



Canadian Northern Economic  
Development Agency

Agence canadienne de développement  
économique du Nord

# Canadian Northern Economic Development Agency

*Building a Strong North Together*

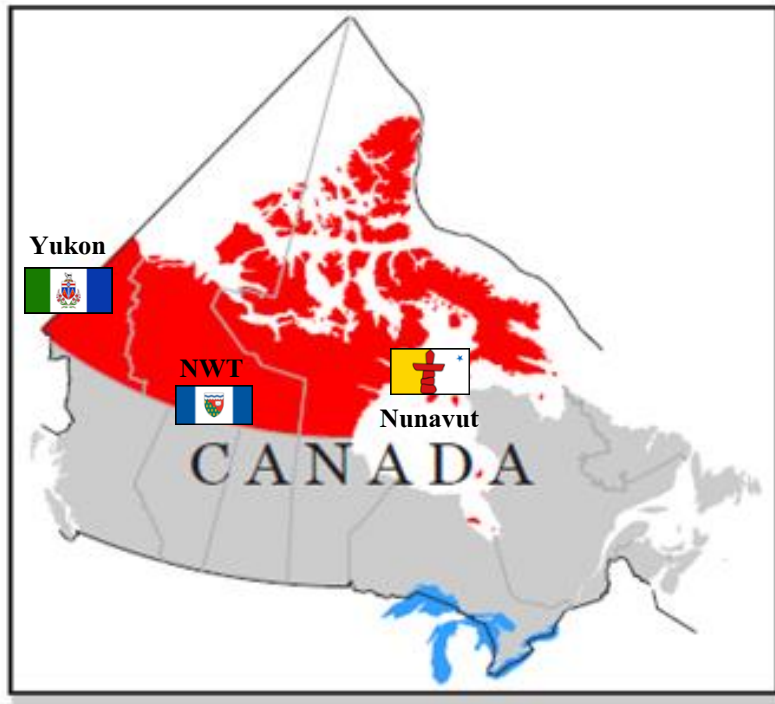
January 2016



Canada 

# Canada's Territorial North

- Vast geography:
  - 4 million square kilometres
  - 40% of Canada's land mass
- Borders Arctic, North Atlantic oceans; Hudson's Bay; access to Pacific



- Sparsely distributed population of 117,000
  - Approximately 3% of Canada's population
  - Mostly in capitals (Iqaluit, Yellowknife and Whitehorse); remaining in 72 communities
  - 40% under 25 years old
  - Half of the population is Indigenous (Yukon: 25%; NWT: 50%; Nunavut: 85%)
- Contributes \$9B (1%) annually to Canada's GDP

