phase of their work;</li> <li>• use the suite of tools it has built recently to manage resource development projects more strategically; these tools include its client engagement database, project agreements, memoranda of understanding, and improved communications mechanisms;</li> <li>• lead federal regulatory partners in meeting timelines and responding to project volumes by enhancing coordination and seeking to align these efforts with territorial governments and Aboriginal communities;</li> <li>• foster community readiness so that Northerners benefit from these projects, and that risks and opportunities are addressed early in the development of projects, ultimately improving socio-economic outcomes for Northerners;</li> <li>• advance a whole-of-government strategy that includes all northern stakeholders, to position Canada's North as a world-class location for resource development; and</li> <li>• continue to ensure that the Government of Canada's consultation obligations to its northern Aboriginal people is met by coordinating a whole-of-government approach to consultation, holding the record of consultation and ensuring it is complete.</li> </ul>		

<sup>2</sup>. Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

Priority	Type <sup>3</sup>	Strategic Outcome(s) and/or Program(s)*
Effective financial management	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <p>Effective financial management will:</p> <ul style="list-style-type: none"> <li>• ensure that CanNor operates in an effective and efficient manner;</li> <li>• enable the Agency to align resources with priorities; and</li> <li>• ensure that processes are in place to control and monitor financial activities.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <p>CanNor will:</p> <ul style="list-style-type: none"> <li>• continue to implement CanNor's financial management framework, with a focus on forecasting and aligning resources with priorities;</li> <li>• continue to implement effective business processes and governance, with an ongoing focus on control and monitoring for financial management;</li> <li>• ensure that staff members are trained for the implementation of new financial systems and processes; and</li> <li>• establish mechanisms that support continuous improvement.</li> </ul>		

<sup>3</sup>. Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

Priority	Type <sup>4</sup>	Strategic Outcome(s) and/or Program(s)*
Excellence in people management	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <p>The Agency's ability to advance economic development in the North is supported by the collective efforts of its employees. A workforce and workplace of excellence are the foundation for those efforts. Excellence in people management will:</p> <ul style="list-style-type: none"> <li>• ensure the health and well-being of employees;</li> <li>• advance an organizational culture of mutual support, teamwork, integrity, respect, and trust;</li> <li>• foster employee engagement and workforce productivity; and</li> <li>• promote high-quality service to clients.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <p>CanNor will:</p> <ul style="list-style-type: none"> <li>• complete the action plan in response to the results of the Public Service Employee Survey to promote a culture of excellence, aligning these efforts with broader Public Service initiatives like Blueprint 2020;</li> <li>• ensure clear and timely performance management agreements and learning plans linked to the Agency's priorities; and</li> <li>• begin implementation of the new Human Resources and Inuit Employment Plans. These plans will include measures to enhance recruitment, increase Inuit and total staff employment in all offices, including the Iqaluit HQ Office, and initiatives to improve and upgrade staff knowledge and skills.</li> </ul>		

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<sup>4</sup>. Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

Priority	Type <sup>5</sup>	Strategic Outcome(s) and/or Program(s)*
Improving business processes, program and service delivery.	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• With its small number of employees and large mandate, CanNor must ensure that it operates in the most efficient and effective manner.</li> <li>• Economic and business development in the North is increasing at an unprecedented pace and CanNor must ensure its speed of operations can meet the real-time demands of its clients.</li> </ul> <p><b>What are the plans for meeting this priority?</b></p> <p>CanNor will:</p> <ul style="list-style-type: none"> <li>• examine its contribution programs delivery mechanisms to identify areas for improvement;</li> <li>• establish and communicate service standards to its clients and implement mechanisms to ensure they are met;</li> <li>• implement new, improved mechanisms to gather program performance data using clear and simple procedures, forms and processes; and</li> <li>• consult with other Regional Development Agencies (RDAs) and Shared Services Canada (SSC) to seek long-term solutions in support of organizational and program decision making and results-based management.</li> </ul>		

<sup>5</sup>. Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR. If another type that is specific to the department is introduced, an explanation of its meaning must be provided.

## Risk Analysis

Business development in the North needs to deal with the complexities related to remote communities, a sparse population, dependence on natural resource extraction and associated challenges, such as under-developed infrastructure and labour market gaps. Program delivery in the North, therefore, requires a strong focus on risk management and mitigation.

### Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p><b>Alignment of CanNor Activities with Priorities and Needs:</b> CanNor must give careful consideration to its organizational alignment of activities, priorities and resources to meet service expectations and organizational priorities. Risks relate to ensuring that limited resources are allocated to priority activities and are aligned with the complex and fast-changing northern economy.</p>	<p>Mitigation hinges upon maintaining a strong understanding of the changing economic dynamics in each of the territories. This feeds into CanNor's business planning cycle, which is guided by its Program Alignment Architecture and established business lines, which were updated in the previous fiscal year.</p> <p>In addition, the Agency is implementing standardized business processes and continues to build its policy and economic research functions to inform goals and priorities. To further help mitigate this risk, the Agency employs a proactive external communications approach.</p>	<p>Policy and Alignment, Economic Development and Internal Services</p>
<p><b>Performance Measurement:</b> The ability to measure performance is critical. For contribution funding, CanNor, in part, relies on recipients to capture performance measurement information and report it to the Agency. Data collection can at times be a challenge, as can the time and resources to analyze the data in a small organization. Improved performance measurement is also required for the Agency's other functions, including policy, advocacy, coordination and internal services. It is a foundation for continuous</p>	<p>CanNor has systematically updated its performance measures since its creation in 2009. Its departmental Performance Measurement Framework has been updated with changes complementary to its MRRS elements and is now fully operational, including elements that report on program performance.</p> <p>To mitigate this risk, the Agency will implement new mechanisms in 2014-15 to gather program performance data via internal spreadsheets using clear and simple procedures, forms and</p>	<p>Policy and Alignment, Economic Development and Internal Services</p>

improvement efforts within the Agency.	processes. It will also consult with other Regional Development Agencies (RDAs) and Shared Services Canada (SSC) to seek long-term solutions in support of organizational and program decision making and results-based management.	
<p><b>Operational Environment:</b> While the North has great economic potential, there are challenges to delivering economic development programming and regulatory coordination in the Arctic. Even large centres in the three territories are far from markets, and economic and community infrastructure is limited. Disruption to global economic growth can weaken demand for commodities exported from the North.</p>	To mitigate these risks, CanNor undertakes research and engagement to foster its in-depth understanding of the changing northern context and the impacts of the global economy. Actions are also initiated to respond to these challenges, particularly in terms of positioning the North as an optimal location for global capital in the resource development sector. This is complemented by efforts to expand economic diversification.	Policy and Alignment, Economic Development and Internal Services
<p><b>Relationships with Clients, Partners and Stakeholders:</b> CanNor has different relationships with clients, partners, and stakeholders. For example, CanNor allows for third-party program delivery and frequently aligns its program investments with those of other groups. As well, the Agency works to align economic development strategies within the federal government, across jurisdictions and with other key economic players, including the private sector and Aboriginal communities. This increases the complexity of CanNor's efforts and puts additional pressure on its ability to establish, maintain and deepen relationships with its clients, partners and stakeholders, as well as support associated governance mechanisms. Given CanNor's small size and limited</p>	<p>To mitigate these risks, CanNor has worked with partners across all three of the territories to share economic development priorities and seek opportunities to invest in common projects. This is also reflected in an increasing emphasis on pan-territorial initiatives that deepen relationships while maximizing the impact of the Agency's efforts.</p> <p>The Agency has established networks of collaboration with federal departments, advancing horizontal initiatives collaboratively with key partners. The NPMO maintains and develops a variety of tools to be used to coordinate federal regulatory activities relating to major projects in the North, while strengthening its relationship with all partners involved in advancing resource</p>	Policy and Alignment, Economic Development and Internal Services

<p>contribution programming, the importance of these relationships is magnified even further.</p>	<p>development. To further help mitigate this risk, the Agency employs a proactive external communications approach.</p>	
<p><b>Legal, Statutory and Land Claims:</b> Legal and statutory risk relate to legislation, regulation, court decisions, major policy initiatives and, particularly in the case of CanNor, constitutionally protected comprehensive land claim agreements, as well as First Nations government arrangements. A number of policies and legislative requirements set the context for CanNor's functions, as do the terms of Aboriginal land claims and self-government agreements in the North. These circumstances also influence the regulatory environment in which the NPMO must operate.</p>	<p>To mitigate this risk, CanNor maintains internal practices and models for business delivery to align with statutory and other legal requirements. CanNor also ensures that these practices reflect the role played by comprehensive land claims and Aboriginal self-government agreements in the North.</p>	<p>Policy and Alignment, Economic Development and Internal Services</p>

## Planned Expenditures

### Budgetary Financial Resources (Planned Spending—dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
30,945,766	30,945,766	28,335,754 (a)	21,776,846 (b)

- a. The planned spending starting in 2015-16 is lower due to the decrease in Northern Adult Basic Education Program funding (NABEP) (\$3,000,000), offset by the increase in the NPMO funding (\$390,000) from 2014-15 and other minor adjustments.
- b. The planned spending starting in 2016-17 is lower due to the sunsetting of NPMO and NABEP funding in the previous year, in addition to other minor adjustments.

