



PAN-TERRITORIAL GROWTH STRATEGY

Canadian Northern Economic
Development Agency



Government
of Canada

Gouvernement
du Canada

Published by Canadian Northern Economic Development Agency (CanNor)

www.cannor.gc.ca

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Catalogue : R108-10/2019E-PDF

ISBN : 978-0-660-31755-7

Cette publication est aussi disponible en français sous le titre : *Stratégie de croissance panterritoriale*

President's message



Canada's North offers vast potential for resource development, innovation, business development, and economic growth. The Canadian Northern Economic Development Agency's (CanNor) work focuses on strengthening those opportunities and working in partnership with territorial and Indigenous stakeholders to harness the full economic potential of the territories.

In early 2019, CanNor undertook a series of engagement activities to inform the development of a Pan-Territorial Growth Strategy (PTGS). We heard from a wide range of individuals, communities and organizations – in-person and online.

This Growth Strategy is our roadmap to robust and inclusive economies across Canada's territories. The PTGS is focused on four interrelated areas of action: skilled workforce, infrastructure investments and development, resource development, and diversification and innovation.

As CanNor embarks on its second decade, the focus on economic diversification and clean growth in the North continues to expand. Working with Northerners to build a diversified, sustainable, and dynamic economy across the territories is a key component to fostering long-term sustainability and economic prosperity in the North. Our Growth Strategy will guide us in our efforts to grow the economy, attract investment, and advance Indigenous economic reconciliation.

Paula Isaak
President
Canadian Northern Economic Development Agency



The Agency headquarters is in Iqaluit (pictured above), with regional offices in Whitehorse and Yellowknife, as well as a liaison office in Ottawa.

In the North, for the North

Celebrating its 10th anniversary, CanNor is the only federal department with an exclusive mandate for the territories. It is headquartered in the North—in the region that it serves and is shaped by northern realities and positioned to respond to northern interests.

In 2018-19, CanNor had an annual budget of approximately \$50 million with 80 FTEs.

To help deliver on its mandate, Budget 2019 proposes to invest an additional \$95 million over five years.

Working together for a better future

Our Vision: Vibrant and inclusive economies across Canada's territories, increasing the prosperity of the North and contributing to Canada's success as a whole.

The Pan-Territorial Growth Strategy (Strategy) is a plan to advance economic growth over the next five years. It builds on the unique strengths and opportunities of Canada's North. The Strategy sets out the priorities that the Canadian Northern Economic Development Agency (CanNor) will advance with the support and collaboration of our northern and federal partners. At its core, the Pan-Territorial Growth Strategy is designed to enhance the economy, attract investment, and create jobs so that all Northerners can benefit from the economic opportunities that are unfolding across the territories. Success in building a vibrant, inclusive economy will contribute to the resilience of northern communities and the overall wellbeing of Northerners.

The Pan-Territorial Growth Strategy is aligned with other federal frameworks such as the Canadian Minerals and Metals Plan. In addition, it draws upon the work already completed by our territorial and northern partners such as the Pan-Territorial Vision for Sustainable Development (Vision), released by the territorial governments in 2017, which emphasizes the importance of resource development, economic diversification, improved infrastructure and innovation. At the heart of this Vision is the goal that "every Northerner deserves the opportunity to experience wellness and the strength of community that characterizes Canadians."

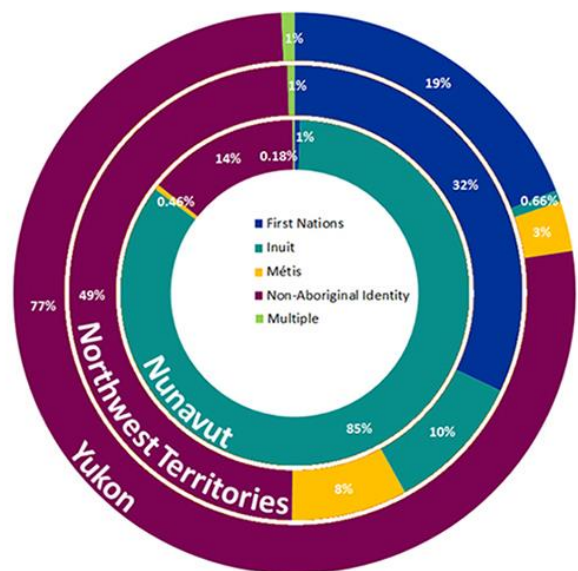
Opportunities and Challenges

Canada's territories are home to 114,000 people, half of whom are Indigenous, living across 40% of Canada's landmass. The North has a diverse range of

opportunities, often tied to its immense natural resources, the beauty of its landscapes, and the unique cultures of its residents. While the mining sector remains the cornerstone of territorial economies, new opportunities for growth are emerging across a diverse range of sectors including tourism, renewable energy, northern food sectors, commercial fisheries, and cultural and traditional sectors. With 60% of the population under the age of 40, the territories' youth, with the right educational and workplace supports, has tremendous potential to help implement transformative changes.

