



# Federal Economic Development Agency for Southern Ontario **2026–27 Departmental Plan**

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The Honourable Evan Solomon

Minister of Artificial Intelligence and Digital  
Innovation and Minister responsible for the Federal  
Economic Development Agency for Southern  
Ontario

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# Federal Economic Development Agency for Southern Ontario's 2026–27 Departmental Plan

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## At a glance

This departmental plan details FedDev Ontario's priorities, plans, and associated costs for the upcoming three fiscal years.

These plans align with the priorities outlined in the [Mandate Letter](#) as well as FedDev Ontario's [Vision, mission, raison d'être and operating context](#).

## Key priorities

FedDev Ontario identified the following key priorities for 2026–27:

- Support sustainable economic development and diversification in southern Ontario through timely and targeted supports to affected small- and medium-sized businesses.
- Support the development and integration of SMEs, dual use suppliers, and innovation capacity into defence supply chains through targeted initiatives such as the Regional Defence Investment Initiative to support Canada's defence and security needs and protect Canadian sovereignty and security.
- Support southern Ontario businesses to advance innovative homebuilding methods that enhance productivity, modernize the region's homebuilding sector, and contribute to greater housing affordability.
- Accelerate economic growth in southern Ontario by investing strategically in high-potential sectors and helping businesses scale into emerging supply chains and

markets—enhancing Canada’s global competitiveness and transforming regional opportunities into lasting national economic advantages.

- Promote and strengthen sustainable regional economic growth and resiliency across southern Ontario communities and diverse populations, including targeted initiatives such as the Black Entrepreneurship Program Ecosystem Fund and Economic Development Initiative.

## **Comprehensive Expenditure Review**

The government is committed to restraining the growth of day-to-day operational spending to make investments that will grow the economy and benefit Canadians.

As part of meeting this commitment, the Federal Economic Development Agency for Southern Ontario is planning the following spending reductions:

- **2026–27:** \$ 19,336,000
- **2027–28:** \$ 25,871,000
- **2028–29:** \$ 38,671,000

It is anticipated that these spending reductions will involve a decrease of approximately 38 full-time equivalents by 2028–29.

FedDev Ontario will achieve these reductions by doing the following:

- Sunsetting the temporary Tourism Growth Program (TGP) and Regional Homebuilding Innovation Initiative (RHII) as planned;
- Partially renewing the temporary Regional Economic Growth through Innovation (REGI) funding top-up; and
- Realigning internal resources to focus on core mandate priorities and pursue operational efficiencies through modernization of tools and processes.

The figures in this departmental plan reflect these reductions.

## **Highlights for FedDev Ontario in 2026–27**

FedDev Ontario will continue to make strategic investments that support growth and build on southern Ontario’s competitive advantages and contribute to efforts to build Canada strong. This includes investing in southern Ontario small-and medium-sized enterprises (SMEs) to bolster their capacity and competitiveness to access supply chain opportunities, including support for regional participation in future nation-building projects, and prioritizing key clusters and sectors through its core funding programs to advance the government’s mission to help strengthen internal trade. In addition, the Agency will embed the principles of the Government of Canada’s Buy Canadian Policy into its procurement practices and grants and contributions programs by prioritizing the use of Canadian suppliers, materials, and content to help sustain and grow demand for Canadian goods and services.

FedDev Ontario is delivering the Regional Tariff Response Initiative (RTRI) in southern Ontario as part of the broader Government of Canada tariff response plan to help SMEs build resiliency and

overcome trade disruptions. Through its \$350-million allocation (out of \$1-billion allocated to Regional Development Agencies for RTRI), the Agency will support businesses and sectors impacted by tariffs (including steel and automotive) through laser-focused investments in targeted, time-sensitive activities that boost productivity, lower costs, strengthen supply chain resilience, and open doors to new markets, enhancing overall competitiveness. The RTRI is aligned with the government's mission to establish a new economic and security relationship with the United States and strengthen our collaboration with reliable trading partners and allies around the world.

To support Canada's defence capabilities while strengthening regional economic development, FedDev Ontario will be delivering the Regional Defence Investment Initiative (RDII) as part of the Defence Industrial Strategy. Through the RDII, FedDev Ontario will be investing nearly \$200 million (including \$90 million through the \$357.5-million RDII funding allocated to all RDAs) to support the development and integration of SMEs, dual use suppliers, and innovation capacity into defence supply chains to support Canada's defence and security needs. These investments will contribute to the government's mission to protect Canadian sovereignty and keep Canadians safe by strengthening the Canadian Armed Forces, and securing our borders. They are also aligned with the government's focus on expanding Canada's defence industrial capacity to achieve its NATO commitments.

To further support the defence sector, FedDev Ontario has also launched the Defence Concierge Service, which will help businesses seeking to expand, pivot, adapt or scale technology or products in defence-related opportunities. The service also connects SMEs with the information, services and funding needed to help scale their company.

In 2026–27, FedDev Ontario will also work with SMEs to strengthen their capacity to compete for supply chain opportunities linked to major nation-building projects, both in southern Ontario and elsewhere in Canada, positioning the region to help fuel Canada's global growth.

To advance the government's objective of promoting domestic trade, a key area of focus for FedDev Ontario in 2026–27 will be its participation in a domestic trade services network. This will help strengthen internal trade by working with other RDAs, provinces, territories, and third-party organizations to undertake a trade commissioner function to help unlock new opportunities for businesses within Canada. These efforts will advance the government's mission to build one Canadian economy by removing barriers to interprovincial trade. This network will help small- and medium-sized enterprises to scale-up, access new domestic markets and establish business to business connections (aligned with Buy Canadian initiatives).

