

Prosperity and Growth Strategy for Northern Ontario (PGSNO)

What We Heard

2024



This publication is available online at <https://fednor.canada.ca/en/about-us/prosperity-and-growth-strategy-northern-ontario-pgsno-what-we-heard>

To obtain a copy of this publication, or to receive it in an alternate format (Braille, large print, etc.), please contact:

FedNor Communications
Federal Economic Development Agency for Northern Ontario
19 Lisgar Street
Suite 307
Sudbury, ON P3E 3L4
Canada

Telephone (toll-free in Canada): 1-877-333-6673
TTY (for hearing impaired): 1-866-694-8389
Business hours: 8:30 a.m. to 5:00 p.m. (Eastern Time)
Email: media@fednor.gc.ca

Permission to Reproduce

Except as otherwise specifically noted, the information in this publication may be reproduced, in part or in whole and by any means, without charge or further permission from Federal Economic Development Agency for Northern Ontario, provided that due diligence is exercised in ensuring the accuracy of the information reproduced; that Federal Economic Development Agency for Northern Ontario is identified as the source institution; and that the reproduction is not represented as an official version of the information reproduced or as having been made in affiliation with, or with the endorsement of, Federal Economic Development Agency for Northern Ontario.

For permission to reproduce the information in this publication for commercial purposes, please contact FedNor Communications mentioned above.

© His Majesty the King in Right of Canada, as represented by the Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario.

Cat. No. Iu91-4/31-2025E-PDF

ISBN 978-0-660-78131-0

Aussi offert en français sous le titre, Stratégie pour la prospérité et la croissance du Nord de l'Ontario (SPCNO) - Ce que nous avons entendu.



Table of contents

- Executive summary 4
- Introduction 7
 - Progress made to date..... 7
 - Engagement process..... 7
- What stakeholders told us 9
 - 1. Building stronger communities..... 9
 - 2. Growing companies..... 12
 - 3. Supporting innovation..... 16
 - 4. Overarching themes..... 18
- Next steps 20



Executive summary

The [Prosperity and Growth Strategy for Northern Ontario \(PGSNO\)](#) is the Government of Canada's plan for economic development in the region. The strategy recognizes the importance of place-based approaches to address the specific needs and challenges faced by residents, communities, and businesses in Northern Ontario. Its goal is to foster growth and prosperity in the region by supporting innovation, growing companies, and building stronger communities.

Since its launch, there has been notable progress towards the intended goals and outcomes, reaffirming the importance of a federally coordinated economic development strategy for the region. Recognizing that the economic landscape has shifted over the last five years, the Government of Canada embarked on a refresh of the strategy throughout 2024-25. In early 2024, FedNor released a [progress report](#) which outlined some of the key investments made to date and showcased important successes across different economic indicators. The report also noted ongoing challenges and areas requiring further engagement.

From July to October 2024, FedNor heard from 300+ stakeholders through 22 virtual and in-person engagement sessions and 22 written submissions to inform the strategy update. Through this feedback, participants reviewed the progress made to date, identified regional gaps and opportunities, and discussed refreshed priorities and actions for the future. After the sessions concluded, FedNor conducted a validation survey to confirm what was heard during the engagement sessions and further prioritize identified areas of action.

This report summarizes the engagement efforts involved in updating the strategy and provides an overview of the major themes that surfaced during the engagement period.

The valuable insights FedNor received during these engagement exercises will help the Government of Canada prioritize action areas and consider approaches to address challenges and seize opportunities in Northern Ontario's evolving economic landscape. Consequently, it will ensure the refreshed strategy, expected to be released in the coming months, remains relevant and responsive to regional needs.

What we heard

Throughout the engagement sessions, participants highlighted several important issues, with particular themes emerging as crucial for guiding strategic and economic efforts in Northern Ontario. These themes included:

- **Housing**, in particular the availability of suitable housing across the region and supports for the construction of new housing stock in remote and Northern communities, including First Nations;
- **Access to capital** supports for entrepreneurs, including equity-deserving groups, to help address the increasing costs of running a business;
- **Attraction and retention** of skilled workers to help address the labour shortage, including the importance of training and employment opportunities for youth and immigration services to fill jobs; and,
- **Addressing service gaps**, particularly in small, rural, remote, First Nation, and Francophone communities ranging from healthcare and education to financial institutions, community services, and public administration.



Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

Additionally, stakeholders highlighted several key themes, including opportunities for innovation across key sectors such as mining, forestry, agriculture, tourism, and the Indigenous economy. They further emphasized the need for funding, expertise, and infrastructure to strengthen the regional economy. Advanced manufacturing was also seen as crucial for creating high-tech jobs, attracting skilled professionals, supporting export development, and expanding markets. Support for the critical mineral subsector was identified as vital to the future of mining in the region.

Participants noted that innovation in Northern Ontario faces unique barriers— such as limited resources and less advanced infrastructure— compared to more populated areas. Participants added that small and medium enterprises, which often drive innovation, struggle with funding due to traditional views that equate innovation with high-tech ventures. Stakeholders advocated for place-specific metrics and funding evaluations that consider regional realities. Innovative infrastructure development, such as micro housing factories, local renewable energy, drone and airship transportation, and greenhouses, were seen as key to helping close the infrastructure gap in small, rural, and remote communities.