The territories contain two of the four Inuit regions: the Inuvialuit Settlement Region of the Northwest Territories and Nunavut. Together with Nunavik (Quebec), and

Share of Population by Aboriginal Identity (Census 2016)



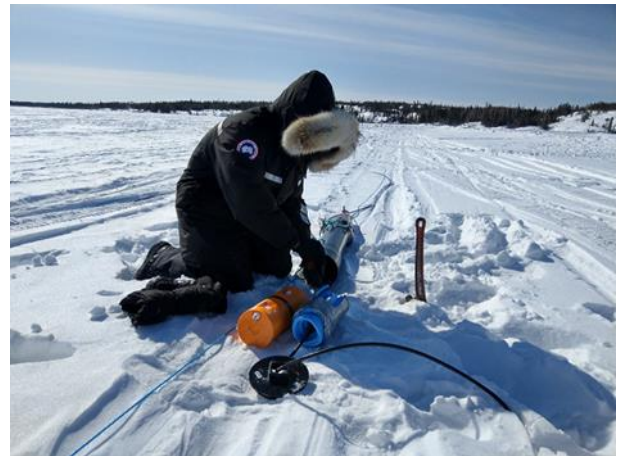
Nunatsiavut (Labrador), these regions form Inuit Nunangat. The Inuit and the federal government have developed the Inuit Nunangat Declaration and formed an Inuit-Crown Partnership Committee (ICPC) to jointly advance shared priorities across Inuit Nunangat in a coordinated, equitable way. CanNor's Strategy will complement the economic work of the ICPC.

What makes the North distinct from most other regions in the country is the significant role played by Indigenous businesses

in the economy, particularly Indigenous Economic Development Corporations, which are some of the largest businesses headquartered in the territories. These corporations are part of a growing number of social enterprises in the North, pursuing both economic and social gains. Another distinctive element is the presence of a mixed economy with individuals depending on traditional economies of hunting, fishing, and gathering, and combining these activities with participation in the wage economy. In addition to providing an economic benefit, traditional activities foster cultural continuity and strength for many northern Indigenous peoples.

Economic development and growth throughout the territories is made more challenging due to a sparse and widely distributed population. Northerners still rely heavily on goods being shipped, trucked or flown long distances for their basic needs including food and energy. This contributes to the cost of living being significantly higher in the territories than most other parts of Canada. Other challenges include labour-market shortages and cyclical downturns associated with fluctuations in the levels of resource development activity.

Disruptions impacting the global economy affect economic development of the territories, bringing new challenges and opportunities. The region is disproportionately impacted by climate change as the Canadian Arctic is warming three times faster than the global average. As a result, this region is experiencing a range of environmental impacts including longer and more widespread sea-ice-free conditions, thawing



William Onah, junior geophysical technician, installing a capacitively coupled resistivity receiver (orange) for a field test at Walsh Lake, near Yellowknife, NWT

Strong growth forecasted in Nunavut and Yukon

As a whole, the territorial economies are forecasted to have average growth rate of 5.3% in 2019 and 4.4 percent in 2020 before averaging 1.5% a year between 2021 and 2025.

This growth is being driven in part by strong growth in Nunavut, which is projected to grow by 10.3% in 2019 but will slow to 3.0% before accelerating in the medium term. The Yukon economy is expected to grow 2.2% in 2019, 10% in 2020, and will have an average annual growth rate of 3.6% between 2021 and 2025.

The Northwest Territories' outlook is more modest. While the economy is projected to grow by just over 2% in 2019 and 2020, growth is forecasted to decline in some years due to mine closures. With federal support, the Government of Northwest Territories is moving on a number of fronts to diversify its economy and advance infrastructure projects which could spur further development in the Slave Geological Province.

Source: Conference Board of Canada, *Territorial Outlook, Summer 2019*.

permafrost, and changes in distributions of species. These impacts are increasing the risk of costly damage to infrastructure, changing traditional food sources, threatening transportation routes including travel on the ice by snowmobile or dog sled, and affecting the social and cultural well-being of northern Indigenous people. However, with receding ice cover and improvements to cold-weather technologies, the Arctic will become more accessible for a broad range of commercial activities including mineral exploration, fishing, tourism, scientific research, and shipping (both small and large vessels). Northerners are becoming leading experts in climate change adaptation, resulting in economic opportunities from sharing this knowledge with other parts of the world.