### Human Resources (Full-time equivalents—FTEs)

2014–15	2015–16	2016–17
77	77	63

The planned reduction of FTEs starting in 2016-17 is due to the end of NABEP (one FTE) and the sunsetting of NPMO funding (13 FTEs).

**Budgetary Planning Summary for Strategic Outcome(s) and Program(s) (dollars)**

Strategic Outcome(s), Program(s) and Internal Services	2011–12 Expenditures	2012–13 Expenditures	2013–14 Forecast Spending	2014–15 Main Estimates	2014–15 Planned Spending (a)	2015–16 Planned Spending (b)	2016–17 Planned Spending (c)
<b>Strategic Outcome:</b> Developed and diversified territorial economies that support prosperity for all Northerners							
Economic Development	36,758,833	43,066,111	43,992,604	22,256,695	22,256,695	19,256,695	15,289,956
Policy & Alignment	1,965,563	2,006,185	4,136,492	4,256,120	4,256,120	4,646,108	2,032,641
Internal Services	9,875,295	7,316,314	5,979,388	4,432,951	4,432,951	4,432,951	4,454,249
<b>Strategic Outcome Subtotal</b>	48,599,691	52,388,610	54,108,484	30,945,766	30,945,766	28,335,754	21,776,846
<b>Total</b>	48,599,691	52,388,610	54,108,484	30,945,766	30,945,766	28,335,754	21,776,846

- a. The planned spending starting in 2014-15 is lower due to sunseting of the majority of the Strategic Investments in Northern Economic Development (SINED) program funding, including \$17,000,000 in contributions and \$2,853,000 in operating funds, as well as ending of Community Infrastructure Improvement Fund (CIIF) (\$3,200,000) and other smaller offsetting adjustments.
- b. The planned spending starting in 2015-16 is lower due to the phased decrease in Northern Adult Basic Education Program (NABEP) funding (\$3,000,000), offset by the increase in NPMO funding (\$390,000) and other minor adjustments.
- c. The planned spending starting in 2016-17 is lower due to final reduction of NABEP (\$3,988,000), sunseting of NPMO’s three year-funding (\$2,628,000) and other minor adjustments.

Sunsetting programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency’s future budget exercises and Estimates documents.

## Alignment to Government of Canada Outcomes

### 2014–15 Planned Spending by [Whole-of-Government Framework Spending Area](#) (dollars)

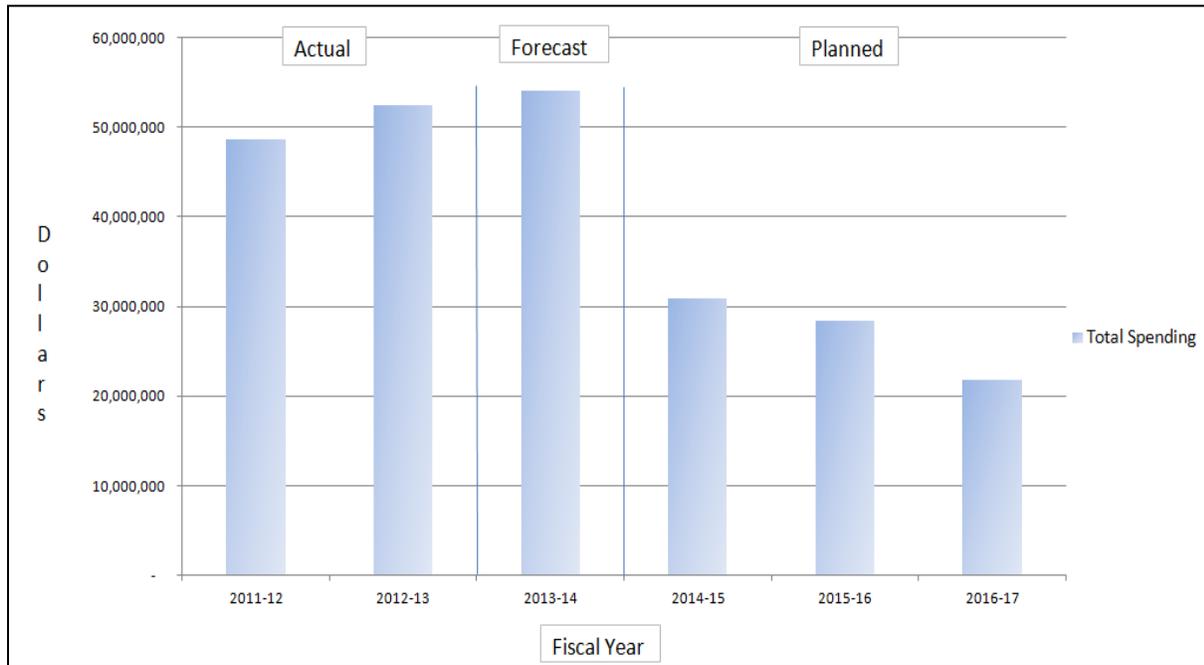
Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014–15 Planned Spending
1. Developed and diversified territorial economies that support prosperity for all Northerners	1.1 Economic Development	Economic Affairs	Strong economic growth	22,256,695
	1.2 Policy & Alignment	Economic Affairs	Strong economic growth	4,256,120

