

# Canadian Northern Economic Development Agency

2015-2016

## **Report on Plans and Priorities**

---

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

© Her Majesty the Queen in Right of Canada, 2015

ISSN 2292-4132

Cat. No. R1-41/2015E-PDF

---

## Table of Contents

Minister’s Message .....	1
Deputy Head’s Message .....	3
Section I: Organizational Expenditure Overview .....	5
Organizational Profile .....	5
Organizational Context .....	6
Planned Expenditures .....	15
Alignment of Spending With the Whole-of-Government Framework .....	17
Departmental Spending Trend .....	18
Estimates by Vote .....	19
Section II: Analysis of Programs by Strategic Outcome .....	21
Strategic Outcome .....	21
Program 1.1: Economic Development .....	21
Sub-Program 1.1.1: Business Development .....	22
Sub-Program 1.1.2: Community Development .....	24
Program 1.2: Policy and Alignment .....	26
Sub-Program 1.2.1: Policy and Advocacy .....	27
Sub-Program 1.2.2: Coordination and Alignment .....	29
Internal Services .....	31
Section III: Supplementary Information .....	33
Future-Oriented Statement of Operations .....	33
Supplementary Information Tables .....	34
Tax Expenditures and Evaluations .....	34
Section IV: Organizational Contact Information .....	35
Appendix: Definitions .....	37
Endnotes .....	41

---



---

## Minister's Message

As Minister of the Canadian Northern Economic Development Agency (CanNor), I am pleased to present to Parliament, and to Canadians, the 2015-16 Report on Plans and Priorities.

Thanks to our Government's strong focus on supporting the North, CanNor is able to foster strong northern economies and communities. Our investments in training and skills development, community infrastructure, and support for small and medium enterprises, are all contributing to building more diversified and sustainable economies in the three territories. These efforts create jobs for Northerners and contribute to Canada's prosperity.



With the launch of a newly redesigned Northern Aboriginal Economic Opportunities Program, we are now making increased funding available to create and expand northern Aboriginal businesses. In addition, the program will rely more directly on the knowledge of local Aboriginal organizations to deliver the program and build entrepreneurial capacity on the ground.

Looking to the future, the Agency is working across multiple fronts to engage and collaborate with all its partners so that people and communities benefit from the development and economic opportunities in the North. The Northern Projects Management Office is coordinating regulatory approvals for over 30 major resource projects, while working directly with communities to position them to take advantage of this development.

Over the coming year, the Agency will work collaboratively to build on the strengths and address the challenges inherent in fostering economic development in Canada's North. Through its programs and services, the Agency will work diligently to serve its clients and position the North to reach its full potential.



---

## Deputy Head's Message

Since joining CanNor in July 2014 as President, I have been impressed by the Agency's deep commitment to deliver on its mandate to foster economic development and help create long-term prosperity for Northerners.

The past year has seen the Agency deliver programs and services that advance major resource projects, support business development, build community capacity, improve infrastructure and diversify the economy in areas such as tourism, the Nunavut fishery and northern greenhouses. These efforts are enhanced by the collaborative and productive relationships the Agency maintains with its stakeholders and partners. As well, CanNor has continued its activities to improve its business processes.



Over the coming year, the Agency will maintain its focus on strengthening and diversifying the northern economy through its investments, informed advocacy and our partnerships. CanNor will facilitate the regulatory process to advance northern resource development and help to position communities to benefit from these activities. Further, the Agency will remain committed to continuous improvement and strive to deliver excellence in serving its clients. By measuring and assessing the effectiveness of programs, CanNor will determine how its programs can best meet the needs of the northern economy.





---

## Section I: Organizational Expenditure Overview

### Organizational Profile

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

**Deputy Head:** Janet King

**Ministerial Portfolio:** Canadian Northern Economic Development Agency

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

**Year of Incorporation / Commencement:** 2009

**Head Office:**

Allavvik Building  
1106 Inuksugait Plaza IV  
Iqaluit, Nunavut, X0A 0H0  
Canada

**Web Site:** [cannor.gc.ca](http://cannor.gc.ca)<sup>ii</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, including Aboriginal people, as well as coordinating and facilitating federal departments involved in reviewing major projects across the North through the Northern Projects Management Office (NPMO). It also undertakes research to support the development of evidence-based policies, advocating for Northern economic prosperity and diversification, and collaborating with other federal departments, territorial governments, Aboriginal organizations, and industry.