In 2026–27, total planned spending (including internal services) for FedDev Ontario is \$389,707,534 and total planned full-time equivalent staff (including internal services) is 248.

## **Summary of planned results**

The following provides a summary of the results the department plans to achieve in 2026–27 under its main areas of activity, called “core responsibilities.”

## **Core responsibility 1: Economic development in southern Ontario**

FedDev Ontario contributes to the core responsibility through three departmental results and their respective indicators. The indicators are a mixture of macroeconomic results provided by Statistics Canada and results data collected directly from FedDev Ontario's investment recipients and are an integral part of the Agency's Departmental Results Framework.

### **Departmental Results:**

- Businesses in southern Ontario are resilient and growing
- Businesses in southern Ontario invest in the development and commercialization of innovative technologies
- Communities are developing economically in southern Ontario

Planned spending: \$374,214,576

Planned human resources: 168

More information about [Economic development in southern Ontario](#) can be found in the full plan.

For complete information on FedDev Ontario's total planned spending and human resources, read the [Planned spending and human resources section](#) of the full plan.

## From the Minister



The Honourable Evan Solomon  
Minister of Artificial Intelligence  
and Digital Innovation and  
Minister Responsible for the  
Federal Economic  
Development Agency for  
Southern Ontario.

I am pleased to present the 2026–27 Departmental Plan for the Federal Economic Development Agency for Southern Ontario (FedDev Ontario).

Southern Ontario is home to a globally competitive innovation ecosystem with significant strengths in digital technology, life sciences, and advanced manufacturing. As the driving engine of Canada’s economy, the region’s innovators and entrepreneurs are well positioned to contribute to the Government of Canada’s priorities to build a more productive, resilient, and competitive economy.

At the moment of tabling this plan, the region is still facing economic headwinds, caused by tariffs and significant trade disruptions. Impacts are being felt in trade-dependent communities across the region. Our automotive and steel-producing sectors have been particularly hard hit, as well as supply chains across many other sectors. That is why, through our Regional Tariff Response Initiative (RTRI), launched in 2025, FedDev Ontario is delivering support to help businesses across all affected sectors to adapt to changing market conditions, strengthen their resilience, and remain competitive. As a forward operating base for the government, FedDev Ontario will continue to provide timely, strategic, and effective investments in key areas aligned with our government’s priorities. This is one of many ways in which we are building southern Ontario strong.

Another area where we are investing to build a stronger economy, while also protecting Canada’s sovereignty and security, is in strengthening our defence industrial base. Thanks to our dynamic defence ecosystem in the region—with strengths in advanced manufacturing, aerospace, automotive technologies, cybersecurity, robotics AI and quantum—southern Ontario’s SMEs are well-positioned to seize new defence opportunities. FedDev Ontario will play a critical role in helping southern Ontario’s SMEs take advantage of generational investments in Canada’s defence sector. Through a new concierge service and delivery of nearly \$200 million under the Regional Defence Investment Initiative (RDII), FedDev Ontario will accelerate the integration of businesses and regional ecosystems into domestic and international defence supply chains and increase industrial and innovation capacity.

Through delivery of its programming in southern Ontario, FedDev Ontario is supporting entrepreneurs and builders who will bring their innovative solutions and cutting edge capabilities to help us build Canada strong. This includes investments in companies that can support the realization of major nation-building projects here at home; AI innovators who are bringing their products to markets and the forward-looking companies that are adopting and integrating AI into

their operations; companies that are leading the way in advanced manufacturing; and firms that are bringing new innovative home-building solutions to market.

To make sure we are building an economy that works for all Canadians, in collaboration with regional partners, FedDev Ontario will continue to use targeted measures to catalyze new opportunities for Black-led and female-led businesses, as well as for the region’s official language minority communities. In addition, we will continue to take meaningful steps that advance economic reconciliation and grow the prosperity of Indigenous communities across southern Ontario.

In line with its long-standing mandate for long-term economic development, and to support achieving up to 15 per cent in savings over three years, FedDev Ontario will recalibrate its programs to focus on investments that meet the moment, advance the objectives set out above, and drive regional economic growth.

As an investor and a champion for the region, the Agency will continue to play a key role in advancing the economic interests of all southern Ontario businesses and communities.

## **Plans to deliver on core responsibilities and internal services**

### **Core responsibilities and internal services**

- [Economic development in southern Ontario](#)
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### **Economic development in southern Ontario**

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#### **Description**

FedDev Ontario's mission is to build a strong southern Ontario economy that is resilient in times of crisis and catalyzes innovation, growth and economic development.

#### **Quality of life impacts**

FedDev Ontario contributes to “Income and growth” and “Employment and job quality” under the “Prosperity” domain of [Canada’s Quality of Life Framework](#) by advancing indicators highlighted in the framework: productivity, growth, investment in in-house research and development, employment, and improvements in gross domestic product (GDP) per capita.

FedDev Ontario also contributes to the “Environment” domain and the cross-cutting lenses of “Fairness and Inclusion” and “Sustainability and Resilience” by supporting clean economic growth, inclusive economic participation, and long-term regional resiliency.

### Indicators, results and targets

This section presents details on the department’s indicators, the actual results from the three most recently reported fiscal years, the targets and target dates approved in 2026–27 for Economic development in southern Ontario. Details are presented by departmental result.