# Northern Partners in Economic Development

*Public sector collaborates to advance priorities*

## Federal Government

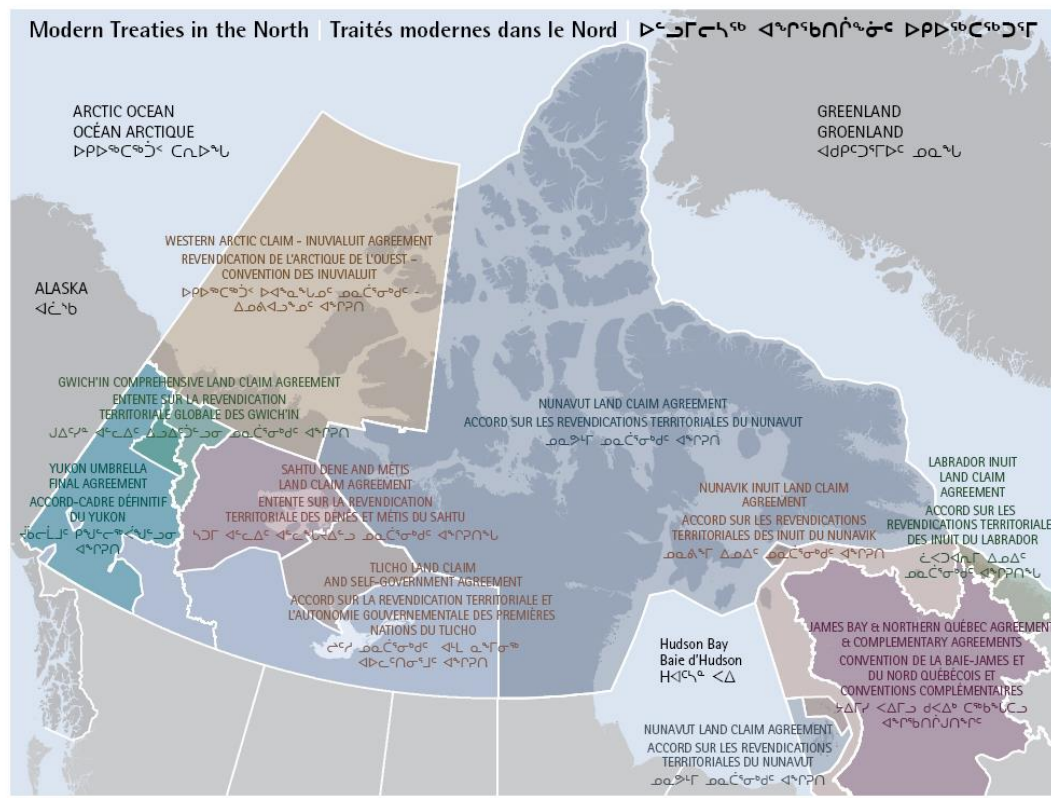
- Financial/policy levers through transfer payments, grants & contributions, taxation
- Manages federal Crown land and resources north of 60

## Territorial Governments

- Deliver programs related to health, employment, education, etc.
- Land & resource powers devolved in Yukon and NWT

## Indigenous groups

- Governed by modern land claims
- Claims include provisions for economic development and participation of Indigenous people





# The Northern Economy

## Characteristics

- **Resource-based:** dominant sector - reliance creates fluctuations (boom/bust cycles)
- **Mixed economy:** wage-based work combined with traditional activities



## Sectors

- **Natural Resources:** Exploration and development a key driver (23%)
- **Public Sector:** Public administration, health care, social assistance and educational services (30%)
- **Traditional Economy:** Hunting, trapping, arts and crafts
- **Growing Sectors:** Tourism, infrastructure, fishery

## Territorial economies

- Led country in economic growth for past 5 years: northern GDP grew by 3.25% in 2014
- Economies expected to contract by 0.9% in 2015 due to falling commodity prices
- 2015-16 Projections: Yukon and NWT Budget surpluses; NU deficit



# Economic Development: Opportunities

## Resource potential

- Canada's North among world's most diverse range of mineral deposits, e.g., base metals, gold, diamonds, rare earths
- Opportunities for spin off activity in transportation, construction, and increased Indigenous economic participation and business growth

## Infrastructure development

- Supports economic growth and contributes to community sustainability

## Innovation

- Clean technology, energy (bio-mass, hydro, wind); cold climate research

## SMEs

- Small and medium enterprises diverse, foundational to building business capacity

## Emerging & value-added sectors

- Potential for economic growth: tourism, fishery, bio-energy



# Economic Development: Challenges



## Skills and Labour Force

- Low education levels; limited numbers of skilled professionals
- High unemployment among Indigenous population
- Changing demographics

## Infrastructure Deficit

- **Energy:** diesel dependent; hydro expansion required; restraints of cold climate; lack of power generation infrastructure; higher costs
- **Transportation:** dependence on seasonal access (ice roads, sealift), fly-in only communities; high cost of construction
- **Connectivity:** broadband access/speed, network redundancy limited and does not meet southern standards





# Economic Development: Challenges

## Community and Entrepreneurial Capacity

- High cost of doing business
- Limited access to capital
- Skills, expertise, advice gap
- Remote communities/distance to markets