Another global disruption that will change the northern economy are digital technologies (robotics, artificial intelligence, blockchains, telepresence etc.) which are changing the way firms operate, the nature of jobs, and the structure of industries. The new digital economy has the potential to create new economic opportunities by reducing challenges associated with operating in remote areas and could encourage more decentralized processes (e.g. decentralized manufacturing through new processes such as 3D printing). Foundational issues, such as connectivity challenges and access to key institutions such as post-secondary institutions, will need to be addressed for the territories to participate in this new digital economy.

Priorities for Growth

Drawing upon what we have heard in our engagements ([PTGS – What we heard](#)), the Pan-Territorial Growth Strategy has four interrelated areas of action. Together, they will contribute to a vibrant and inclusive northern economy.



Skilled workforce

Strengthen the northern workforce and equip Northerners with the tools, skills, and experience they need to succeed in the workforce, now and into the future.



Infrastructure investments and development

Leverage upcoming investments and the ongoing operation of major infrastructure projects to maximize local and regional economic opportunities.



Resource development

Support the sustainable development of the mining and energy sectors, throughout the development cycle, in a manner which increases community capacity, maximizes jobs and wealth within the territories, and produces positive economic impacts in communities.



Diversification and innovation

Foster the sustainable growth of other economic sectors with a focus on strengthened entrepreneurship and northern innovation.

Government action alone will not achieve these desired outcomes. Partnerships are needed to build on the strengths of every sector of society, including Indigenous Economic Development Corporations, small- and medium-sized businesses, industry, social enterprises, and others such as the northern colleges and research institutions. International partnerships are also needed to attract foreign direct investment and encourage international scientific research to help achieve the desired outcomes. An important component across all areas of action will be enhancing northern and Indigenous communities' capacity to plan for and capitalize on existing and emerging economic opportunities.

Our Approach

Collective action is needed to tackle these challenges, capitalize on the North's immense opportunities, and explore creative ideas for growth. Only together will we be able to succeed. Partnerships have been central to CanNor's efforts to stimulate economic growth. We collaborate with territorial governments, Indigenous organizations, industry and other stakeholders, as well as other federal departments. This collaborative approach allows for the integration of economic, social, cultural, and environmental considerations. It also allows for economic growth inside and out of the territorial capitals allowing Northerners to flourish in their own communities. Finally, our approach will assist in closing the socio-economic gap for northern Indigenous peoples.

CanNor will continue to use key, interrelated business lines and services that help drive economic development through:

- strengthening business and community development by delivering a suite of funding programs that foster growth and innovation based on needs identified through this Strategy while expanding our funding mechanisms to include repayable contributions and grants;
- coordinating federal participation in regulatory review processes and Crown consultation with Indigenous peoples for major resource and infrastructure projects in order to maximize the collective benefits; and
- advocating for economic development in the North by working with partners to align and sequence ongoing and new initiatives to optimize northern economic development and serving as a voice for northern needs in federal processes.



Graduates of Nunavut Arctic College's Environmental Technology program are now working with the Department of Fisheries and Oceans in Iqaluit.



Skilled workforce

Strengthen the northern workforce and equip Northerners with the tools, skills, and experience they need to succeed in the workforce, now and into the future.

Why this matters

The nature of work—automation, telework and the gig economy—is changing. This trend will impact the North; for example driverless vehicles at mining operations.

All territories have a younger population than Canada as a whole; over 60% of the population is under the age of 40. The average age of the Indigenous population in the North ranges between 2 and 5 years younger than for the non-Indigenous population. The territories have a large Indigenous labour force whose potential is underutilized. The National Aboriginal Economic Board estimated that Indigenous people in the territories could earn an additional \$1.1 billion in annual income if they had the same education and training as non-Indigenous people. A barrier to increasing participation of northern Indigenous peoples is lower educational and skills attainment levels.

Many people work in the North but do not live there. For example, the mining sector relies heavily on a fly-in/fly-out workforce from southern Canada. The Conference Board of Canada expects that only 27% of the jobs created in the Nunavut mines between now and 2025 will go to people living in the territory, compared with 70% of jobs in the services sector.

Working with Northerners to expand skills training

In Yukon, the Whitehorse Chamber of Commerce received support for the delivery of a small- and medium-size enterprise training program which will enable the Chamber to deliver a series of business development modules on topics such as financial management, human resources, and digital media to Yukon-based businesses.