**Table 1: Indicators, results and targets for departmental result: “Businesses in southern Ontario are resilient and growing”**

Table 1 provides a summary of the target and actual results for each indicator associated with the results under “Economic development in southern Ontario.”

Departmental result indicators	Actual results	2026–27 target	Date to achieve target
Value of exports of goods (in dollars) from Southern Ontario	2022–23: \$211.3B 2023–24: \$237.6B 2024–25: \$236.3B	At least \$180B	March 31, 2027
Value of investments in clean growth projects <sup>1</sup>	2022–23: \$71.9M 2023–24: \$120.5M 2024–25: \$77.1M	At least \$70M	March 31, 2027
Number of jobs created by business related projects <sup>1</sup>	2022–23: 2,259 2023–24: 2,082 2024–25: 996	At least 1,200	March 31, 2027
Revenue growth rate of firms supported by FedDev Ontario programs	2022–23: 13.76% 2023–24: 16.54% 2024–25: 10.95%	At least 1.9%	March 31, 2027

**Table 2: Indicators, results and targets for departmental result: “Businesses in southern Ontario invest in the development and commercialization of innovative technologies”**

Table 2 provides a summary of the target and actual results for each indicator associated with the results under “Economic development in southern Ontario.”

Departmental result indicators	Actual results	2026–27 target	Date to achieve target
Value of business expenditure in research and development (BERD) by firms receiving FedDev Ontario program funding (in dollars)	2022–23: \$167.7M 2023–24: \$182.8M 2024–25: \$133.5M	At least \$100M	March 31, 2027
Number of partnerships and collaborations formed with funded recipients by innovation projects <sup>1</sup>	2022–23: 472 2023–24: 151 2024–25: 473	At least 300	March 31, 2027

<sup>1</sup> These are new Departmental Results Framework (DRF) indicators. The actual results and targets have been calculated using the new DRF indicator methodology and are not recommended to be compared to previous Departmental Plan results.

Departmental result indicators	Actual results	2026–27 target	Date to achieve target
Number of businesses and organizations supported <sup>1</sup>	2022–23: 5,614 2023–24: 8,994 2024–25: 3,103	At least 2,000	March 31, 2027

**Table 3: Indicators, results and targets for departmental result: “Communities are developing economically in southern Ontario”**

Table 3 provides a summary of the target and actual results for each indicator associated with the results under “Economic development in southern Ontario.”

Departmental result indicators	Actual results	2026–27 target	Date to achieve target
Number of jobs created by community projects <sup>1</sup>	2022–23: 1,326 2023–24: 1,268 2024–25: 488	At least 100	March 31, 2027
Number of partnerships and collaborations formed with funded recipients by community projects <sup>1</sup>	2022–23: 972 2023–24: 151 2024–25: 439	At least 30	March 31, 2027

Additional information on the [detailed results and performance information](#) for FedDev Ontario’s program inventory is available on GC InfoBase.

### Plans to achieve results

The following section describes the planned results for “Economic development in southern Ontario” in 2026–27.

In 2026–27, FedDev Ontario will continue to build upon the key achievements and strategic relationships it has developed over more than 16 years, with the goal of productive and competitive economic development outcomes in southern Ontario.

### **Department Result:** Businesses in southern Ontario are resilient and growing

Providing strategic supports to businesses in southern Ontario will remain a critical component of FedDev Ontario’s core business in 2026–27. The Agency will continue to support companies to create sustainable jobs and enhance their competitiveness in the global market. Through its ongoing regional programming, FedDev Ontario will continue to support businesses to invest in and adopt processes and measures to help them scale-up activities and grow their operations.

In 2026–27, FedDev Ontario will continue to deliver the Regional Tariff Response Initiative (RTRI). This initiative helps businesses in all sectors, including steel and automotive industries, overcome trade disruptions. It supports activities that boost productivity, lower costs, and strengthen supply chain resilience. These efforts will open doors to new markets, enhancing overall competitiveness.

The Agency will continue to strengthen southern Ontario’s position as a critical hub for Canada’s defence and security industrial base. Leveraging the region’s advanced manufacturing capabilities, research institutions, and innovative technologies, FedDev Ontario supports ongoing and emerging defence investments that drive economic growth and competitiveness in southern Ontario. In

2026–27, the Agency will continue to deliver the Regional Defence Investment Initiative (RDII) to strengthen the government’s relationship with Canada’s Defence Industry and reinforce the region’s role in national security.

In addition, FedDev Ontario’s defence concierge function will provide guidance and resources to companies looking to explore defence-related opportunities, access information, and connect with services and funding. This includes helping organizations in southern Ontario benefit from the Government’s Industrial and Technological Benefits (ITB) Policy, understand how to do businesses in Canada’s defence sector, and how to promote their industrial and innovative capabilities to bid on large Canadian defence procurement contracts.

FedDev Ontario will continue to invest in other key sectors in the region in 2026–27. Continued investments through the Regional Artificial Intelligence Initiative (RAII) will help bring new AI technologies to market and speed up AI adoption in sectors across southern Ontario. Through the Regional Quantum Initiative (RQI), the Agency’s investments will also contribute to the advancement of the quantum computing sector in southern Ontario and the increased adoption and implementation of quantum technologies.

In addition to its investing role, FedDev Ontario will continue to connect with stakeholders to find solutions, identify opportunities and pathways, and advocate on behalf of the region and its potential to support long-term investment and growth. The Agency will also connect stakeholders and organizations, and continue to engage with other federal departments and agencies, provincial partners and crown corporations, to offer tailored supports and services through government-wide initiatives.