### **Responsibilities**

As the only federal department headquartered in the North (in Iqaluit), CanNor offers unique knowledge and perspective to the federal government's efforts to advance the socio-economic component of the Government of Canada's Northern Strategy. The Agency does this by informing and helping to coordinate the efforts of federal government departments whose operations impact the North's economic development. This work is enhanced by coordinating federal approaches with those of 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.

The Agency uses a suite of contribution programs, which include the Strategic Investments in Northern Economic Development (SINED) program, the Northern Aboriginal Economic Opportunities Program (NAEOP) and the Northern Adult Basic Education Program (NABEP) to invest in economic development opportunities across the three northern territories. CanNor investments from these programs can be the impetus to get a business started or expanded, and 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.

CanNor's 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 as well as during environmental assessment and regulatory permitting. NPMO coordinates 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's pan-northern perspective and knowledge of Canada's North are at the core of its efforts to champion the economic interests of the region. 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. For CanNor, success is a function of its knowledge, partnerships, collaboration and networks, all in the interest of positive outcomes for Northerners.

## Strategic Outcome(s) and Program Alignment Architecture

**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 by focusing on key economic sectors	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 activities contribute to this goal.</li> <li>CanNor's ability to strengthen the northern economy is enhanced by building relationships and coordinating and aligning action among partners, including federal departments, territorial governments, Aboriginal people and organizations, 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>Leverage large scale economic drivers like resource development while fostering economic diversification through investments in the creation and expansion of small and medium enterprises in growth (e.g. tourism) and emerging (e.g. biomass) sectors. These efforts will</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.

be based on measurable performance data and efficient and effective service delivery.

- Apply knowledge from research and analysis to inform programs and policies, while sharing this knowledge with partners and stakeholders to advance the northern economy.
- Strengthen external communications to raise awareness of the Agency’s programs and services to better serve clients and attract investment to the North.

Priority	Type <sup>2</sup>	Strategic Outcome(s) and/or Program(s)*
<b>Advancing major project development in the North</b>	<b>Ongoing</b>	<b>Developed and diversified territorial economies that support prosperity for all Northerners</b>
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• Major resource projects are key drivers of economic development in Canada’s North. They provide jobs, are an important source of business development and represent an opportunity to improve socio-economic outcomes for Northerners.</li> <li>• Responsible resource development and regulatory efficiency are key priorities for the Government of Canada.</li> <li>• Effective regulatory coordination, single-window path-finding service and issues management for major developments are critical to improving the investment and business climate for northern projects.</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>• Coordinate federal regulatory partners to meet timelines and respond to the number and complexity of projects by enhancing coordination and seek to align these efforts with territorial governments and Aboriginal communities.</li> <li>• Foster community readiness so that Northerners benefit from major resource projects, and risks and opportunities are addressed early in the development of projects, ultimately improving socio-economic outcomes for Northerners.</li> <li>• Continue to ensure that the Government of Canada’s consultation obligations to 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> <li>• Continue to assess and advise on challenges to advancing major projects in the North.</li> <li>• Advance efforts to position Canada’s North as a world-class location for resource development.</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)*
<b>Excellence in people management</b>	<b>Ongoing</b>	<b>Developed and diversified territorial economies that support prosperity for all Northerners</b>
<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>• Ensure 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>• Use information from the 2014 Public Service Employee Survey to promote a culture of excellence, aligning these efforts with broader Public Service initiatives such as Blueprint 2020.</li> <li>• Implement the Human Resources and Inuit Employment Plans to support recruitment, retention and representativeness and ensure a full staff complement in all offices, with a particular emphasis on increasing the number of Inuit employees in the Iqaluit office.</li> <li>• Implement ongoing training and continuous learning and development to ensure employees have the required competencies, skills and knowledge to deliver programs and serve clients.</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)*
<b>Continue to improve business processes, and program and service delivery</b>	<b>Ongoing</b>	<b>Developed and diversified territorial economies that support prosperity for all Northerners</b>
<b>Description</b>		
<p><b>Why is this a priority?</b></p> <ul style="list-style-type: none"> <li>• CanNor must ensure that it operates in an efficient and effective manner, to optimize its resources and achieve results.</li> <li>• Economic and business development in the North is increasing and CanNor must ensure its activities and 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>• Continue to improve program delivery processes and meet service standards.</li> <li>• Gather program performance data and integrate this information in its program decision-making and policy development.</li> <li>• Consult with other Regional Development Agencies and Shared Services Canada to seek long-term solutions in support of organizational and program decision-making and results-based management.</li> </ul>		