In the Northwest Territories, CanNor partnered with the *Conseil de développement économique des Territoires du Nord-Ouest* to develop and deliver tools and training workshops targeted at francophone entrepreneurs and youth.

In Nunavut, the Qaggiavuut's Qaggiq Technical Arts Training project received CanNor funding to support a one-year technical arts training and mentorship project, which includes training and mentoring in the fields of lighting, sound, video editing, camera, set and costume design, and stage and arts management.

“We've found that mentorship and matching young Inuit with a professional in the field is a highly effective way of training technical skills. Learning is done in the context of the high-pressure, creative and collaborative environment of live performance and trainees quickly find themselves mastering skills.

— Ellen Hamilton, Executive Director, Qaggiavuut's Qaggiq School of Performing Arts

Northerners often need to leave the territories to acquire necessary training and post-secondary education. Access to business training or supports can be limited, particularly outside the territorial capitals. Other barriers, such as a lack of daycare or transportation or employment opportunities in smaller communities prevent some Northerners from participating in the labour force.

Actions

In collaboration with its partners and stakeholders, CanNor works to ensure that all Northerners have the skills and training necessary to take part in the economy of today and in the future. Priority actions for CanNor include:

- helping northern entrepreneurs gain the skills they need to start or grow their business, including funding for dedicated business supports to encourage Indigenous, youth, and women's entrepreneurship as well as targeted access to capital;
- increasing the availability of ongoing skills development opportunities, including Indigenous-based knowledge and skills, through investments in training infrastructure as well as the development of certification standards, curriculum or other materials;
- supporting the capacity of Indigenous communities to participate in economic opportunities by funding community economic development functions (e.g. planning, research, liaison, advocacy, coordination, monitoring); and
- working with businesses operating in the territories to implement employment strategies that create pathways for entry and advancement for Northerners.



Some improvements are on the horizon, for example, Yukon College will be Yukon University in 2020 (pictured above is the architectural drawing of a new science building which is being constructed with the help of federal funding).

In the Northwest Territories, the Dechinta Centre for Research and Learning (an on-the-land learning facility) will be expanding its offerings with the assistance of federal funding. In addition, the Government of Northwest Territories is exploring whether to transition Aurora College into a Polytechnic University.

In Nunavut, the Canadian High Arctic Research Station in Cambridge Bay is a science 'hub' for Canadian Arctic research and is another example of exposure to acquiring skills and opportunities.



Infrastructure investments and development

Leverage upcoming investments and the ongoing operation of major infrastructure projects to maximize local and regional economic opportunities.

Why this matters

The infrastructure deficit in the North is a foundational barrier to economic growth, impacting the North's overall competitiveness. Across the territories, major infrastructure is inadequate or missing altogether. There is also a severe shortage of housing and a deficit in community-level infrastructure (e.g. visitor centres, docks, recreational centres) in some communities.

The infrastructure deficit impacts all sectors of the northern economy and increases the cost of doing business. This deficit impacts the competitiveness of northern mining projects and is the cost premium associated with the need to build infrastructure that would not be required for an otherwise equivalent southern mine. The cost premium can be as much as 2.5 times higher for capital costs associated with base metal mines and 2 times for gold mines, as well as operating costs being 30% -60% higher. Developing infrastructure corridors to resource-rich areas would facilitate resource development. In addition, some northern small- and medium-sized enterprises have difficulty finding suitable spaces to start and grow their businesses.

There are important differences in the levels of infrastructure amongst and within the territories. For example, all communities in Nunavut and several Northwest Territories communities rely exclusively on marine transportation and aviation for community resupply. In comparison, Yukon has a well-developed road network with access points to British Columbia and Alaska. Likewise, there are important differences in the availability of broadband. For example, 100% of urban households in Yukon have access to household broadband coverage at 50 Megabits per second compared to only 20% of rural households in the territory. In comparison, the 50 Mbps level of broadband is unavailable to any user in Nunavut as the territory relies exclusively on satellite.

Helping to close the infrastructure deficit

CanNor invested in the pre-construction work associated with the 137 km Inuvik–Tuktoyaktuk highway in the Northwest Territories. Completed in 2017, this is the first Canadian highway to connect with the Arctic Ocean. The new highway has spurred an increase in visitors to the area with over 15,000 people visiting the area in 2018. CanNor is working with both communities to expand tourism offerings and related infrastructure in the area.

CanNor is currently funding the Kivalliq Inuit Association to conduct a technical and feasibility study on the potential to develop a hydroelectric and fibre-optic link between the province of Manitoba and the Kivalliq region of Nunavut.