A key area of focus in 2026–27 will be advancing internal trade by working with provinces and territories, alongside other regional development agencies, to strengthen interprovincial trade and implement a domestic trade commissioner function. This collaborative approach will help to reduce barriers, enhance market access, and position southern Ontario businesses for growth across Canada.

FedDev Ontario will continue to provide support and advisory services to inform businesses and organizations to find programming that best fits with their needs. Through its Small Business Services team, the Agency will provide information and support for new entrepreneurs and small businesses, including through the FedDev Ontario contact centre. The Agency will also share information through its ongoing engagement activities, and continue to target outreach with a diverse range of stakeholders, small businesses and equity-seeking groups in the southern Ontario economy.

**Departmental Result:** Businesses in southern Ontario invest in the development and commercialization of innovative technologies

Advancing the southern Ontario innovation ecosystem through ongoing regional programming remains a focus for FedDev Ontario in 2026–27. The Agency supports not-for-profit stakeholders, such as post-secondary institutions, business accelerators and incubators and industry associations, that have a shared interest in catalyzing sustainable growth of businesses in strategic sectors and strengthening southern Ontario’s competitiveness and resiliency.

FedDev Ontario will continue to support not-for-profit organizations that assist small- and medium-sized enterprises, including those owned or operated by equity-seeking groups. These organizations help businesses access key resources, such as expertise, networks and seed funding needed to grow and create well-paying jobs for Canadians. For example, through the Regional Artificial Intelligence Initiative (RAII), FedDev Ontario is supporting businesses, directly and through not-for-profit organizations, to help bring new Artificial Intelligence (AI) technologies to market, while also encouraging their adoption across sectors in the region.

In addition, the growth of existing and emerging strategic clusters are examples of key outcomes that the Agency will be supporting, including established, high-potential sectors such as health and life sciences, and burgeoning technology areas like AI and defence. The Agency will continue to proactively collaborate with regional stakeholders to leverage their combined expertise and wide-ranging networks to support and promote economic growth in southern Ontario, as well as support opportunities for regional participation in future nation-building projects, and advance the government's mission to help strengthen internal trade.

**Departmental Result:** Communities are developing economically in southern Ontario

A critical component of the Agency's success has always been a diversified and inclusive portfolio of projects with businesses and organizations across southern Ontario.

Southern Ontario's wide array of distinct communities, regional advantages and diverse population provide significant opportunities for growth and development supported by ongoing regional programming. Strategic investments in regional businesses and organizations with a demonstrated capacity to develop and grow will further the objective of increased economic diversity, particularly in rural communities.

Through the Community Futures Program (CFP), FedDev Ontario will continue to support the regional network of Community Futures Development Corporations (CFDCs) in their effort to enhance the investment base and growth potential of small and rural southern Ontario communities.

FedDev Ontario will support growth in official language minority communities (OLMCs) in southern Ontario through the Economic Development Initiative (EDI) through investments in economic diversification, business development, innovation and partnerships that support small- and medium-sized enterprises in the region's Francophone communities.

Through its Indigenous outreach activities, FedDev Ontario will continue to work with Indigenous partners to advance the interests of these communities. The Agency also supports Indigenous-owned businesses and organizations to help achieve their goals and enhance First Nation, Métis and Inuit participation in the southern Ontario economy.

The Agency will maintain focus on the accessibility of funding opportunities and creating economic opportunities for diverse populations in southern Ontario, including women, racialized communities, persons with disabilities and members of OLMCs to cultivate a more inclusive economic ecosystem. For example, through the Black Entrepreneurship Program (BEP) Ecosystem Fund in 2026–27, FedDev Ontario will support Black-led not-for-profit organizations to deliver high-impact business services from mentorship and networking to training, outreach and capacity

building to empower Black entrepreneurs and business owners, and support their long-term success.

### **Gender-based Analysis Plus**

FedDev Ontario remains committed to advancing inclusive economic development across southern Ontario. The Agency will maintain Gender-based Analysis Plus (GBA Plus) practices to support investments in projects that advance the economic participation of equity-seeking groups.

GBA Plus is an intersectional analysis that considers not only sex and gender, but also factors such as age, disability, education, ethnicity, economic status, geography (including rurality), language, race, religion, and sexual orientation.

In 2026–27, FedDev Ontario will continue collecting voluntary self-identification data from applicants to better understand how different groups experience its programs. This data helps identify gaps in program reach, assess equitable benefit distribution, and inform adjustments to strengthen opportunities for equity-seeking groups in the economy. FedDev Ontario also requires funding recipients to uphold principles of diversity, equity and inclusion in their funding agreements.

### **Planned resources to achieve results**

**Table 4: Planned resources to achieve results for Economic development in southern Ontario**

Table 4 provides a summary of the planned spending and full-time equivalents required to achieve results. Full-time equivalents are inclusive of employees of all tenures (i.e. indeterminate, term, student, casual, etc.).

<b>Resource</b>	<b>Planned</b>
Spending	\$374,214,576
Full-time equivalents	168

[Complete financial](#) and [human resources information](#) for FedDev Ontario’s program inventory is available on GC InfoBase.

### **Program inventory**

Economic development in southern Ontario is supported by the following programs:

- Business Scale-up and Productivity
- Regional Innovation Ecosystem
- Community Economic Development and Diversification

Additional information related to the program inventory for Economic Development in southern Ontario is available on the [Results page on GC InfoBase](#).