Improving broadband and cellular connectivity was identified as essential for advancing technology adoption. Stakeholders emphasized the need for regional considerations in broadband program administration, especially to ensure connection for rural, remote, and First Nation communities, which have weaker business cases. They also suggested that enhanced collaboration among businesses, community partners, and government could help expedite project completion and service delivery.

Participants stressed the importance of supporting businesses in adopting new technologies, especially for smaller enterprises, to help bridge the urban-rural digital divide. Local, hands-on support and training in AI, automation, and cloud-based solutions was deemed critical for efficiency. Stakeholders also emphasized the need for training, financial support, and partnerships to equip professionals for high-tech and climate change roles, thereby helping employers adopt and maintain sustainable technologies.

Enhancing transportation infrastructure to connect communities to essential services, support business development, improve market access, and stimulate growth in key sectors was also seen as a priority. Expanding ports, improving road transportation, rail opportunities and regional air travel was seen as vital to regional economic development.

Attracting and retaining skilled labour to improve residents' quality of life—such as health, child care, and education and training professionals—was recognized as essential to make communities more suitable for the long-term retention of other skilled labour and thus become drivers of economic prosperity. Stakeholders also emphasized the importance of community assets and economic infrastructure, such as business parks, multi-use centres, training facilities, and recreation centres, in supporting long-term population retention and economic development.

Suggestions to expand business support in rural and remote communities included increased funding and virtual service delivery, with local organizations directly delivering programs. Participants emphasized the importance of programming to support business succession and acquisition planning and initiatives that help small and medium enterprises scale up, access new markets, and promote entrepreneurship and skill development. This includes peer-to-peer learning, networking, business planning support, and targeted assistance for equity-deserving groups through long-term programming.

Investing in the green economy, particularly in clean energy and a domestic electric vehicles battery supply chain— was seen as a key driver of regional economic growth and prosperity. Stakeholders called for targeted support for businesses to address climate change impacts and explore new opportunities in priority sectors.



Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

Finally, overarching themes also emerged throughout the engagement period, different roundtable sessions, and written feedback submissions. Participants emphasized the importance of regionally responsive programming to tailor initiatives to local needs and conditions. They also highlighted that strengthening regional partnerships and collaboration could enhance cooperation among stakeholders, improving effectiveness. Additionally, they pointed out that data availability and access are crucial for informed decision-making, providing accurate and accessible information. Furthermore, they stressed that improved governmental coordination could ensure various levels of government work together seamlessly to support the strategy. These themes establish core priorities and guiding principles, enabling the strategy to expand into its three focus areas. They support the integration of specific themes, initiatives, and action points, while consistently aligning with the strategy's main goals, ensuring it remains comprehensive and cohesive.

Next steps

The Government of Canada heard important insights and recommendations from a diverse array of stakeholders during its engagement exercises. These contributions will help the government identify action areas and integrate solutions into the strategy, helping to ensure the refreshed PGSNO stays effective and relevant to guide investments for the prosperity and growth of Northern Ontario.



Introduction

Launched in 2018, the [Prosperity and Growth Strategy for Northern Ontario \(PGSNO\)](#) is the Government of Canada's strategy for the regional economic development in Northern Ontario. The strategy emphasizes the importance of tailored, place-based solutions to help meet the unique challenges and priorities of communities, businesses, and residents. It aligns with various federal and provincial government priorities and helps foster collaboration with both government and regional stakeholders. This approach builds on Northern Ontario's strengths while seeking to help address regional barriers to economic growth.

Specifically, the strategy focuses on three key areas:

- **Supporting innovation** – Expanding and strengthening the regional innovation ecosystem to support competitive businesses and economic growth.
- **Growing companies** – Enhancing the delivery of supports for business start-ups and scale-up to grow competitive companies and stimulate economic growth.
- **Building stronger communities** – Helping municipalities and Indigenous communities better respond to economic development opportunities and challenges.

Progress made to date

Since its launch, there have been notable successes in all three priority areas of the strategy. To demonstrate PGSNO's achievements, FedNor released the [Prosperity and Growth Strategy for Northern Ontario Progress Report](#) in the spring of 2024.

While the outcomes highlighted in the report reaffirm the importance of a federally coordinated economic development strategy for the region, the report also revealed ongoing challenges and new opportunities. Specifically, it explored how the economic landscape of Northern Ontario has shifted in the last five years. Refreshing the strategy will ensure it continues to be relevant and responsive to the region's needs.

The report concluded by presenting a roadmap to refine the strategy's focus by engaging in certain topic areas, including the growth of the green economy, infrastructure development, support for equity-deserving groups,¹ economic reconciliation, and the attraction, retention, and upskilling of talent.

Engagement process

Between July and October 2024, FedNor organized 22 engagement sessions to help shape the refreshed strategy and guide future investments. While the sessions were structured around specific topics (*see figure 1*), the discussions often expanded beyond these areas, delving into broader aspects of regional prosperity and economic growth.