### Total Planned Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic Affairs	26,512,815
Social Affairs	
International Affairs	
Government Affairs	

## Departmental Spending Trend

Departmental Spending Trend Graph



The figure above illustrates CanNor's spending trend from 2011-12 to 2015-16, including the impact of sunseting multi-year program funding.

Actual spending in 2012-13 was higher than the previous year as a result of the Northern Adult Basic Education Program receiving full year funding (increase of \$5M) and the commencement of the Community Infrastructure Improvement Fund (\$3.2M) in this year. The increase was partially offset by a reduction in one-time funding associated with supporting the Nutrition North Program (\$1.2M) and completion of the Iqaluit head office retro-fit (\$2M) in 2011-12.

Forecast Spending is increasing in 2013 -14 due to the new NPMO funding (\$1,675,000). Budget 2012 reductions of \$2,400,000 were fully implemented in 2013-14. The Agency is forecasting spending all operating and contribution funds in 2013-14.

Planned Spending starting in 2014-15 is lower due to the sunseting of the majority of the Strategic Investments in Northern Economic Development (SINED) program funding (\$19,853,000) and the Community Infrastructure Improvement Fund (CIIF) (\$3,200,000).

Planned Spending in 2015-16 is lower due to the decrease in the Northern Adult Basic Education Program funding (NABEP) (\$3,000,000), offset by the increase in NPMO funding (\$390,000).

Planned Spending starting in 2016-17 is lower due to the final year of NABEP and the sunsetting of NPMO's three year funding.

Sunsetting programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

## Estimates by Vote

For information on the Canadian Northern Economic Development Agency's organizational appropriations, please see the [2014–15 Main Estimates publication](#).<sup>viii</sup>

## Contribution to the Federal Sustainable Development Strategy (FSDS)

The [2013-16 Federal Sustainable Development Strategy \(FSDS\)](#)<sup>ix</sup>, tabled on November 4, 2013, guides the Government of Canada's 2013-16 sustainable development activities. The FSDS articulates Canada's federal sustainable development priorities for a period of three years, as required by the *Federal Sustainable Development Act* (FSDA).

CanNor also ensures that its decision making process includes a consideration of the FSDS goals and targets through the strategic environmental assessment (SEA). An SEA for policy, plan or program proposals includes an analysis of the impacts of the proposal on the environment, including on the FSDS goals and targets. The results of SEAs are made public when an initiative is announced or approved, demonstrating that environmental factors were integrated into the decision making process.

CanNor is not required to report under the *Federal Sustainable Development Strategy*, but nonetheless adheres to the Act's principles. Many of CanNor's activities contribute positively to addressing climate change and air quality, maintaining water quality, protecting nature, and shrinking the government's environmental footprint. The Agency is committed to the use of information and communication technologies to reduce the impact of the geographic distance between its offices, while also reducing some of the environmental impacts arising from its operations. As CanNor is also committed to the [Policy on Green Procurement](#),<sup>x</sup> the Agency integrates green procurement practices into its operations. For additional details on CanNor's Greening Government Operations (GGO) activities, please see the Agency's [GGO Supplementary Table for the 2014-15 RPP](#)<sup>xi</sup>.