### **Summary of changes to reporting framework since last year**

- The titles of two Departmental Results were updated to better reflect FedDev Ontario’s role:

- The Departmental Result “*Businesses in Southern Ontario are innovative and growing*” was changed to “*Businesses in Southern Ontario are resilient and growing*”
- The Departmental Result “*Communities are economically diversified in southern Ontario*” was changed to “*Communities are developing economically in southern Ontario*”
- **New Departmental Result Indicators** introduced to improve attribution and timeliness of reporting.
  - FedDev Ontario’s investments are directly attributable to the new Departmental Results Framework (DRF) indicators and are reported by each funding recipient.
  - Results are available annually for most indicators, reducing reliance on Statistics Canada macroeconomic data used in the Agency’s previous DRF.
  - Direct job results indicators under Departmental Results 1 and 3 will provide clear and consistent attributable job data for southern Ontario investments.

## Internal services

### In this section

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- [Plans to achieve results](#)
- [Planned resources to achieve results](#)
- [Planning for contracts awarded to Indigenous businesses](#)

### Description

Internal services are the services that are provided within a department so that it can meet its corporate obligations and deliver its programs. There are 10 categories of internal services:

- acquisition management services
- communications services
- financial management services
- human resources management services
- information management services
- information technology services
- legal services
- material management services
- management and oversight services
- real property management services

### Plans to achieve results

This section presents details on the department’s plans to achieve results and meet targets for internal services.

In 2026–27, FedDev Ontario will continue to strengthen its internal services and support for employees to ensure efficient, secure, and high-quality program delivery across southern Ontario. The Agency will foster collaboration, innovation, and modernization, while engaging employees to build a strong, effective organization.

FedDev Ontario remains committed to the core values of the federal public service—respect for democracy and people, responsible stewardship, integrity, and excellence—while serving Canadians. Several multi-year plans will be implemented with the aim of fostering a safe, healthy, and inclusive workplace, supporting initiatives in respect, diversity, accessibility, and mental wellness. The three-year Diversity, Equity and Inclusion (DEI) Plan will focus on three interconnected pillars: workforce, workplace, and ecosystem. The Official Languages (OL) Plan will emphasize leadership, linguistic awareness, bilingual capacity, and support meaningful engagement with Official Language Minority Communities (OLMCs). The three-year Accessibility Plan will continue to identify and remove barriers to inclusion, while promoting digital accessibility tools for equitable access. This includes supporting the rollout of the digital Workplace Accessibility Passport, a tool that helps employees and managers collaboratively identify and remove workplace barriers, by providing training sessions to ensure effective use.

FedDev Ontario remains committed to fostering a workplace of choice that is inclusive and responsive to the needs of employees. Through the Agency’s Shaping our Workplace of Choice action plan, FedDev Ontario will work with employees to help drive continuous improvements and support a safe, healthy work environment. Concrete initiatives include the Agency’s Pledge renewal and other activities informed by the Public Service Employee Survey (PSES) results, education and prevention efforts led by the Occupational Health and Safety Committee, and activities to support internal communication.

Human resources management will remain central to the Agency’s success. Targeted strategies will help maintain business continuity and support a diverse, inclusive workforce in 2026–27. In addition, the Agency will prioritize training and development opportunities to foster employee growth, strengthen skills, and support career development.

Effective financial stewardship will remain a key priority. FedDev Ontario will implement enhancements to support strategic resource allocation toward new and emerging priorities, and ensure alignment with Government of Canada priorities. The Agency will continue initiating the adoption of automation and modernization tools within its financial processes to improve operational efficiency and better support program delivery.

FedDev Ontario will continue implementation of the Government of Canada’s Buy Canadian Policy by prioritizing Canadian suppliers and products in its procurement processes wherever feasible, and in its grants and contribution programs. This approach will support domestic businesses and strengthen regional supply chains while maintaining value for money and operational efficiency.

FedDev Ontario continues to use innovative ways to engage with clients and stakeholders about programming and showcase investments through clear and accessible communications, events,

social media outreach, and promotion of its impact in southern Ontario. Additionally, FedDev Ontario will equip stakeholders and clients with communications tools to promote the Agency’s programs and services within their networks to broaden our reach.

The Agency will continue to advance its digital transformation and drive innovation through the development of a Generative AI strategy, and a focus on data quality, governance, and analytics to enhance evidence-based decision-making. Together, these initiatives will position the Agency to deliver secure, innovative, and data-driven services.

The Agency will also continue to lead the work of the Ontario Federal Council (OFC), an interdepartmental leadership network chaired by the President of FedDev Ontario. The OFC will maintain focus on coordinating government-wide issues across its federal, provincial and municipal networks in the Ontario Region, outside of the National Capital Region.

### **Planned resources to achieve results**

**Table 5: Planned resources to achieve results for internal services this year**

Table 5 provides a summary of the planned spending and full-time equivalents required to achieve results. Full-time equivalents are inclusive of employees of all tenures (i.e. indeterminate, term, student, casual, etc.).

<b>Resource</b>	<b>Planned</b>
Spending	\$15,492,958
Full-time equivalents	80

[Complete financial](#) and [human resources information](#) for the FedDev Ontario’s program inventory is available on GC InfoBase.