¹ Equity-deserving groups include 2SLGBTQI+ persons, Francophones, immigrants, First Nations, Métis, Inuit, and other Indigenous people, persons with disabilities, visible minorities, women+, and youth.



Figure 1. Engagement Session Topics



During sessions, participants reviewed the progress made to date, identified regional gaps and opportunities, and discussed new priorities and actions for the future. Stakeholders also provided written feedback to the engagement questions. After the sessions concluded, FedNor conducted a validation survey to confirm what was heard during the engagement sessions and further prioritize identified areas of action.

FedNor heard from 300+ stakeholders through 22 in-person and virtual roundtable discussions and 22 written submissions. Through the validation survey, FedNor received 237 responses.



Figure 2. Engagement Steps



The following report provides an overview of what FedNor heard during its engagement efforts. It summarizes the broad range of views, considerations, and recommendations brought forward by participants and outlines some of the major themes that were discussed. The report also includes results from the validation survey, which aimed to determine the priority level and timeline for each theme. The results are shown as bars following the headings, indicating the percentage of respondents who rated the item as a short-term, medium-term, long-term priority, or not a priority. The overall ranking of whether the item was considered a high, medium, or low priority is also provided.

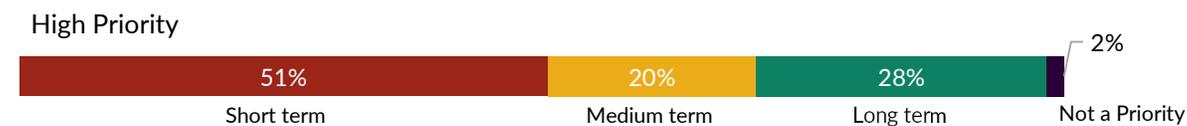
What stakeholders told us

During engagement sessions, stakeholders identified priorities across the strategy’s three focus areas; building stronger communities, growing companies, and supporting innovation. They also identified several overarching themes that span across all three areas. The following sections describe key action areas and priorities identified through engagement exercises.

1. Building stronger communities

Throughout the engagement sessions, participants emphasized the need for investments in infrastructure to improve residents’ quality of life and drive economic development in the region. Infrastructure, including transportation, housing, broadband, and cellular service, was identified as a priority, particularly for rural and remote municipalities and First Nation communities. Participants also underscored the importance of developing local economic development capacity and providing enhanced training supports to help communities of all sizes capitalize on emerging opportunities. Further discussions centred on optimizing immigration services, retaining youth and Francophone residents, and implementing strategies to fill vacant jobs and promote economic growth across various sectors and subregions in Northern Ontario.

Housing



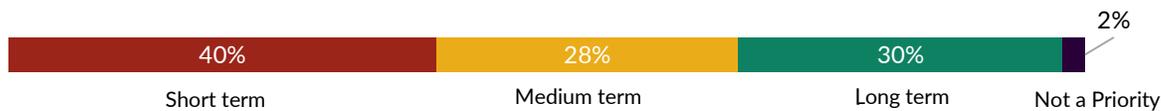
Stakeholders identified the lack of housing across communities as a barrier to growth and highlighted the economic benefits of developing new housing stock, particularly affordable, modular, and innovative housing developed by local micro-factories, to address the region's housing needs. Participants also called for greater

Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

private industry involvement in housing strategies, along with more efficient execution of projects, including expediting funding access and accommodating of the region’s short construction seasons. For instance, they suggested that a streamlined funding delivery mechanism, such as a centralized management system for First Nations, would allow communities to request housing directly, reduce administrative costs and complexities, and enable faster project completion. Additionally, engaged parties recommended subsidies and training supports in the housing sector to enhance workforce development in smaller, rural, and remote communities, including First Nations.

Essential services

High Priority



Community partners talked about the importance of efforts aimed at bridging service gaps between urban centres and small, rural, remote, First Nation, and Francophone communities. Access to essential services, coupled with wraparound supports, was considered crucial for retaining residents in the region. Examples included language training, more affordable rental housing, and reliable public transportation.

Building on this, participants highlighted that attracting skilled workers—such as health professionals and educators—goes hand in hand with improving access to essential services like healthcare, childcare, education, and training. These efforts not only boost the quality of life but make these areas more attractive for long-term skilled labour retention, contributing to a stronger, more resilient economy.

Community attractiveness – assets and infrastructure

High Priority



Engaged partners emphasized that, like essential services, improving community assets and infrastructure is essential for economic development. Examples provided included business parks, multi-use centres, training facilities, and recreation centres.

Community stakeholders also highlighted the need for investments in infrastructure - such as housing, transportation, recreational facilities, and broadband and cellular service - to help reduce fly-in, fly-out operations, especially in the natural resource sector. Specific infrastructure needs mentioned included serviced land for housing, expanded water treatment plants, improved airports, year-round road access, recreational facilities, and community services.

Discussions also touched on sector-specific opportunities and challenges in mining, forestry, agriculture, and tourism.

Participants further noted that innovative infrastructure development could help to close the infrastructure gap in small, rural, and remote communities, including First Nations and Far North communities. They suggested employing both new and existing technologies, with examples including micro factories for housing, local renewable energy production, drone and airship transportation, and greenhouses to enhance food security.