## **Section II: Analysis of Program(s) by Strategic Outcome(s)**

Strategic Outcome: *Developed and diversified territorial economies that support prosperity for all Northerners.*

## Program 1.1: *Economic Development*

**Description:** This program supports economic development in Canada's three territories: Nunavut, Northwest Territories, and Yukon. Ensuring that the North is able to participate actively in the economy is essential to Canada's economic growth. Each territory has unique opportunities and challenges that require individual strategies to foster sustainable, competitive and diverse economic development. Through funding support, the Canadian Northern Economic Development Agency (CanNor) strengthens and stimulates the northern economy by taking steps to advance private sector efforts, ranging from small and medium enterprises to large-scale industry. There is also a strong focus on creating the conditions to position individuals, including Aboriginal and non-Aboriginal Northerners, communities, and business-related organizations for economic success.

### Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
22,256,695	22,256,695	19,256,695	15,289,956

### Human Resources (FTEs)

2014–15	2015–16	2016–17
20	20	19

### Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Increased northern economic activity and well being of northern communities	<a href="#">Northern Economic Index (NEI)</a> <sup>xii</sup>	Value of 24 to 26	March 31, 2015

### Planning Highlights

Working with partners and stakeholders in 2014-15, CanNor will continue to:

- advance northern economic development in sectors such as geosciences that support resource development, tourism, cultural industries, economic infrastructure, mining, oil and gas development, forestry, renewable energy, small- and medium-sized enterprises, commercial

and traditional harvesting, and capacity development.

- ensure that Northerners are equipped to participate in and benefit from opportunities in all economic sectors by promoting the development of small and medium enterprises, fostering community capacity, and supporting a skilled workforce across all sectors.

CanNor also recognizes the close link between economic and community development in the North. 2014-15 will see an emphasis on community planning in relation to resource development projects, considering the full range of socio-economic impacts major projects can bring.

## Sub-Program 1.1.1: *Business Development*

**Description:** This sub-program supports the growth and expansion of northern businesses, including small and medium enterprises, through advice, and funding support. The sub-program's objective is to encourage a competitive, diverse northern business sector that is aligned with economic development opportunities across the North.

### Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
4,179,978	4,188,212	4,107,591

### Human Resources (FTEs)

2014–15	2015–16	2016–17
4	4	4

### Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Increased northern business activity	<p>Growth in GDP</p> <p>Percentage of Northern and Aboriginal (individual or community-owned) businesses supported by the Agency that are still operating after three years</p> <p><a href="#">Northern Economic Diversification Index (NEDI)</a><sup>xiii</sup></p>	<p>Growth rate in GDP that is equal to or better than the Canadian annual growth rate</p> <p>38%</p> <p>Value of 87 to 89</p>	March 31, 2015

## Planning Highlights

To achieve the expected results for this program, the Agency plans to undertake the following:

- CanNor program funding will continue to target key economic development that supports resource development, emerging and traditional sectors.
- The Agency will support Aboriginal business development through its new Northern Aboriginal Economic Development Program (NAEOP), which replaces its previous suite of Aboriginal economic development programs. This ensures that CanNor's support to Aboriginal organizations and entrepreneurs reflects the principles of the Federal Framework for Aboriginal Economic Development and is aligned with the overall economic development objectives and opportunities across the North.
- The majority of the Strategic Investments in Northern Economic Development (SINED) program funding and the Community Infrastructure Improvement Fund (CIIF) sunset in 2013-14. Sunsetting programs are subject to government decisions to extend, reduce, or enhance funding. The outcomes of any such decisions would be reflected in both the Agency's future budget exercises and Estimates documents.
- CanNor programming will continue to emphasize multi-year programming to reflect the nature of business and economic development, which often requires sustained and phased investments to reflect the cyclical nature of business growth. This will include streamlining CanNor operational procedures so that multi-year funding is flowed to recipients earlier in the fiscal year.
- CanNor investments will continue to focus on large-scale economic opportunities that have the potential to rapidly transform the northern economy and contribute positively to improved socio-economic outcomes for Northerners. This approach will align CanNor contribution funding increasingly with activities of CanNor's NPMO, particularly in terms of advancing the ability of communities to participate and benefit from major projects; and
- More investments will be made to respond to a number of key foundational gaps in the northern economic infrastructure, such as labour market needs and infrastructure challenges. These efforts will also support the outcomes under CanNor's Community Readiness Initiative.