### **Planning for contracts awarded to Indigenous businesses**

FedDev Ontario is committed to awarding a minimum of 5% of the total value of all contracts in fiscal year 2026–27 to Indigenous businesses. The Agency’s Procurement team works with clients to assess whether contracts can be directed to an Indigenous vendor, with the aim of surpassing the required minimum target.

**Table 6: Percentage of contracts planned and awarded to Indigenous businesses**

Table 6 presents the current, actual results with forecasted and planned results for the total percentage of contracts the department awarded to Indigenous businesses.

<b>5% reporting field</b>	<b>2024–25 actual result</b>	<b>2025–26 forecasted result</b>	<b>2026–27 planned result</b>
<b>Total percentage of contracts with Indigenous businesses</b>	6.66 %	5 %	5 %

## Department-wide considerations

- [Related government priorities](#)
- [Key risks](#)

### Related government priorities

#### United Nations 2030 Agenda for Sustainable Development and the UN Sustainable Development Goals

FedDev Ontario helps Canada meet its commitment to the United Nations' (UN) 2030 Agenda for Sustainable Development and the UN Sustainable Development Goals (SDGs) through the advancement of the Federal Implementation Plan and the Federal Sustainable Development Strategy. On October 27, 2023, FedDev Ontario published its first stand-alone Departmental Sustainable Development Strategy (DSDS) for the years 2023 to 2027.

While FedDev Ontario contributes directly to four SDGs, it has a direct impact on SDG 8: Decent Work and Economic Growth. Through its mandate, programs and initiatives, the Agency supports the development of equitable and sustainable employment and economic opportunities, helping workers, businesses and communities in southern Ontario to transition to a greener and more inclusive economy. This includes a \$35-million minimum annual target to invest in projects that promote or support clean growth outcomes (e.g., emissions and waste reductions, clean technology adoption and commercialization, building green communities, supply chain development and more).

More information on FedDev Ontario's contributions to Canada's Federal Implementation Plan on the 2030 Agenda and the Federal Sustainable Development Strategy can be found in the Agency's [Departmental Sustainable Development Strategy](#).

#### Artificial Intelligence

FedDev Ontario is leveraging Government of Canada-approved tools participating in pilot projects to improve productivity and enhance service delivery to Canadians. These efforts aim to test how AI can assist with day-to-day operations. By integrating AI into its operations, the Agency is exploring innovative ways to streamline processes, and strengthen organizational knowledge sharing. These efforts support FedDev Ontario's broader commitment to responsible AI adoption and continuous improvement in service excellence.

#### Key risks

Southern Ontario is at the front line of tariff disruptions, with the hardest-hit sectors—most notably steel, aluminum, automotive and tool-and-die manufacturing—concentrated in the region. The imposition of tariffs by the U.S. and China continues to pose a material risk to Ontario's trade-exposed economy, where multiple sectors remain vulnerable if existing tariffs persist or escalate. Given that manufacturing exports are critical to Ontario's economic outlook, and that an estimated over 900,000 Ontario jobs were U.S. export-related, any trade-shock events create significant downstream risk to regional businesses participating in global supply chains and those eligible for support through FedDev Ontario programming.

Moreover, affordability challenges across Canada, including in southern Ontario, are dampening consumer spending, while high unemployment, especially among youth, adds to macroeconomic vulnerabilities. Although inflation eased in 2025, elevated costs for essentials continue to constrain discretionary spending. Despite recent rate cuts by the Bank of Canada, rising input costs may constrain businesses' willingness or capacity to expand operations or invest in leading-edge technologies or equipment, including through access to the Agency's project-based programming.

Looking ahead to 2026–27, further easing of interest rates could help mitigate some macroeconomic risks, although an uncertain global trade environment (including the review of Canada-United States-Mexico Agreement in July 2026) and the destabilizing impact of ongoing conflicts on supply chains and commodity prices remain key headwinds.

To mitigate risks, the Agency will continue to deliver targeted and timely support to businesses impacted by tariffs (e.g., Regional Tariff Response Initiative) and continue to diversify its investments in priority areas. FedDev Ontario will focus on strengthening the long-term competitiveness of the region's industrial base and prioritizing key sectors, which will be critical to building and reinforcing the economy in southern Ontario. Project funding will also play a role in helping manufacturing companies adapt and pivot towards emerging opportunities in sectors such as defence and in supply chains linked to major projects across Canada, building long-term resilience. Opportunities to invest in sectors with high-growth potential, such as artificial intelligence and other innovative technologies, can help position southern Ontario as a global competitor in these areas. Encouraging businesses to increase internal trade, diversify export markets and/or increase their competitiveness can help to mitigate these risks.

FedDev Ontario will continue to engage with stakeholders and monitor the regional economic landscape to inform its investment decisions to ensure the Agency is addressing the needs of the region.

## **Planned spending and human resources**

This section provides an overview of FedDev Ontario's planned spending and human resources for the next three fiscal years and of planned spending for 2026–27 with actual spending from previous years.

### **In this section**

- [Spending](#)
- [Funding](#)
- [Future-oriented condensed statement of operations](#)
- [Human resources](#)

### **Spending**

This section presents an overview of the department's planned expenditures from 2023–24 to 2028–29.

### **Budgetary performance summary**

**Table 7: Three-year spending summary for core responsibilities and internal services (dollars)**

Table 7 presents FedDev Ontario’s spending over the past three years to carry out its core responsibilities and for internal services. Amounts for the 2025–26 fiscal year are forecasted based on spending to date.