Capacity development

High Priority

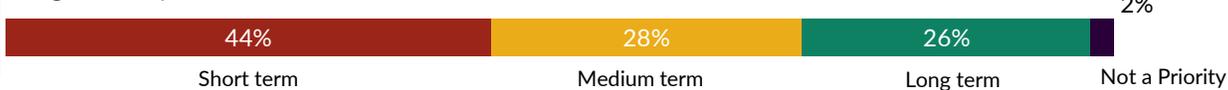


To help small, rural, and remote communities, including First Nations communities, take advantage of economic prospects, participants drew attention to the importance of developing community plans, building partnerships with the private sector, and hiring economic development officers and project managers. They further stressed that capacity building and collaboration are key to the success of projects aimed at improving the quality of life in these communities. With sufficient resources, projects focused on community infrastructure, strengthening local food systems, and improving local training can be effectively planned, executed, and sustained.

This includes supporting First Nations-led initiatives, such as economic development corporations, by providing tools, resources, and opportunities to build in-house skills and knowledge. First Nations partners explained that more stable and predictable, long-term funding, as well as increasing local expertise, enables communities to navigate jurisdictional complexities, and effectively execute economic plans. At the same time, efforts should focus on reducing administrative barriers, minimizing delays, and addressing staff turnover, while fostering stronger businesses partnerships. Participants also underscored the potential for greater cooperation between First Nations, municipalities, and other levels of government—particularly in infrastructure projects—by sharing human resources and exchanging best practices.

Broadband and mobile connectivity

High Priority



Stakeholders noted ways to improve broadband and cellular connectivity, calling attention to the need for regional considerations in program administration, especially for rural, remote, and First Nation communities. For example, incorporating regional input into national project selection processes could expedite delivery by highlighting local capacity and needs. They also suggested that micro-grants could help small businesses access capital for broadband and cellular service projects. Additionally, enhanced collaboration among businesses, community partners, and government was seen as a key factor to expedite project completion and service delivery.

Regional transportation

Medium Priority



During engagement sessions, participants recognized the importance of enhancing transportation systems to support business development, increase market access, and stimulate growth in economic sectors such as mining, tourism, agriculture, forestry, and the Indigenous economy. Expanding ports, tourism-focused ferries, and mineral exploration routes were mentioned as ways to support these sectors. They also recommended



Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

improving road transportation to spur further economic growth, such as through better surface conditions, more rest stops, innovative road designs, and expanding electric vehicle charging infrastructure.

For the region's rural and remote communities, they highlighted the need to improve intercommunity connectivity to essential services like healthcare and education through initiatives such as expanding motorcoach and passenger rail networks. Maintaining and enhancing collaboration with the provincial government to strengthen rural-urban transportation links was also seen as a valuable opportunity.

In remote areas, participants discussed the importance of extending alternative routes, providing connections among different modes of transport, and maintaining ice roads to offset the shortening winter season. They mentioned ice roads were crucial to keep transportation costs down, especially for the movement of basic goods and construction materials to remote communities. Improving regional air travel was also a focus of discussion, as small airports and local airlines continue to face challenges with reduced flight schedules, partially due to pilot shortages and reduced passenger traffic, increasing maintenance costs, and accessing national funding due to program criteria.

2. Growing companies

Stakeholders emphasized that attracting and retaining a skilled workforce, strengthening connections between workers and employers, and improving access to capital are crucial for economic development in Northern Ontario. They also mentioned that enhancing business services can drive business growth and create new prospects. This includes succession planning and business acquisition, stimulating entrepreneurship and investment readiness, and supporting companies in scaling up and adopting new technologies.

Strengthening the workforce

High Priority



In nearly every session, FedNor heard that labour market shortages are a challenge for businesses and communities in Northern Ontario. Industry partners highlighted the importance of programming designed to strengthen the workforce, such as attracting and retaining skilled workers, promoting immigration, improving youth retention, and enhancing support for upskilling.

Attraction and retention of skilled labour and youth

Stakeholders recommended improving attraction and retention of skilled labour through targeted immigration, settlement services, and internships for youth. These supports were cited as particularly impactful for small, rural, remote, First Nations, and official language minority communities. Successful strategies cited included targeted immigration programs and direct pairing of skilled labour with companies.

Retaining youth in the region was reinforced as a key strategy. Participants suggesting a focus on connecting youth to local training, upskilling, and employment prospects to support retention and prevent out-migration, especially for small, rural, and remote communities, including First Nations, as many youth leave for school or employment and do not return.

The challenges of losing newcomers to larger city centres were also mentioned, highlighting the need for additional support to enhance retention. Specifically, more resources for newcomer youth to help with community integration, with an emphasis on diversity, inclusion, and adequate support for employee safety and



Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

rights. Holistic community infrastructure, including transportation, recreation, healthcare, and social services, was also considered significant for keeping youth and families in the North. Encouraging the training, attraction, and retention of health, education, and childcare professionals in small communities was noted as vital for ensuring confidence in local services and attracting families.

For the region's official language minority communities, stakeholders highlighted the importance of building a bilingual workforce, bridging service gaps, and reducing Francophone outmigration. Stakeholders recommended that providing French services to Francophone communities and entrepreneurs could drive economic growth and encourage official language minority community revitalization. Community and industry partners noted that enhancing infrastructure and services is also crucial for attracting and retaining Francophone immigrants.