## Sub-Program 1.1.2: *Community Development*

**Description:** This sub-program supports community-level investments in infrastructure and organizations, and individual-level investments in skills and capacity development. The sub-program’s objective is the establishment of economically sustainable northern communities with a high quality of life for residents.

### **Budgetary Financial Resources (dollars)**

<b>2014–15 Planned Spending</b>	<b>2015–16 Planned Spending</b>	<b>2016–17 Planned Spending</b>
18,076,717	15,068,483	11,182,365

### **Human Resources (FTEs)**

<b>2014–15</b>	<b>2015–16</b>	<b>2016–17</b>
16	16	15

## Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Economically sustainable northern communities	<p>Self-sustaining Aboriginal communities, as reflected in the proportion of Aboriginal economic development community planning investments relative to business investments</p> <p>Percentage improvement in labour market participation by Northerners</p> <p>Percentage of CanNor's investments into economic infrastructure studies that lead to infrastructure projects within five years</p>	<p>Year-over-year increase in business investments relative to community planning investments</p> <p>Improvement rate that is equal to or greater than the annual Canadian rate</p> <p>33%</p>	March 31, 2015

## Planning Highlights

To achieve the expected results for this sub-program, CanNor plans to undertake the following:

- Work with partners to identify optimal areas for funding and investment, with a particular focus on leveraging investments with other federal government departments, territorial governments and other organizations.
- Leverage the role of the Northern Projects Management Office to better understand the potential impacts and benefits of resource development projects in the North and to make strategic and tactical investments in communities to mitigate socio-economic risks and maximize benefits;
- Advance northern economic development research and policy to guide long-term program development and delivery, and investments in northern economic development;
- Provide support for Official Language minority communities in the territories, implementing Canada's strategy for Official Languages, the Roadmap for Canada's Official Languages 2013-2018, in the North;
- Work closely with Aboriginal governments and organizations to understand and respond

to the economic development needs of these groups, in accordance with the Federal Framework for Aboriginal Economic Development;

- Seek to integrate a capacity and skills development component for existing and new economic development programs; and
- Serve as the federal managing partner for the Canada Business Service Centres in the North.

## Program 1.2: *Policy and Alignment*

**Description:** This program supports research and analysis to guide programming and policy choices, the promotion of northern interests both inside and outside of the federal government, and the development of horizontal strategies, initiatives and projects to address economic development challenges and opportunities in the North.

### Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
4,256,120	4,256,120	4,646,108*	2,032,641

\*The increase in NPMO funding is for final relocation costs and program evaluation.

### Human Resources (FTEs)

2014–15	2015–16	2016–17
29	29	17

### Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Policies, programs and initiatives that are effective in strengthening the northern Canadian economy and, therefore, enable Northerners to access business and community development opportunities	Composite of performance indicators for the Economic Development Program and the related Sub-Programs of Business Development and Community Development	Meet or exceed at least 2/3 of targets identified in Program 1.1 and the related Sub-Programs	March 31, 2015

### Planning Highlights

Working with partners and stakeholders in 2014-15, CanNor's Policy and Alignment program will focus on policy and economic research, advice and analysis to provide evidenced-based programming and policy choices, and the development of effective horizontal strategies, initiatives and projects to address economic development challenges in the North, as well as

improve the overall performance of natural resource management systems.

### Sub-Program 1.2.1: *Policy and Advocacy*

**Description:** This sub-program informs departmental decision making by providing a solid base of knowledge and understanding to develop effective programs and federal initiatives, to support the development of the Agency's strategic priorities, to provide input to national programs and policies, and to establish strategic partnerships with governments and stakeholders from the private and not-for-profit sectors. CanNor puts a particular emphasis on the overall performance of natural resource development sector.

#### Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
2,054,679	2,242,949	956,537

#### Human Resources (FTEs)

2014–15	2015–16	2016–17
14	14	8

#### Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Well-informed, evidence-based policy decisions reflecting opportunities and challenges of the northern economy	Assessment of CanNor's performance as determined in audits and evaluations	Positive Assessment	March 31, 2015

#### Planning Highlights

To achieve the expected results for this program, the Agency plans to undertake the following:

- The Agency will continue to build its econometric tools to inform its own efforts and those of its partners. Particular attention will be paid by the NPMO to building mechanisms to better understand and predict the socio-economic outcomes of major

(resource development) projects;