Teslin Tlingit Council received support from CanNor for their installation of a district biomass heating plant in the community of Teslin, Yukon.

There are a number of inherent challenges, such as climate and remoteness, which impact the planning, building, and maintaining of infrastructure in the North. These factors can lead to increases in construction and maintenance costs and increases in the length of construction time. Climate change is threatening existing infrastructure as thawing permafrost directly impacts the integrity of building foundations, roads, runways, and pipelines. This is disrupting traditional activities by making travel on winter roads less predictable.

Federal and territorial governments are making significant investments to help close infrastructure gaps between the North and other regions in Canada. In addition to a desire for a more comprehensive and integrated approach towards infrastructure development, northern communities and organizations emphasized a desire to play a larger role in the development and maintenance of infrastructure, emphasizing that its construction should bring local jobs and wealth.

Actions

In collaboration with its partners and stakeholders, CanNor will leverage significant planned investments in northern infrastructure to close infrastructure gaps and foster new economic opportunities. Priority actions for CanNor include:

- helping spur the development of multi-purpose corridors for broadband, energy, and transportation, including connections to hydroelectricity grids, through continued policy advocacy and funding of pre-construction readiness (e.g. feasibility studies, drawings) of these large scale infrastructure projects;
- investing in the construction and improvement of small-scale economic infrastructure (e.g. visitor centres, business incubator space, fish-harvesting/processing infrastructure, micro-grids) that help communities and northern businesses capitalize on economic opportunities;
- maximizing opportunities for northern firms, including Indigenous Economic Development organizations, to compete for the construction and ongoing operation of major infrastructure projects through continued policy advocacy and investments in capacity; and
- supporting the development of climate-resilient infrastructure, including repair and maintenance of existing small-scaled economic infrastructure, to help increase the North's overall resilience.



Resource development

Support the sustainable development of the mining and energy sectors in a manner which increases community capacity, maximizes jobs and wealth in the territories, and produces positive economic impacts in communities.

Why this matters

The mining sector is the cornerstone of the northern economy and is a significant customer of territorial and Indigenous businesses. Much of Canada's mineral resource potential lies in the territories; as 76% of the projects north of 60° are undeveloped, including minerals used in the production of new technologies such as solar panels.¹

The sector serves as the economic pillar across the territories. In 2018, the value of mineral production in the North was approximately \$3.5 billion: \$2,110 million in the Northwest Territories, \$1,164 million in Nunavut, and \$217 million in Yukon.²

In the next five years, the outlook for the mining sector varies across the territories. Nunavut is expected to soon experience a period of strong growth due to increasing mining production and a number of new mines which are in development such as the Meliadine mine and the Back River project. Yukon is forecasting growth with three new mines on the horizon with the anticipated opening of Victoria's Eagle, and Goldcorp's Coffee and Casino mines.

While the mining sector will remain the cornerstone of the Northwest Territories' economy, none of the existing diamond mines plan production past 2034 and one mine is scheduled to close in six years. Although new metal mining operations are planned, these new operations will not fully offset declining diamond production. Future infrastructure projects, such as the Taltson Hydroelectric project expansion and development of an access corridor through the Slave Geological Province, would reduce operating costs for existing mines, and facilitate resource exploration and development activities.

Expanding our knowledge base

Over the last decade, CanNor has invested in territorial geoscience research across the territories. This research helps identify new mineral resources for economic development and job creation.

This data is often used to assess permafrost conditions which can help inform future infrastructure development.

Supported projects have helped map areas such as the Western Hudson Bay and the Kitikmeot region in Nunavut, the Slave Geological Province in the Northwest Territories, and the south-central region in Yukon.