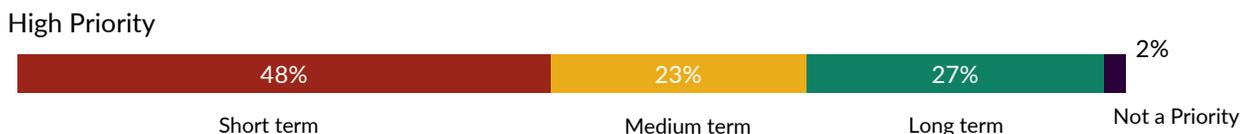
Training, upskilling, and mentorship

Supporting workforce training, upskilling, and mentorship in Northern Ontario was identified as important for filling job vacancies, particularly in rural and remote areas. Stakeholders drew attention to the need for matching training with industry needs, enhancing training, providing mentorship to equip the workforce with necessary skills, and peer networking to bridge skill gaps and help alleviate labour market pressures. Soft skills, digital competencies, and employer-provided training were seen as crucial, along with wraparound supports for youth managing jobs, education, and parenting.

Immigration and welcoming

Stakeholders suggested enhancing immigration by redirecting migrants from other popular areas to Northern Ontario. They said that strong post-secondary institutions are important actors to attract talent, including international students. To support newcomer integration, collaboration between institutions, municipalities, and employers is seen as crucial. Participants recommended a “warm blanket” approach to guide and support newcomers through their transition, ensuring they receive the necessary support. Additionally, addressing gaps in international student services, visa applications, and language support – particularly for Francophone communities – was identified as essential for effective integration. Wrap-around supports, such as employer-sponsored housing and mentoring, were highlighted as a way to successfully integrate newcomers.

Access to capital and pathfinding



Across multiple engagement sessions, participants mentioned the increasing cost of doing business and the critical need for access to capital to pursue innovation, adopt technology, and foster growth. FedNor heard that greater access to capital is particularly important for small and medium-sized enterprises, rural businesses, and those owned or majority-led by equity-deserving groups. This need spans both larger scale projects and those only requiring smaller grants or loans. They also recommended that government programs offer more options, tailored to the needs of businesses of varied sizes and local contexts.

According to community members engaged, the difficulty of securing capital from private lenders increases the reliance on public sector funding. They said that helping organizations navigate available capital resources could empower entrepreneurs to capitalize on opportunities more effectively, achieve their goals, and drive economic development in the region.



Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

Participants also emphasized the importance of continued and enhanced coordination, along with pathfinding guidance, including sector-specific assistance. This guidance would help businesses identify available funding and understand current funding options, as well as show how such funding could help them overcome challenges and seize growth opportunities.

Tailored Approaches for Equity-deserving groups

Lower to Medium Priority



Participants shared that businesses owned, or majority led by equity-deserving groups, generally receive a smaller share of venture capital as well as a smaller percentage of investment overall. For example, women-owned businesses currently receive just 2.8% of venture capital (VC) funding available worldwide, and an estimated 4% of VC funding in Canada. Women are also under-represented among equity investors, representing only 15.2% of Canadian VC partners and 16.7% of Canadian angel investors.ⁱ

For reasons including the ones mentioned above, stakeholders called for a tailored approach to access to capital for businesses owned or majority-led by equity-deserving groups as opposed to a broad-based approach. Program delivery through local partners was mentioned as a successful way to work with tailored approaches. Local partners such as grassroots organizations, group-specific associations, or social enterprises with stronger community connections, are often seen as trusted partners. This trust can help break down barriers businesses face when looking to access capital. They noted that programs with longer duration were best practice. Participants mentioned that program duration is as important as the total amount of funding available to support continued business development for equity-deserving groups. They recommended exploring options to improve financial infrastructure to enhance access to capital for businesses in the region. The discussions also touched on ongoing efforts to improve data on how businesses owned, or majority led by equity-deserving groups access federal programming and work to ensure access to programming is fair. Therefore, they deemed developing distinctions-based approaches across federal programming as crucial.

Business services including succession planning and acquisition supports

Medium Priority



Stakeholders noted the potential to expand business supports in rural and remote communities, connecting them with funding and resources. They highlighted that rural areas struggle to access urban services, but the shift to online services during the COVID-19 pandemic resulted in significant benefits. Participants suggested continuing and expanding virtual service delivery, ensuring consistent support, and having local organizations deliver programs directly within communities. Advancing programming that supports business succession and acquisition was noted as a possibility to enhance the long-term viability of small and medium-sized businesses. Possible beneficial initiatives mentioned included business matchmaking, the creation of succession plans, equity-building for potential buyers – especially youth – and promoting buying existing businesses as a good career path.