- NPMO will also lead on efforts to address factors that have a direct impact on advancing resource development in the North, including fostering foreign direct investment into the North's resource development sector, particularly in terms of supporting junior mining companies;
- Partnership building remains a focus with an emphasis on complementing the relationships that have been built with leading economic think tanks to a broader outreach to academic institutions;
- Policy priorities will continue to emphasize the largest identified gaps to northern economic development, including labour market and infrastructure, particularly in terms of the connectivity and communication needs of the North;
- CanNor will pursue its efforts to bring a "northern lens" to federal government programming and policy making as the Agency seeks opportunities for horizontal collaboration and alignment of efforts with other federal government departments, as well as with territorial governments, the private sector and other stakeholders, as dictated by particular initiatives; and
- With Canada in the chairmanship role of the Arctic Council for another year and playing a leading role in the development of a new economic advisory body to the Council, the Agency will continue to seek opportunities to contribute to the development of Canada's agenda so as to help advance domestic northern economic interests.

## Sub-Program 1.2.2: *Coordination and Alignment*

**Description:** This sub-program engages a range of economic partners (government, non-governmental organizations, Aboriginal organizations and private companies) to address the economic priorities of the North, and to leverage resources and investments by building partnerships and coordination with other federal departments and northern stakeholders. CanNor's Northern Projects Management Office (NPMO) is a reflection of this approach as it works with project proponents, federal and territorial departments, Aboriginal communities and others to advance resource development.

### Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
2,201,442	2,403,159	1,076,104

### Human Resources (FTEs)

2014–15	2015–16	2016–17
15	15	9

### Performance Measurement

Expected Results	Performance Indicators	Targets	Date to be Achieved
Increased effectiveness and transparency in the management of federal environmental approval processes and other federal administrative processes	Percent of project agreements provided to federal regulators within one month of the project being submitted for screening with a northern regulatory board	90%	March 31, 2015

### Planning Highlights

To advance major projects and resource development in Canada's North, CanNor's NPMO will:

- Continue to provide a single window for issues management, information and guidance

to project proponents and others regarding the applicable environmental assessment and other regulatory requirements for northern projects, through active engagement and outreach with industry, government partners and Aboriginal organizations and communities;

- Advance an integrated economic development perspective to major project development, including aligning other CanNor programs and tools to major projects as well as those of other stakeholders, with the goal of establishing a strategy/roadmap to position Canada's North as a world-class location for resource development;
- Implement a comprehensive Community Readiness Initiative linked to memoranda of understanding (MOUs) signed with Aboriginal communities that brings a whole-of-government approach to maximizing the positive impacts of major projects, while addressing socio-economic challenges that these projects can bring;
- Build and/or refine the necessary tools to advance the mandate of CanNor and NPMO, including MOUs, project agreements, and databases necessary to track and manage projects and associated issues;
- Assess the effectiveness of existing governance mechanisms, such as territorial project committees, Resource Development Advisory groups, and project-specific working groups, as well as the interface with major projects governance tools used by Natural Resources Canada; and
- Continue to refine and implement mechanisms associated with Crown consultations and community readiness efforts.

## Internal Services

**Description:** Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Materiel Services, Acquisition Services, and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

### Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending
4,432,951	4,432,951	4,432,951	4,454,249*

\*This increase is due to the rate change for the Employee Benefit Plan (EBP).

### Human Resources (FTEs)

2014–15	2015–16	2016–17
28	28	27

### Planning Highlights

CanNor will continue strengthening its internal services in human resources, finance, administration and communications in 2014-15.

- The Human Resources and Inuit Employment Plans will be implemented in 2014-15. These plans will include measures to enhance recruitment, increase Inuit and total staff employment in all offices, including the Iqaluit HQ Office, and initiatives to improve and upgrade staff knowledge and skills.
- The launch of a new financial system April 1, 2014 will help the Agency continue improving its financial and business process and controls and meet internal audit requirements.
- The Agency has optimized its accommodation footprint and will carry out minor space refinements to maximize the efficiency and effectiveness of current office layouts, as well as continuously monitor and adjust, based on program needs.

- CanNor will also prepare for the migration to the government-wide email and document management systems.
- The Agency will continue to strengthen external communications and outreach efforts, making greater use of its updated website to offer increased and improved information to clients about its programs and services, and about economic development in the North. Improving internal communications tools to maximize horizontal and collaborative team work across the Agency will continue to be a focus.