## Risk Analysis

### Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
<p><b>Performance Measurement</b> - Performance measurement is required to determine the effectiveness of CanNor's programs and to inform the Agency's other functions including management processes, policy, advocacy, coordination, alignment and internal services. It is a foundation for continuous improvement efforts within the Agency.</p>	<p>CanNor's performance measurement strategies and indicators were systematically updated as each program was reviewed. This ensures that the Agency's performance measurement strategies and indicators are kept current and up to date, while meeting the Agency's monitoring needs.</p> <p>A new tracking system to capture</p>	<p>Economic Development, Policy and Alignment, and Internal Services</p>

<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.

	<p>project-related performance data has been implemented. All Economic Development Officers have been trained to use this system to collect and assess performance information.</p> <p>The Agency is also currently consulting with other Regional Development Agencies and Shared Services Canada on potential common strategies and systems for performance measurement.</p>	
<p><b>Human and Knowledge Capital -</b> Competition within the limited labour pool in the North carries risks, both for recruitment and retention. CanNor must manage the challenges associated with building and maintaining a sufficient and representative workforce with the skills, competencies, and corporate knowledge base required to implement the Agency’s mandate.</p> <p>There is also a risk that CanNor may be unable to meet its federal obligations established under Article 23 of the Nunavut Land Claims Agreement (NLCA), which establishes a level of Inuit representation in government employment in the Nunavut Settlement Area.</p>	<p>CanNor will implement its Human Resources Plan, which includes an Inuit Employment Plan and Strategic Staffing Plan, to focus on recruitment, retention employee development. These strategies, plans and programs work in concert to ensure the Agency has a representative workforce with qualified, knowledgeable staff.</p> <p>The Agency also places a focus on continuous learning and training opportunities for its staff to update and expand their skill sets.</p> <p>The Agency will use its Strategic Staffing Plan to recruit a workforce with the competencies that are critical to the success of the organization. In addition, the Agency will use other tools such as the Performance Management Process and Learning Plans to focus on succession planning and on learning and development strategies to ensure retention and development of employees.</p> <p>CanNor’s Human Resources Plan will ensure that obligations stemming from Article 23 of the Nunavut Lands Claims Agreement are met.</p>	<p>Economic Development, Policy and Alignment, and Internal Services</p>



<p><b>Alignment of Priorities and Needs</b> - The Agency's limited resources may not be fully aligned with its priorities. CanNor must prioritize its programs and activities appropriately to ensure that limited resources are allocated to priority activities that are aligned with the complex and fast-changing northern economy.</p>	<p>CanNor maintains a strong understanding of the economic dynamics in each of the territories, and uses this to inform its ongoing business planning and program implementation.</p> <p>Rigorous business planning that includes performance measurement, informed by strategic policy and economic research functions, will enable the Agency to align its capacity with priorities.</p> <p>The Agency will examine and implement innovative and cost-effective approaches to fulfilling its mandate, such as using Service Delivery Partner arrangements with northern organizations.</p>	<p>Economic Development, Policy and Alignment, and Internal Services</p>
<p><b>Information Management and Information Technology (IM/IT)</b> - IT systems and infrastructure may not sufficiently support CanNor's client and user needs, which may limit the availability of accurate and relevant information for some program and business processes.</p> <p>The IM/IT transformation agenda may lead to some disruptions to CanNor's systems and procedures</p>	<p>CanNor maintains effective partnerships with Aboriginal Affairs and Northern Development Canada (the Agency's IT service provider), Health Canada and Shared Services Canada to continually improve IT systems and keep pace with the broader Public Service IM/IT transformation. CanNor will continue to implement government-wide IM/IT initiatives, leveraging opportunities for cost-effective shared services, while examining these new systems and approaches in order to minimize any possible disruptions to CanNor systems and procedures.</p> <p>The Agency will identify internal initiatives and develop strategies to improve collection, storage and use of data.</p> <p>CanNor will work collaboratively with other Regional Development Agencies to develop common business requirements and to</p>	<p>Economic Development, Policy and Alignment, and Internal Services</p>