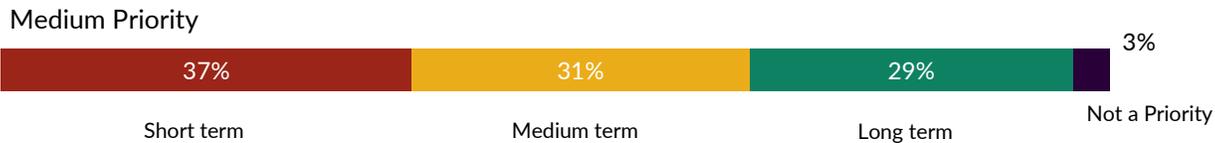


Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

Specifically for businesses owned or majority-led by equity-deserving groups, input providers called for enhancing access to capital, equity building, and market participation. They highlighted the need for developing targeted programs for market entry, financial aid, and business guidance. Additionally, improving coordination among government levels and providing tailored workforce education, training, and upskilling to bridge skill gaps were noted as beneficial.

Participants also stressed the importance of programming that helps small and medium-sized enterprises access new markets to increase sales potential and scale up by reaching a broader customer base.

Entrepreneurship capacity and investment readiness



Participants noted that businesses, particularly small and medium-sized enterprises, benefit from initiatives that promote entrepreneurship and skill development. Stakeholders suggested that there is a need to assist businesses with developing business plans, identifying prospects and investors, and navigating funding applications to become investment ready. They also noted the value of fostering peer-to-peer learning and networking.

Participants reinforced that equity-deserving groups can benefit from tailored entrepreneurship, skill development, and investment-readiness supports. Examples mentioned included strengthening economic development corporations' ability to offer tailored services; facilitating mentorship that is important to the region's unique context, rather than generic approaches; and providing a clearer pathway from business idea and planning to securing funding, demonstrating that entrepreneurship is a viable career path.

Priority and emerging sectors

Stakeholders outlined several ways to strengthen priority and emerging sectors, particularly focusing on helping to address skilled labour shortages and the retention of workers. They also highlighted unique options within regional priority sectors to enhance productivity, scale-up operations, and drive innovation.

For the mining sector, partners underscored the value of ongoing collaboration between federal and provincial governments to expand mining in the region while maintaining environmental safeguards and respecting the rights of First Nations. They also stressed that collaboration among all government levels could support training and upskilling to help address labour shortages, as the sector faces increasing retirements, and post-secondary institutions are challenged to meet industry demands. According to stakeholders, attracting skilled workers to mining businesses could draw investment into the region and spur future capital infusions in critical minerals. On the latter, participants highlighted that initiatives to support the critical mineral subsector, such as renewable energy to support cleaner critical mineral extraction, provincial and federal collaboration on skilled trades and targeted immigration, transportation improvements to transport materials and expand extraction and processing (e.g., roads improvements and port and rail expansions), solutions to maintain access to winter roads to transport minerals from the Far North, and those that seek to strengthen infrastructure in mining communities (e.g., housing, services, and recreational facilities), can positively contribute to the sector's future and help the region meet its critical mineral potential.



Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

In the forestry sector, many pointed to biomass as a promising subsector, offering potential mitigations to challenges facing the industry, like mill closures and the softwood lumber trade dispute with the United States. Some suggested supporting a circular economy, by using wood products to build prefabricated homes locally. They also drew attention to the benefits of First Nation decision-making, such as First Nation forest management, sustainable forestry practices, new product exploration, and culturally relevant mentorship programs.

Discussions in the tourism sector centred on challenges related to obtaining affordable insurance, including due to rising premiums and reduced coverage with fire and flood policy exclusions. Participants noted that increasing access to capital was essential, given the high-risk designation by private lenders. Opportunities like the return of the Northlander passenger train and collective transportation (like bus) were seen as ways to develop new tourism activities, reduce travel costs, and provide viable alternatives to long-distance personal vehicle travel. Additionally, engaged partners pointed out the need for more accommodations in remote areas, where scarcity and high construction costs are ongoing issues. Plans to help businesses offer competitive wages for entry-level positions were mentioned as important in the region. Suggestions also included offering flexibility in program criteria, promoting succession planning, and supporting business acquisition.

Participants also discussed possibilities to support the agriculture sector, such as improving access to other markets, investing in local food systems, including traditional crop growing and greenhouses, processing, and storage facilities, and supporting agriculture research and development. Further suggestions included exploring new crops suited to warmer temperatures, capitalizing on emerging agriculture opportunities in the Cobalt region, and strengthening or creating linkages to other green economy opportunities.

When discussing the advanced manufacturing sector, stakeholders named options for support, promotion, and growth in Northern Ontario. They emphasized the potential for more local value-added processes, especially in the agriculture sector. Industry partners saw this sector as a source of alternative high-tech occupations that could attract youth and skilled professionals to priority and emerging sectors.

Green economy and climate change

FedNor heard that growing the green economy could drive economic growth and community prosperity in Northern Ontario. Partners raised the importance of investing in clean energy projects, noting the region's untapped hydroelectric potential and the benefits of such projects, including wind and solar, to rural and remote communities. Some pointed out that developing a domestic supply chain to produce electric vehicle batteries could be strategically beneficial.

Stakeholders also highlighted the importance of targeted supports to help businesses address climate change impacts while exploring new possibilities and support economic resilience. Discussions focused on priority and emerging sectors, including mining, forestry, tourism, agriculture, and the Indigenous economy. They identified both the challenges, such as floods and unpredictable weather, and opportunities, like growing new crops and expanding year-round tourism. The importance of innovative solutions was also mentioned, including creating more greenhouses in remote First Nation communities to reduce food insecurity.