## Section III: Supplementary Information

### Future-Oriented Statement of Operations

The future-oriented condensed statement of operations presented in this subsection is intended to serve as a general overview of the Canadian Northern Economic Development Agency's operations. The forecasted financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the future-oriented statement of operations is prepared on an accrual accounting basis and the forecast and planned spending amounts presented in other sections of this report are prepared on an expenditure basis, amounts will differ.

A more detailed future-oriented statement of operations and associated notes, including a reconciliation of the net costs of operations to the requested authorities, can be found on the [Canadian Northern Economic Development Agency's website](#).

#### Future-Oriented Condensed Statement of Operations For the Year Ended March 31, 2014 (dollars)

Financial information	Estimated Results 2013-14	Planned Results 2014-15	Change
Total expenses	55,318,000	32,459,000	22,859,000
Total revenues	0	0	0
Net cost of operations	55,318,000	32,459,000	22,859,000

The baselines for the above figures are numbers previously highlighted in this report. Although this Statement converts these numbers to an accrual basis of accounting, taking into consideration items affecting net cost of operations but not affecting actual authorities, they include amortization, services provided without charge by other departments, employees' future benefits, and adjustments to previous years.

The estimates and assumptions used in this condensed Statement may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As mentioned previously in this report, the planned spending starting in 2014-15 is lower due to sunsetting

of the majority of the Strategic Investments in Northern Economic Development (SINED) program funding, including \$17,000,000 in contributions and \$2,853,000 in operating funds, as well as ending of Community Infrastructure Improvement Fund (CIIF) (\$3,200,000) and other smaller offsetting adjustments. The conversion to the accrual basis of accounting does not significantly impact on the difference between the two years.

Sunsetting programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

## List of Supplementary Information Tables

The supplementary information tables listed in the *2014–15 Report on Plans and Priorities* can be found on the [Canadian Northern Economic Development Agency's website](#).

- Details on Transfer Payment Programs;
- Disclosure of TPPs under \$5 million;
- Greening Government Operations; and
- Upcoming Internal Audits and Evaluations over the next three fiscal years.

## Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the [\*Tax Expenditures and Evaluations\*](#)<sup>xiv</sup> publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.



## Section IV: Organizational Contact Information

Canadian Northern Economic Development Agency

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Iqaluit, Nunavut X0A 0H0  
Canada

Web : <http://www.cannor.gc.ca/>

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## Endnotes

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- i. Treasury Board Secretariat Estimates Publications and Appropriation Acts:  
<http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/esp-pbc-eng.asp>.
- ii. Selected Departmental Performance Reports for 2008-2009 – Department of Industry, Department of Transport. Report of the Standing Committee on Public Accounts, September 2010:  
<http://www.parl.gc.ca/HousePublications/Publication.aspx?Mode=1&Parl=40&Ses=3&Language=E&DocId=4653561&File=0>.
- iii. Strengthening Parliamentary Scrutiny of Estimates and Supply. Report of the Standing Committee on Government and Operations Estimates, June 2012:  
<http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=5690996&Language=E&Mode=1&Parl=41&Ses=1>.
- iv. Whole-of-government framework: <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>
- v. CanNor Strategic Framework 2013-18: [http://www.cannor.gc.ca/DAM/DAM-CANNOR-CANNOR/STAGING/texte-text/framework\\_strat-plan\\_1387761468037\\_eng.pdf](http://www.cannor.gc.ca/DAM/DAM-CANNOR-CANNOR/STAGING/texte-text/framework_strat-plan_1387761468037_eng.pdf)
- vi. Main legislative authorities: <http://laws-lois.justice.gc.ca/eng/acts/P-34/index.html>
- vii. CanNor web site: <http://www.cannor.gc.ca>
- viii. 2014-15 Main Estimates: <http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/esp-pbc-eng.asp>
- ix. 2013-16 Federal Sustainable Development Strategy:  
<http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=A22718BA-1>
- x. Policy on Green Procurement: <http://www.tpsgc-pwgsc.gc.ca/ecologisation-greening/achats-procurement/politique-policy-eng.html>
- xi. CanNor RPP 2014-15 Supplementary Tables:  
<http://www.cannor.gc.ca/eng/1387820400013/1387820480580>
- xii. CanNor's Northern Economic Index: <http://www.cannor.gc.ca/eng/1387900596709/1387900617810>
- xiii. CanNor's Northern Economic Diversification Index:  
<http://www.cannor.gc.ca/eng/1388762115125/1388762170542>
- xiv. Tax Expenditures and Evaluations: <http://www.fin.gc.ca/purl/taxexp-eng.asp>