	<p>implement a common client relationship and case management solution (CMS).</p>	
<p><b>Operational Environment -</b>                  CanNor’s ability to advance economic development in the North is subject to contextual elements that are beyond the Agency’s direct control and influence. This creates a risk of the Agency being unable to fully advance on its core objective. For instance, there is little ability to influence the cyclical changes in global economic dynamics will have an important impact on the North given the region’s heavy reliance on resource development.</p>	<p>The Agency applies its contribution programs to assist in foundational economic development and diversification, which helps to buffer the cyclical nature of a resource-based economy. Investments in diverse sectors, and support to small and medium-sized enterprises, can help to insulate the northern economy from the effects of the natural resources boom-bust cycle.</p> <p>To mitigate these risks, CanNor undertakes research and engagement to foster an in-depth understanding of the changing northern context and the impacts of the global economy in order to anticipate and address potential changes.</p> <p>The Agency will focus on innovative approaches to leveraging resource development projects to diversify northern economies and create a buffer against fluctuating economic dynamics. CanNor’s Community Readiness Initiative will help northern communities position themselves to capitalize on business opportunities and develop economic benefits from major projects and other economic opportunities.</p>	<p>Economic Development, Policy and Alignment, and Internal Services</p>

## Planned Expenditures

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
50,669,000	50,669,000	22,940,000 (a)	21,817,000 (b)
<p>a. The planned spending starting in 2016-17 is lower due to the sunsetting of the following three programs: the Strategic Investments in Northern Economic Development program (SINED - \$19.881M); enhanced funding to the Northern Projects Management Office (NPMO - \$2.629M) and the Northern Adult Basic Education Program (NABEP - \$3.969M). There is also a difference due to the variability of the year-over-year funding profile for the Centre for Northern Innovation in Mining Initiative (CNIM - \$1.279M).</p> <p>b. The planned spending starting in 2017-18 is lower due to the sunsetting of the Centre for Northern Innovation in Mining initiative (CNIM - \$1.123M).</p> <p>c. 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.</p>			

### Human Resources (Full-Time Equivalents [FTEs])

2015–16	2016–17	2017–18
93	63	63
<p>The decrease of FTE's between 2015-16 and 2016-17 is the result of the sunsetting of the three programs highlighted above (SINED, NPMO, NABEP).</p>		

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

Strategic Outcome(s), Program(s) and Internal Services	2012–13 Expenditures	2013–14 Expenditures	2014–15 Forecast Spending	2015–16 Main Estimates	2015–16 Planned Spending (a)	2016–17 Planned Spending (b)	2017–18 Planned Spending (c)
<b>Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners</b>							
Economic Development	43,066,111	40,878,078	42,274,000	40,497,000	40,497,000	16,749,000	15,626,000
Policy and Alignment	2,006,185	3,226,458	4,641,000	4,858,000	4,858,000	2,148,000	2,148,000
Internal Services	7,316,314	6,674,942	5,551,000	5,314,000	5,314,000	4,043,000	4,043,000
<b>Total</b>	<b>52,388,610</b>	<b>50,779,478</b>	<b>52,466,000</b>	<b>50,669,000</b>	<b>50,669,000</b>	<b>22,940,000</b>	<b>21,817,000</b>