## Complex social issues

- High food costs, lack of housing, limited community supports

## Climate Change

- Poses risks to subsistence economy, infrastructure

# CanNor



- **Mandate:** Foster strong, diversified, sustainable northern economy through:
  - Delivery of contribution programs
  - Northern Projects Management Office
  - Policy and advocacy
- **Budget:** \$51M
  - \$35M contributions
  - \$16M operating
- **Portfolio:** Innovation, Science and Economic Development:
  - One of six regional development agencies across Canada
- **Partners and stakeholders:**
  - Territorial governments
  - Indigenous organizations
  - Communities
  - Industry and business
  - Other federal government departments & agencies
- **4 offices and 84 staff** across Canada:
  - HQ in Iqaluit
  - Offices in Whitehorse, Yellowknife, Ottawa







# CanNor Contribution Programs (2015-2016)

- CanNor works with territorial, Indigenous and business clients to deliver 7 programs
- Total contribution budget for 2015-2016 is \$35 million

## Core

**Northern Aboriginal Economic Opportunities Program (NAEOP)** Support development for Indigenous communities and businesses

**Strategic Investments in Northern Economic Development (SINED)**  
Promote economic diversification and growth

## Sector Specific

**Northern Adult Basic Education Program (NABEP)** Enhance literacy and workplace skills

**Centre for Northern Innovation in Mining (CNIM)** Training and research facility at Yukon College

**Certification and Market Access Program for Seals (CMAPS)**  
Seal industry marketing

## National Programs

**Economic Development Initiative (EDI)** Support economic growth in Francophone communities

**Canada 150 Community Infrastructure Program (CIP 150)**  
Invest in community infrastructure for 150<sup>th</sup> anniversary

**Canada Business Network (CBN)**  
Service centres provide assistance to business

- **Ongoing CanNor Programs**
- **Time limited/sunsetting programs**

# Northern Projects Management Office (NPMO)

**Mandate:** Improve efficiency and effectiveness of federal environmental review process for northern major projects

**Services:**

- Coordinate participation of federal departments and agencies in regulatory review processes
- Provide issues management, path-finding and advice to communities and industry

*«The federal government's role is to establish a process whereby industry can pitch a project, and Canadians can be reassured that this project is worth the risk. That's at the heart of governments granting permits and communities granting permission. People understand we do need economic growth. We do need natural resource projects. »*

Justin Trudeau



- Oversee and coordinate Aboriginal Crown consultations
- Undertake socio-economic analysis to advance readiness of communities to benefit from major projects
- Undertake northern resource development policy initiatives with federal and territorial partners to advance resource development in the North

# Research, Analysis and Policy Development

- CanNor provides informed northern lens to federal policy considerations and strategies, with a focus on economic development in the North



- The Agency promotes northern perspectives both within and outside the federal government – in Ottawa, across Canada and internationally
- Policy and research provides empirical evidence and analysis to guide CanNor's activities, programs and services



# CanNor Investments and Activities



- Since 2009, CanNor has invested \$222 million in more than 1,000 projects in all 3 territories, working with diverse partners:
  - Geoscience
  - Tourism
  - Small and medium enterprises
  - Community infrastructure
  - Bio-mass
  - Fishery
  - Cold climate research
  - Energy
- NPMO currently managing a portfolio of 34 projects, which represents potential for over \$22 billion in capital investment and almost 10,000 long-term direct operating jobs
- Community Readiness Plans in development with 7 communities to advance participation in northern economy

# Impacts and Results

- CanNor contributions leveraged more than \$27.5 million in additional investments (2014-15)
- Access to capital for 168 northern businesses since 2009
- Overall value of Nunavut's Fishery increased from \$79M in 2012-13 to \$86M in 2013-14
- New publically accessible geoscience information since 2009:
  - 85 new maps
  - 21,375 new data sets
  - 203 new reports, papers, etc.
- Innovation and clean technology investments in biomass, cold climate innovation and mini-labs to support economic development
- Community Readiness Plans in place with 2 communities, increasing community awareness of benefits associated with resource development





# Questions?