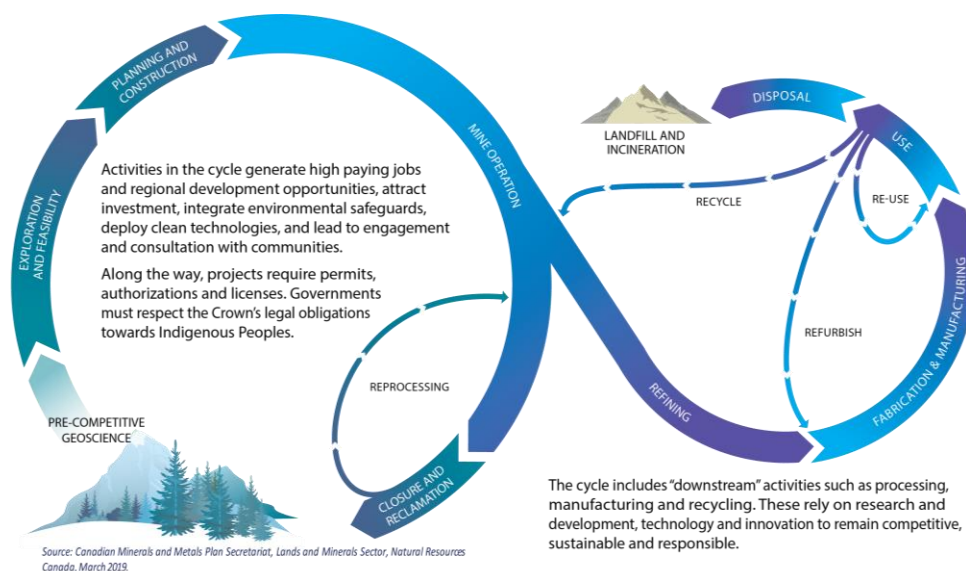


¹ Prospectors & Developers Association of Canada. 2016. *Unlocking Northern Resource Potential: The role of infrastructure*.

² Natural Resources Canada and Statistics Canada, Metals Production Statistics Program (<https://www.nrcan.gc.ca/mining-materials/statistics/8850>)

There are also economic opportunities related to other parts of the mineral development cycle such as those connected to the remediation of Giant Mine in the Northwest Territories and Faro Mine in Yukon. Finally, the move towards green mining practices will allow for energy savings, energy efficient mining operations and improved productivity.

Developed by federal, provincial and territorial governments in collaboration with partners, Indigenous peoples, and stakeholders, the [2019 Canadian Minerals and Metals Plan](#) will help drive the industry's long-term success. The plan will help capitalize on the economic opportunities which exist throughout the mineral development cycle, including employment, investment and better engagement with Indigenous and local communities.³



When the Geological Survey of Canada began the [Geo-mapping for Energy and Minerals Program](#) in 2008, only 20% of Canada's North was mapped to modern standards.⁴ Supported through federal and territorial investments, the level of geoscience knowledge of the region has greatly improved and is being used to inform decisions on mineral and energy exploration, land-use and the environment. The development and deployment of next generation geoscience technology and programming will advance Canada's place as a leader and will help unlock future development.

Maintaining competitiveness is paramount in a sector which is subject to global economic forces and price fluctuations. The mining sector is embracing new technologies. For example, diamond mines in the Northwest Territories are employing blockchain technology⁵ to modernize their supply chains and ensure the authenticity of their stones. Increased collaboration between the North's mining sector and other industries can help advance mutually beneficial technology development and adoption.

³ Mines Canada. 2019. *The Canadian Minerals and Metals Plan*, p. 3.

⁴ Mines Canada. 2019. *The Canadian Minerals and Metals Plan*, p. 12.

⁵ Blockchains are a record-keeping mechanism that can safely store digital records of transactions and track both tangible and intangible assets through a decentralized peer-to-peer network.

The energy sector— which includes primary energy sources such as oil, natural gas, and renewables— also makes an important contribution to the northern economy, contributing \$196 million to northern GDP in 2017.⁶ The energy sector contributes to employment in the territories through the creation of over 690 jobs in areas such as oil and gas, electricity, and construction.

Biomass energy projects are helping to displace the use of diesel, reducing environmental impacts and improving socio-economic conditions. In 2017, there were 7 operational biomass plants in Yukon (compared to only 1 in 2011) and 74 in the Northwest Territories (compared to only 19 in 2011).⁷ Often locally-driven, these projects encourage community ownership and participation, while strengthening capacity. For example, the Teslin Tlingit Council’s biomass district heating system, which provides heat to the community’s main buildings, serves as demonstration-site of a community bio-energy project for visitors around the globe.

As is the case for mining, the energy sector represents additional social-economic contributions to the territories and Canada as a whole in areas including new technologies and innovation, clean energy development, and attracting investment. These sectors have the potential to advance economic reconciliation and Indigenous participation in the economy. Responsible resource development embeds the concept of sustainability — balancing economic, environmental, and social considerations — and integrates the use of Indigenous knowledge into decision making processes.