- a. The planned spending starting in 2015-16 for Economic Development is lower due to a decrease in funding for the Northern Adult Basic Education Program funding (NABEP - \$3M) as per the program design, offset by increased funding for the Centre for Northern Innovation in Mining initiative (CNIM - \$1.427M). For Policy and Alignment there was a slight increase due to enhanced funding to the Northern Projects Management Office (NPMO – 0.39M). As well, any 2014-15 carry-forward (\$0.6M) is not included in 2015-16 (all programs).
- b. The planned spending starting in 2016-17 for Economic Development is lower due to the sunsetting of the Strategic Investments in Northern Economic Development Program (SINED - \$18.5M, the Northern Adult Basic Education Program funding (NABEP - \$3.969M) and the variability of the year-over-year funding profile for the Centre for Northern Innovation in Mining initiative (CNIM - \$1.279M). For Policy and Alignment, the impact of the sunsetting of the Northern Projects Management Office (NPMO) was \$2.629M. The sunsetting of the SINED program also reduced Policy and Alignment by \$81K and Internal Services by \$1.3M.
- c. The planned spending starting in 2017-18 is lower for Economic Development due to the sunsetting of the Centre for Northern Innovation in Mining initiative (CNIM - \$1.123M).
- d. 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 of Spending With the Whole-of-Government Framework

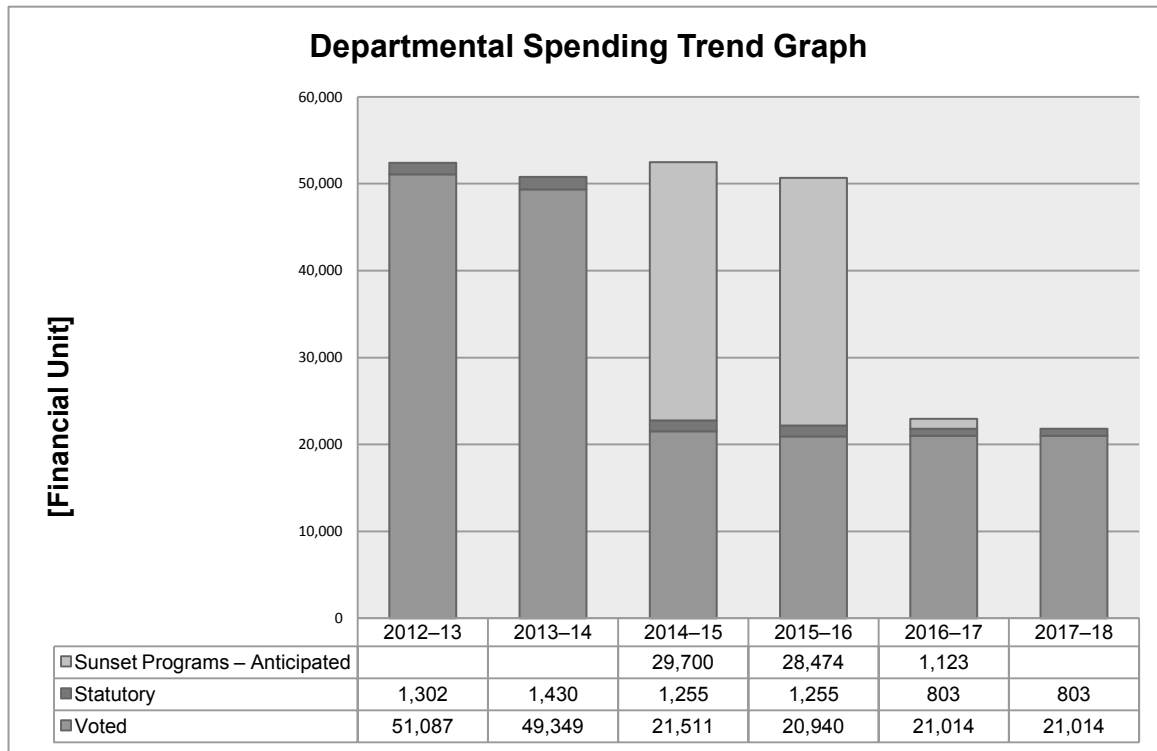
Alignment of 2015–16 Planned Spending With the [Whole-of-Government Framework](#)<sup>iii</sup> (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2015–16 Planned Spending
Developed and diversified territorial economies that support prosperity for all Northerners	1.1 Economic Development	Economic Affairs	Strong economic growth	40,497,000
	1.2 Policy & Alignment	Economic Affairs	Strong economic growth	4,858,000

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic affairs	45,355,000
Social affairs	
International affairs	

## Departmental Spending Trend



Forecast spending for 2014-15 is higher because the Agency is forecasting spending all operating and contribution funds in 2014-15.