<b>Core responsibilities and Internal services</b>	<b>2023–2024 actual expenditures</b>	<b>2024–25 actual expenditures</b>	<b>2025–2026 forecast spending</b>
Economic development in southern Ontario	\$444,236,507	\$241,875,039	\$390,498,488
<b>Subtotal (s)</b>	<b>\$444,236,507</b>	<b>\$241,875,039</b>	<b>\$390,498,488</b>
Internal services	\$17,795,973	\$16,720,747	\$17,836,231
<b>Total (s)</b>	<b>\$462,032,480</b>	<b>\$258,595,786</b>	<b>\$408,334,719</b>

**Analysis of the past three years of spending**

FedDev Ontario’s actual expenditures declined by \$203 million from 2023–24 to 2024–25. This reflects the sunsetting of a suite of national initiatives announced in Budget 2021 to support pandemic relief and recovery. In 2025–26, the projected increase in spending from 2024–25 can be attributed to tariff response programming and defence-related spending.

More financial information from previous years is available on the [Finances section of GC Infobase](#).

**Table 8: Planned three-year spending on core responsibilities and internal services (dollars)**

Table 8 presents FedDev Ontario’s planned spending over the next three years by core responsibilities and for internal services.

Core responsibilities and Internal services	2026–27 planned Spending	2027–28 planned spending	2028–29 planned spending
Economic development in southern Ontario	\$374,214,576	\$373,707,969	\$213,152,638
<b>Subtotal</b>	<b>\$374,214,576</b>	<b>\$373,707,969</b>	<b>\$213,152,638</b>
Internal services	\$15,492,958	\$15,008,265	\$13,720,467
<b>Total</b>	<b>\$389,707,534</b>	<b>\$388,716,234</b>	<b>\$226,873,105</b>

### Analysis of the next three years of spending

Over the next two years, FedDev Ontario will be delivering the Regional Tariff Response Initiative which is scheduled to sunset in 2028–29 and will bring the Agency’s authorities back in line with historical averages.

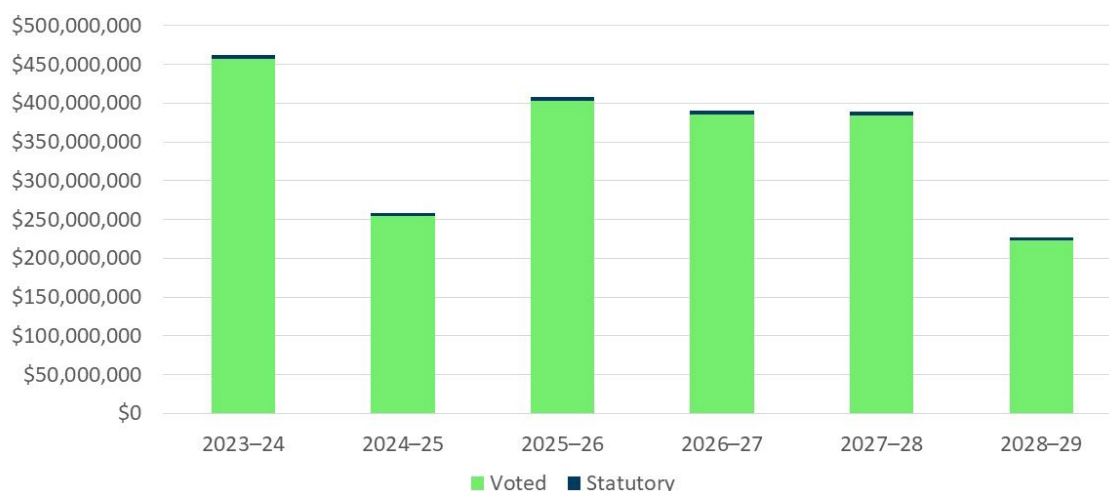
More [detailed financial information on planned spending](#) is available on the Finances section of GC Infobase.

### Funding

This section provides an overview of the department's voted and statutory funding for its core responsibilities and for internal services. For further information on funding authorities, consult the [Government of Canada budgets and expenditures](#).

#### Graph 1: Approved funding (statutory and voted) over a six-year period

Graph 1 summarizes the department's approved voted and statutory funding from 2023–24 to 2028–29.



Text description of Graph 1

Fiscal year	Total	Voted	Statutory
2023-24	\$462,032,480	\$456,938,172	\$5,094,308
2024-25	\$258,595,785	\$254,085,782	\$4,510,003
2025-26	\$408,334,719	\$403,270,639	\$5,064,080
2026-27	\$389,707,534	\$384,775,703	\$4,931,831
2027-28	\$388,716,234	\$383,880,260	\$4,835,974
2028-29	\$226,873,105	\$222,491,655	\$4,381,450

### Analysis of statutory and voted funding over a six-year period

FedDev Ontario’s six-year spending trend reflects the increased authorities provided in 2021–22 through 2023–24 to support Budget 2021 initiatives for pandemic relief and recovery. Going forward, temporary tariff response programming and defence spending will drive the increase in authorities for 2025–26, 2026–27 and 2027–28, reverting to historical funding levels in 2028–29.

For further information on FedDev Ontario’s departmental appropriations, consult the [2026–27 Main Estimates](#).

### Future-oriented condensed statement of operations

The future-oriented condensed statement of operations provides an overview of FedDev Ontario’s operations for 2025–26 to 2026–27.