Actions

In collaboration with its partners and stakeholders, CanNor works to capitalize on the North’s immense resource potential in both mining and energy. Priority actions for CanNor include:

- advancing opportunities for meaningful engagement and participation of Indigenous peoples in the sector through supporting initiatives which foster early engagement and capacity building, Indigenous employment, and the involvement of Indigenous businesses in the supply chain;
- supporting the objective of timely and effective impact assessment and regulatory processes by coordinating federal technical and other input processes and federal Crown consultation with Indigenous communities and helping ensure that resource development proponents understand how to navigate these processes;
- providing support and guidance for Indigenous, foreign, and domestic investment in the Northern resource sector;
- encouraging the development and deployment of new technologies and innovative practices to support continuous productivity and environmental improvements within the sector; and
- facilitating opportunities for northern businesses to export their knowledge and expertise in cold climate resource extraction globally.

⁶ Natural Resources Canada. 2018. *Energy Fact Book 2018-2019*, p. 9.

⁷ Natural Resources Canada.



Diversification and Innovation

Foster the sustainable growth of other economic sectors with an initial focus on strengthened entrepreneurship and northern innovation.

Why this matters

The key to economic success for Northerners is diversification and innovation⁸ by embracing many different types of economic opportunities and increasing linkages to the global economy. In addition, there are opportunities for a variety of small- and medium-sized enterprises throughout the mineral development cycle, which can be leveraged to support the growth of other sectors.

It is important to acknowledge the large role of public spending in driving private sector activity and employment. For instance, over half of all individuals employed in the territories work in the public sector —public administration accounted for 31%, health and social services at 11% and education at 10% in 2016.⁹ Growing the other sectors of the economy is important to not only increasing the size of the northern economy but also strengthening its overall resiliency.

Drawing on its landscape and rich cultures, the North offers a wealth of one-of-a-kind experiences. Tourism is a growing sector across the North. For instance, in 2017-18, for the first time, over 110,000 visitors travelled to the Northwest Territories while spending just over \$203 million in the process; over the last five years, visitor numbers to the NWT have increased by 19%.¹⁰ There are significant growth opportunities for Indigenous tourism operators to offer signature experiences. With the opening of the Northwest Passage, the North, particularly



Capitalizing on opportunities

Arctic Co-operatives partnered with CanNor to significantly expand and modernize their three hotels in Nunavut's Kivalliq region. In addition, CanNor invested in the revitalization of Thule Qammaqs (sod houses) archeological sites near the hamlet of Chesterfield Inlet.

CanNor is working with the territorial government to help revitalize the Great Slave Lake commercial fishery by helping to purchase processing equipment for a new fish processing plant to be built in Hay River, Northwest Territories.

CanNor is helping drive innovation in the North. In Yukon, CanNor invested in the NorthLight Innovation Hub (pictured above) which brings together into one space access to collaborative workspaces and manufacturing equipment with business supports and educational workshops.

⁸ Innovation is the development and deployment of a new or significantly improved technology, business model, product, system or service aimed at creating value.

⁹ Statistics Canada

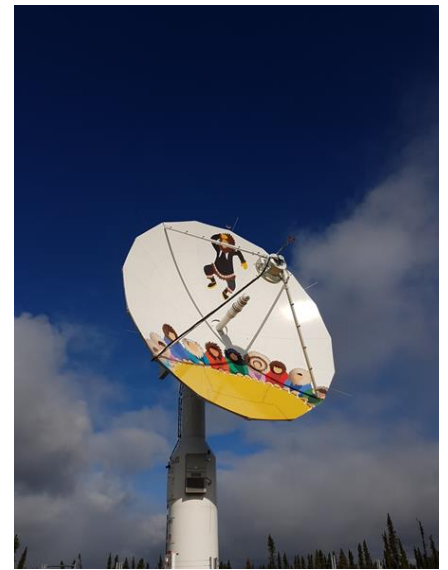
¹⁰ Government of the Northwest Territories. *2017/18 Tourism Numbers Break Records Again*.

Nunavut, can expect to see an increase in the number of cruise ships.

These one-of-a-kind experiences may be located in smaller communities which lack the facilities and services to be full-service tourism destinations. Another challenging factor is developing export-ready products that are accessible and affordable for visitors.

There is strong desire and need to increase local food production—agricultural goods, country foods such as seal, caribou and muskox, and fisheries—in order to reduce the North’s reliance on imported foods, reduce food insecurity, and increase local employment. In addition, some food sectors are looking to export their products. However, current regulatory systems and structures in the territories constrain the North’s ability to bring their goods to domestic and international markets. In addition, climate change is impacting traditional harvesting practices in some areas due to changing ice conditions and migration patterns of caribou, marine mammals and fish which are traditional staples for many Northerners. Northern communities are looking for new and innovative technologies to produce a diverse range of local foods. For example, some initiatives include building northern greenhouses to take advantage of the Arctic summer’s 24 hour sunlight, while others involve piloting green technology.