Sunset programs for 2014-15 include the [Strategic Investments in Northern Economic Development](#) program (SINED - \$19.881M), the Northern Projects Management Office (NPMO - \$2.238M), the Northern Adult Basic Education Program (NABEP - \$6.605M) and the Centre for Northern Innovation in Mining Initiative (CNIM - \$976M).

Sunset programs for 2015-16 include the [Strategic Investments in Northern Economic Development](#) program (SINED - \$19.881M), the Northern Projects Management Office (NPMO - \$2.628M), the Northern Adult Basic Education Program (NABEP - \$3.564M) and the Centre for Northern Innovation in Mining Initiative (CNIM - \$2.401M).

Sunset programs for 2016-17 include the Centre for Northern Innovation in Mining Initiative (CNIM - \$1.123M).

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, consult the [2015–16 Main Estimates on the Treasury Board of Canada Secretariat website](#).<sup>iv</sup>





---

## Section II: Analysis of Programs by Strategic Outcome

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

#### Performance Measurement

Performance Indicators	Targets	Date to Be Achieved
Economic Development and Northern Prosperity: Positive change in the <a href="#">Northern Economic Index (NEI)</a>	Index score of 25 or higher	March 31, 2016

### 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)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
40,497,000	40,497,000	16,749,000	15,626,000

#### Human Resources (FTEs)

2015–16	2016–17	2017–18
35	19	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>v</sup>	Value of 24 to 26	March 31, 2016

### Planning Highlights

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

- Advance northern economic development and diversification through policy, research and investment in sectors such as: tourism, cultural industries, commercial harvesting and country foods and resource development (particularly mining and forestry).
- Support Northerners being equipped to participate in and benefit from opportunities in all economic sectors by promoting the development of small and medium enterprises, fostering community readiness and capacity, and supporting a skilled workforce across all sectors.
- Program funding will continue to target key economic development opportunities that strengthen the northern economy and benefit Northerners. Investments will aim augment the transformation of the northern economy and contribute positively to improved socio-economic outcomes for Northerners.

## 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)

2015–16 Planned Spending	2016 –17 Planned Spending	2017–18 Planned Spending
26,447,000	6,669,000	5,546,000 (b)
a. The planned spending starting in 2016-17 is lower due to the sunsetting of the Strategic Investments in Northern Economic Development program (SINED - \$18.5M) and the		

variability of the year-over-year funding profile for the Centre for Northern Innovation in Mining initiative (CNIM - \$1.279M). These changes are also reflected in the FTEs below.

- b. The planned spending starting in 2017-18 is lower due to the sunsetting of the Centre for Northern Innovation in Mining initiative (CNIM - \$1.123M).
- c. 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.

### Human Resources (FTEs)

2015–16	2016–17	2017–18
24	9	9

### 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>vi</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, 2016

### Planning Highlights

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

- Leverage the close linkages between economic and community development in the North, continue to place an emphasis on community planning in relation to resource development projects, considering the full range of socio-economic impacts and benefits

major projects can bring.

- Support Aboriginal business development through its NAEOP. This will ensure that CanNor’s support to Aboriginal organizations and entrepreneurs reflects the principles of the Federal Framework for Aboriginal Economic Development and is aligned with economic development opportunities across the North.
- Continue investments under SINED to develop strong and stable economies for the benefit of Northerners and all Canadians. SINED funding sunsets in 2015-16 and the Agency will be examining the extent to which the program is operating to meet the needs of Northerners. 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.
- There will be a continued emphasis on multi-year programming to reflect the nature of business and economic development, which often require sustained and phased investments to reflect the needs of early business growth.
- Advance northern socio-economic development research and policy to guide long-term program development and delivery, and investments in northern socio-economic development.