3. Supporting innovation

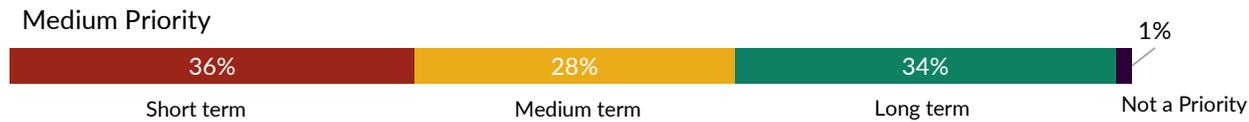
During engagement sessions, contributors noted that what constitutes innovation can differ in the North when compared to other more populated regions. Rural and northern innovation might focus on process innovation, such as finding new and better ways to do things, as opposed to innovative products. Stakeholders added that promoting innovation and advanced manufacturing in priority and emerging sectors like forestry, agriculture,



Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

and mining, could maximize the value of regional products and support the local economy. They added that fostering partnerships and collaboration could strengthen the regional innovation ecosystem, while supporting financing and skill development, would help small and medium-sized enterprises to adopt technology, including green and high-tech. Additionally, participants stressed that while innovation is vital for a sustainable economy, its development and implementation should align with local skills and community needs.

Innovation in priority and emerging sectors



Throughout the engagement sessions, FedNor heard about the numerous opportunities to support projects that address challenges and seize opportunities in Northern Ontario's priority and emerging economic sectors, including mining, forestry, agriculture, tourism, and the Indigenous economy. Stakeholders shared that, while innovation is crucial for daily operations in these sectors, it is often hindered by limited funding, insufficient information, lack of access to local expertise, and inadequate infrastructure, such as lack of access to high-speed internet and reliable cellular service in rural and remote areas. They said that, with the right support, innovation in clean, high-tech, and sustainable practices – such as sustainable mining, responsibly managed forests, active transportation, tourism, and indoor agriculture (greenhouses)– could present opportunities to boost the regional economy.

Rural and northern innovation

We heard that what constitutes innovation in Northern Ontario could differ significantly from the southern part of the province and other more populated regions in Canada. Communities and businesses in the region face unique barriers to innovating, such as limited resources and less advanced infrastructure, which puts them at a relative disadvantage. Participants further stated that innovation in the region can often take the form of process innovation rather than product invention. For instance, transitioning from manual to digital record-keeping is transformative even if others are using artificial intelligence.

Stakeholders emphasized that innovation in Northern Ontario is often driven by small and medium enterprises, which face funding challenges when competing with larger businesses. Traditional views on innovation that tend to favour larger, high-tech firms, disadvantaging the majority of the region's businesses on funding applications. As such, realities of innovation in rural and northern communities often leave projects at risk of falling through the cracks in innovative programming, causing them to lag further behind. Participants advocated for using place-specific metrics to recognize innovation efforts, noting that fair funding evaluations should be based on regional realities to provide the necessary economic support.

Regional Innovation Ecosystem – Partnerships and Collaboration



FedNor heard that nurturing and strengthening partnerships, collaborations, and networking between regional actors, such as post-secondary institutions, regional innovation centres, the private sector, government agencies

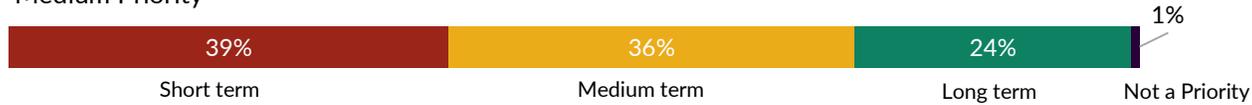


Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

and departments, and communities, is essential for enhancing the regional innovation ecosystem. By fostering these connections, the goal is to promote and advance innovations developed in Northern Ontario as investment opportunities. Participants emphasized that efforts should focus on the practical application of new methods to enhance services and goods within the regional innovation ecosystem.

Technology adoption

Medium Priority



Participants discussed the importance of helping businesses develop and adopt new technologies. They highlighted the need for skill development and fair access, especially to help bridge the digital gap between rural and urban areas. Examples included financial support for buying necessary hardware, networking equipment, storage, security systems, and environmental controls for technologies like artificial intelligence. Stakeholders stressed the need for training programs, financial support, and partnerships to equip professionals with skills needed for high-tech and climate change-related roles. This, in turn, would help employers find the workers needed for the adoption and maintenance of sustainable technologies. The time it takes to adopt technology and the cost to maintain it were also seen as challenges. While many suppliers invest in innovative approaches, participants noted that adoption is often slow due to a preference for proven solutions.

Providing local, hands-on support and educational programs to help businesses adopt technology was seen as crucial. They viewed training in artificial intelligence (AI), automation, and cloud-based solutions for businesses as a way to dispel misconceptions about these technologies and to demonstrate their value for sustainability, efficiency, and job creation. Participants also highlighted the importance of supporting technology infrastructure projects, such as data centres and broadband and cellular service networks, to enable effective technology adoption in rural areas. Community partners pointed to the potential of advanced technologies, like augmented reality for remote learning and training, particularly in First Nation communities, to help bridge educational gaps.