A significant focus of the northern innovation ecosystem¹¹ is to address territorial needs, markets, and issues. The ecosystem is very small, and quite nimble; however, access to the necessary expertise, capital, and markets may be limited. Strengthening the northern innovation ecosystem involves not only enhancing its internal capacity but also increasing its linkages to southern systems (e.g. venture capital markets). Due to its size, the northern innovation ecosystem will need to focus on its strengths, such as the development of cold climate technologies, and be driven by partnerships. The northern innovation ecosystem can also employ a circular approach (take-make-reuse) to new development and retrofits to existing businesses through leveraging new digital, biological, and engineering technologies as well as business models (e.g. sharing platforms). In addition to producing environmental benefits, a circular economy approach has broad economic benefits, including enhancing business competitiveness.



A part of the northern innovation ecosystem

Inuvik has a unique position to track and receive data in real time from polar-orbiting satellites. Pictured above is a Government of Canada satellite used for scientific, mapping, environmental monitoring and other purposes. This satellite has been covered with artwork from Sheree McLeod, to represent the Inuvialuit culture, by showing a blanket toss which was traditionally used to throw someone up in the air to look for caribou or whales. Along with a commercial satellite facility, Inuvik is developing the foundations of an emerging high tech industry.

¹¹ An Innovation ecosystem consists of networks of public sector institutions, private sector businesses, and academic organizations that entrepreneurs can rely on to launch and grow their businesses.

The value of collaborative spaces for ideas to flourish has been proven across the world. Building on the success of the growing communities of makers and coworkers at our two previous locations and the added partnership of Yukon College and Yukon Development Corporation, we are excited for a future of innovation in the north."

—Jaret Slipp, Executive Director, YuKonstruct Society

The enhancement and/or creation of new anchor institutions such as the transformation of Yukon College into a hybrid-university, the creation of the Canadian High Arctic Research Station, and the innovative initiatives at the Aurora Research Institute, are helping the northern knowledge economy grow.

Actions

In collaboration with its partners and stakeholders, CanNor works to capitalize on the diverse range of economic opportunities in the North. Priority actions for CanNor include:

- supporting the growth of tourism in the North by investing in marketing, tourism amenities, and product development;
- strengthening northern food sectors, including supporting the implementation of regional strategies and development of local producers and processors capacity (e.g. support for market development, facilities, and skills training) with the goal of increasing production and employment in the territories;
- enhancing the knowledge economy by increasing support for research and development, technology adoption and development of related skills, prioritizing projects that employ a network approach (i.e. multiple partners including the private sector);
- working to reduce policy barriers which make it difficult for northern businesses and social enterprises to access federal business development programming;
- fostering linkages among businesses, institutions and other communities, in concert with northern mining operations, to engage youth, attract people and talent, and invest in projects that create jobs and drive innovation;
- expanding regional innovation ecosystems through support for incubators, accelerators, networks and access to capital; and
- increasing businesses' capacity to grow through market diversification and entry into global markets.

Call to action

From 2019 to 2024, CanNor will continue to play a lead role in supporting inclusive and vibrant growth by focusing its activities, services, and programs on the four areas of action: enhancing the skilled workforce, leveraging infrastructure investments and development, strengthening the resource sector, and fostering economic diversification and innovation.

CanNor relies on the knowledge and entrepreneurial spirit of Northerners to advance a strong, vibrant and innovative northern economy. CanNor will continue to call on all of its northern partners—territorial and Indigenous governments, Indigenous Economic Development Corporations, small- and medium-sized businesses, industry, social enterprises, and others such as the northern colleges and research institutions—as well as those outside the region to come together to create and sustain economic growth that is respectful of Northern needs and aspirations.

CanNor will also continue to work closely with other federal departments to maximize the effective delivery of their programs and services across the territories, as well as advance pan-Inuit initiatives. CanNor will work with Natural Resources Canada and territorial partners to ensure that northern priorities are reflected in Action Plans being developed to operationalize the Canadian Minerals and Metals Plan.

CanNor will report on progress on implementing the Pan-Territorial Growth Strategy annually through our departmental report to Parliament and on our website. In addition, CanNor will evaluate the specific action items under each area of action mid-way to ensure that the Strategy continues to meet the needs of northerners and is aligned with emerging opportunities, and adjust its efforts accordingly.

Together with our partners, the implementation of the Pan-Territorial Growth Strategy will advance the objective of vibrant and inclusive economies across Canada's territories, increasing the prosperity of the North and contributing to Canada's overall success.

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