## 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)**

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
14,050,000	10,080,000	10,080,000
<p>a. The planned spending starting in 2016-17 is lower due to the sunsetting of the Northern Adult Basic Education Program funding (NABEP - \$3.969M). This change is also reflected in the FTEs below.</p> <p>b. 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.</p>		

## Human Resources (FTEs)

2015–16	2016–17	2017–18
11	10	10

## 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 in 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, 2016

## Planning Highlights

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

- Work with partners to identify optimal areas for funding and investment in support of enhanced community sustainability and resilience, with a particular focus on leveraging investments with other federal government departments, territorial governments and other organizations.
- Leverage the role of the NPMO to better understand the potential impacts and benefits of resource development projects in the North and to make strategic investments that enhance community capacity to mitigate socio-economic risks and maximize benefits associated with major projects.
- Provide support for Official Language minority communities in the territories by

continuing to implement 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 and community readiness priorities.
- Work to expand its service delivery arrangements with Aboriginal economic development organizations, to enhance community capacity, and to better identify community-based business investment opportunities.

## 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)

2015–16 Planned Spending	2015–16 Planned Spending	2016-17 Planned Spending	2017-18 Planned Spending
4,858,000	4,858,000	2,148,000	2,148,000

### Human Resources (FTEs)

2015–16	2016–17	2017–18
30	17	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, thereby enabling 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, 2016

## Planning Highlights

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

- Working with partners and stakeholders, CanNor will continue to focus on policy and economic research, monitoring and evaluation of the socio-economic environment across the North.
- Economic diversification in areas such as tourism, country foods, the traditional/cultural sectors and a growing service sector to respond to population increases, all represent opportunities for the development and expansion of small and medium enterprises (SMEs). Working with partners, CanNor will look at the barriers and opportunities and what steps could be taken to advance sustainable SMEs.
- Continue to assess gaps in the labour market and infrastructure in each territory. This analysis is guided by territorial economic planning in both the public and private sectors.

## 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 the natural resource development sector.

**Budgetary Financial Resources (dollars)**

<b>2015–16 Planned Spending</b>	<b>2016–17 Planned Spending</b>	<b>2017–18 Planned Spending</b>
2,429,000	1,074,000	1,074,000
<p>a. The planned spending starting in 2016-17 is lower due to the sunsetting of the Northern Projects Management Office (NPMO – Policy and Advocacy Portion - \$1.314M) and the SINED sunsetting (\$41K). These changes are also reflected in the FTEs below.</p> <p>b. 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.</p>		

**Human Resources (FTEs)**

<b>2015–16</b>	<b>2016–17</b>	<b>2017–18</b>
15	9	9

**Performance Measurement**

<b>Expected Results</b>	<b>Performance Indicators</b>	<b>Targets</b>	<b>Date to be Achieved</b>
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, 2016



---

## Planning Highlights

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

- Continue to develop socio-economic tools to inform its efforts and those of its partners. Particular attention will be paid by the NPMO to building mechanisms to better understand real and potential socio-economic outcomes associated with major (resource development) projects and to support the identification of resource and investment leveraging opportunities amongst partners.
- NPMO will also lead efforts to address factors that have a significant impact on advancing responsible resource development in the North, including promoting foreign direct investment into the North's resource development sector, particularly in terms of supporting junior exploration and mining companies.
- Build on policy outreach and partnerships currently underway with an emphasis on complementing the relationships that have been built with leading socio-economic think tanks by expanding to include broader outreach to further our knowledge of the North.
- CanNor will continue to bring a northern lens to federal government programming and policy making, seeking opportunities for horizontal collaboration and alignment of efforts with other federal government departments, as well as with territorial governments, the private sector, Aboriginal organizations, and other stakeholders.

## 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 coordinating 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)**

2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
2,429,000	1,074,000	1,074,000
<p>a. The planned spending starting in 2016-17 is lower due to the sunsetting of enhanced funding to the Northern Projects Management Office (NPMO – Policy and Advocacy Portion - \$1.314M) and the SINED sunsetting (\$40K). These changes are also reflected in the FTEs below.</p> <p>b. 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.</p>		

**Human Resources (FTEs)**

2015–16	2017–18	2017–18
15	8	8

**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	Percentage 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, 2016

**Planning Highlights**

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

- Continue to provide a single window for issues management, information and guidance to project proponents and others regarding the applicable environmental and socio-economic assessment and regulatory requirements for northern projects, through active engagement and outreach with industry, government partners and Aboriginal organizations and communities.

- Advance an integrated socio-economic development perspective to major projects, with partners, with the goal of advancing work to position Canada’s North as a world-class location for resource development.
- Continue to implement and expand the Community Readiness Initiative across the North in support of bringing a partnered and 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 work of NPMO, including MOUs, project agreements, and databases necessary to track and manage projects, associated issues and socio-economic outcomes.
- 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.
- Continue to refine and implement mechanisms associated with Crown consultations.