Green innovation

Participants emphasized supporting high-tech and sustainable industry practices to mitigate the impacts of climate change. They added that promoting climate change research and development was crucial for helping businesses understand regional impacts and develop innovative solutions.

4. Overarching themes

Overarching themes emerged throughout the engagement period, different roundtable sessions, and written feedback submissions. These themes form the foundation of the strategy by establishing core priorities and guiding principles. They set the tone and direction, ensuring subsequent actions align with these primary goals. From the base provided by these overarching themes, the strategy is able to branch out into more focused areas—such as building stronger communities, growing companies, and supporting innovation—allowing for the inclusion of detailed themes, initiatives, and specific action points that support the strategy’s main goals. This integration helps to ensure the strategy is both comprehensive, that its various parts and foci are holistically considered, and cohesive, with such parts working work together to reinforce PGSNO’s main goals and maintain a unified approach.



Prosperity and Growth Strategy for Northern Ontario (PGSNO) Prosperity and Growth Strategy for Northern Ontario (PGSNO)

For instance, participants stressed the need for regionally responsive programming and more support for small, rural, and remote communities to spur rural development. Enhanced coordination among government levels, fostering regional partnerships and collaboration, and improved data availability and access were also seen as essential and noted on multiple occasions.

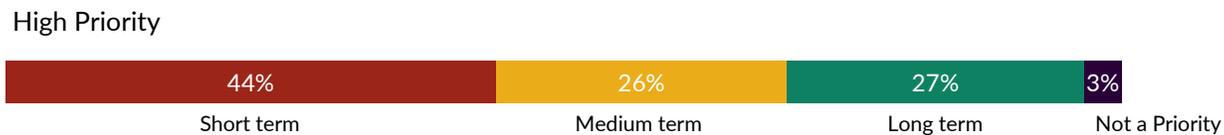
Regionally responsive programming



Stakeholders discussed ways to boost economic prospects by advocating for federal programs that address Northern Ontario’s unique realities. They emphasized the importance of flexible program eligibility criteria that consider local needs to better address regional issues and prospects. In particular, they noted that identifying possibilities to adapt national programs to better align the region's specific circumstances could significantly enhance local economic development.

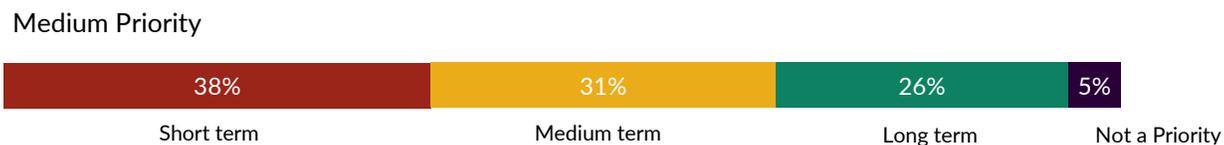
Discussions also underscored the importance of rural development for Northern Ontario, emphasizing the need for tailored federal programs to address the specific needs of rural communities and businesses. Participants highlighted the significance of considering the local context of small and rural areas in Northern Ontario, which differs from the definition of small and rural areas in more populated regions. Additionally, some partners pointed out that shrinking tax bases in rural communities limits their ability to make significant investments in local development, increasing the challenge of funding infrastructure and business growth.

Regional partnerships and collaboration



Participants recommended greater collaboration between regional actors, such as post-secondary institutions, regional innovation centres, the private sector, government agencies and departments, First Nations, and communities. By promoting partnerships, these initiatives could strengthen the regional economy and position Northern Ontario for long-term success. Enhanced cooperation among these diverse groups would also contribute to a more resilient economic landscape.

Data availability and access



Engagement participants provided insights into options to improve availability and access to data and statistics about local communities, including municipalities, subregions, and districts. They emphasized that improving data availability could support informed decision-making and enable more tailored strategies and programs, acknowledging the diverse realities of the many subregions and communities in Northern Ontario.



Governmental coordination

Medium Priority



Stakeholders talked about ways to maintain and enhance collaboration across federal, provincial, municipal, and First Nation governments. They emphasized that building on existing efforts could further advance the strategy and improve service delivery across Northern Ontario. In particular, they noted that strengthening these partnerships would lead to more efficient use of resources and better alignment of programs with the region's needs.

Next steps

FedNor received valuable feedback during the engagement exercises from a range of stakeholders across various sectors, communities, and subregions of Northern Ontario. These important contributions will help the Government of Canada prioritize action areas and incorporate approaches that help address some of the region's challenges into the PGSNO to capitalize on prospects in the region's evolving economic landscape, ensuring the strategy remains relevant and responsive to regional needs.

These insights will directly inform the development of the refreshed strategy, which is expected to be launched in 2025, and will help guide future federal investments and activities in the region.

FedNor wants to thank all participants for their time, knowledge and dedication to the prosperity and growth of Northern Ontario.

ⁱ Government of Canada, [Inclusive Women Venture Capital Initiative](#).