## 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)

2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending
5,314,000	5,314,000	4,043,000	4,043,000

- Planned spending starting in 2016-17 is lower due to the Internal Services share of the sunsetting Strategic Investments in Northern Economic Development program (SINED - \$1.3M). Other minor funding adjustments will also occur. This change is also reflected in the FTE’s below.
- 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.

**Human Resources (FTEs)**

2015–16	2016–17	2017–18
28	27	27

**Planning Highlights**

To continue to strengthen its internal services in human resources, finance, administration and communications in 2015-16, the Agency plans to undertake the following:

- Continue implementing the Human Resources and Inuit Employment Plans which include measures to enhance recruitment and increase Inuit and total staff employment in all offices, as well as initiatives to improve and upgrade staff knowledge and skills.
- Continue refining the use of the financial systems implemented in 2014-15 and modify business processes to ensure adequate reporting and compliance with internal controls.
- Prepare for the migration to the government-wide email and document management systems.
- Continue to strengthen external communications and outreach efforts, making greater use of its updated website and consider new tools to offer increased and improved information to clients about CanNor’s programs and services, and about economic development in the North.

---

## Section III: Supplementary Information

### Future-Oriented Statement of Operations

The future-oriented condensed statement of operations provides a general overview of the Canadian Northern Economic Development Agency's (CanNor) operations. The forecast of 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 condensed statement of operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Report on Plans and Priorities are prepared on an expenditure basis, amounts differ.

A more detailed future-oriented statement of operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, can be found on the CanNor's website

#### Future-Oriented Condensed Statement of Operations

For the Year Ended March 31

(dollars)

Financial Information	2014–15 Estimated Results	2015–16 Planned Results	Difference
Total expenses	53,420,000	51,318,000	(2,102,000)
Total revenues	-	-	-
Net cost of operations	53,420,000	51,318,000	(2,102,000)

## Supplementary Information Tables

The supplementary information tables listed in the *2015–16 Report on Plans and Priorities* can be found on the Canadian Northern Economic Development Agency’s website.

- ▶ Departmental Sustainable Development Strategy;
- ▶ Details on Transfer Payment Programs of \$5 Million or More;
- ▶ Disclosure of Transfer Payment Programs Under \$5 Million;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 Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*<sup>vii</sup> publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the responsibility of the Minister of Finance.

---

## Section IV: Organizational Contact Information

Canadian Northern Economic Development Agency

Inuksugait Plaza II, PO Box 40  
Iqaluit, Nunavut X0A 0H0  
Canada

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





---

## Appendix: Definitions

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

**budgetary expenditures:** Include operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

**Departmental Performance Report:** Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

**full-time equivalent:** Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents 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 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

**Management, Resources and Results Structure:** A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

**non-budgetary expenditures:** Include net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

**performance:** What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

**performance indicator:** A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

**performance reporting:** The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

**planned spending:** For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

**plans:** The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

**priorities:** Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

**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 an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

**Report on Plans and Priorities:** Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

**results:** An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

**Strategic Outcome:** A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

**sunset program:** A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

---

**target:** A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

**whole-of-government framework:** Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.



---

## Endnotes

---

- <sup>i</sup> Justice Laws website:  
<http://laws-lois.justice.gc.ca/eng/acts/P-34/index.html>
- <sup>ii</sup> CanNor's website:  
<http://www.cannor.gc.ca/eng/1351104567432/1351104589057>
- <sup>iii</sup> Whole-of-government framework, <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>
- <sup>iv</sup> *2015–16 Main Estimates*, <http://publiservice.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp>
- <sup>v</sup> CanNor's Northern Economic Index: <http://www.cannor.gc.ca/eng/1387900596709/1387900617810>
- <sup>vi</sup> CanNor's Northern Economic Diversification Index:  
<http://www.cannor.gc.ca/eng/1388762115125/1388762170542>
- <sup>vii</sup> *Tax Expenditures and Evaluations* publication, <http://www.fin.gc.ca/purl/taxexp-eng.asp>