**Table 9: Future-oriented condensed statement of operations for the year ended March 31, 2027 (dollars)**

Table 9 summarizes the expenses and revenues which net to the cost of operations before government funding and transfers for 2025–26 to 2026–27. The forecast and planned amounts in this statement of operations were prepared on an accrual basis. The forecast and planned amounts presented in other sections of the Departmental Plan were prepared on an expenditure basis. Amounts may therefore differ.

Financial information	2025–26 forecast results	2026–27 planned results	Difference (planned results minus forecasted)
Total expenses	\$206,776,947	\$182,245,405	(\$24,531,542)
Total revenues	\$0	\$0	\$0
Net cost of operations before government funding and transfers	\$206,776,947	\$182,245,405	(\$24,531,542)

### Analysis of forecasted and planned results

The decrease in planned results for 2026–27 versus 2025–26 can be attributed to the sunsetting of the Tourism Growth Program at the end of 2025–26, and the related reduction in operating authorities, as well as variations in funding for new programming in 2025–26 versus 2026–27.

A more detailed [Future-Oriented Statement of Operations and associated Notes for 2026–27](#), including a reconciliation of the net cost of operations with the requested authorities, is available on FedDev Ontario’s website.

### Human resources

This section presents an overview of the department’s actual and planned human resources from 2023–24 to 2028–29.

#### Table 10: Actual human resources for core responsibilities and internal services

Table 10 shows a summary of human resources, in full-time equivalents, for FedDev Ontario’s core responsibilities and for its internal services for the previous three fiscal years. Human resources for the 2025–26 fiscal year are forecasted based on year-to-date.

Core responsibilities and internal services	2023–24 actual full-time equivalents	2024–25 actual full-time equivalents	2025–26 forecasted full-time equivalents
Economic development in southern Ontario	217	184	172
<b>Subtotal</b>	<b>217</b>	<b>184</b>	<b>172</b>
Internal services	112	102	89
<b>Total</b>	<b>329</b>	<b>286</b>	<b>261</b>

## Analysis of human resources over the last three years

FedDev Ontario FTEs show a notable decline from 2023–24 to 2025–26 which aligns with the temporary operating authorities provided to enable the delivery of national Budget 2021 grants and contributions initiatives that sunset in 2023–24.

### Table 11: Human resources planning summary for core responsibilities and internal services

Table 11 shows information on human resources, in full-time equivalents, for each of FedDev Ontario’s core responsibilities and for its internal services planned for the next three years. Full-time equivalents are inclusive of employees of all tenures (i.e. indeterminate, term, student, casual, etc.).

Core responsibilities and internal services	2026–27 planned full-time equivalents	2027–28 planned full-time equivalents	2028–29 planned full-time equivalents
Economic development in southern Ontario	168	167	158
<b>Subtotal</b>	<b>168</b>	<b>167</b>	<b>158</b>
Internal services	80	79	74
<b>Total</b>	<b>248</b>	<b>246</b>	<b>232</b>

## Analysis of human resources for the next three years

FedDev Ontario FTEs reflect temporary operating authorities provided to support grants and contributions programming such as the Regional Tariff Response Initiative and the Regional Defence Investment Initiative. By 2028–29, FedDev Ontario will return to near historical authorities levels and FTE projections in alignment with authorities available.

## Supplementary information tables

The following supplementary information tables are available on FedDev Ontario’s website:

- [Details on transfer payment programs](#)

Information on FedDev Ontario’s departmental sustainable development strategy can be found on [FedDev Ontario’s website](#).

## Federal tax expenditures

FedDev Ontario’s Departmental Plan does not include information on tax expenditures.

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#).

This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs as well as evaluations and GBA Plus of tax expenditures.

## **Corporate information**

### **Departmental profile**

Appropriate minister(s): Evan Solomon

Institutional head: Nancy Gardiner

Ministerial portfolio: Artificial Intelligence and Digital Innovation; Federal Economic Development Agency for Southern Ontario

Enabling instrument(s):

[Order in Council P.C. 2009-1410](#) dated August 13, 2009, amending Schedule I.1 of the *Financial Administration Act* to include the Federal Economic Development Agency for Southern Ontario as a department.

[Order in Council P.C. 2009-1411](#) dated August 13, 2009, whereby the Department of Industry transferred to the Federal Economic Development Agency for Southern Ontario the control and supervision of the portion of the federal administration in the Department of Industry known as the Southern Ontario Regional Economic Branch.

Year of incorporation / commencement: 2009

### **Departmental contact information**

Mailing address:

Federal Economic Development Agency for Southern Ontario  
101-139 Northfield Drive West  
Waterloo, Ontario N2L 5A6  
Canada

Telephone: 1-866-593-5505

TTY: Call 7-1-1 and ask the operator to connect the call to 1-866-593-5505

Fax: 1-519-725-4976

Email: [info@feddevontario.gc.ca](mailto:info@feddevontario.gc.ca)

Website(s): <http://www.feddevontario.gc.ca>

## Definitions

### **appropriation** (crédit)

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

### **budgetary expenditures** (dépenses budgétaires)

Operating and capital expenditures; transfer payments to other levels of government, departments or individuals; and payments to Crown corporations.

### **core responsibility** (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

### **Departmental Plan** (plan ministériel)

A report on the plans and expected performance of an appropriated department over a 3-year period. Departmental Plans are usually tabled in Parliament each spring.

### **departmental result** (résultat ministériel)

A consequence or outcome that a department seeks to achieve. A departmental result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

### **departmental result indicator** (indicateur de résultat ministériel)

A quantitative measure of progress on a departmental result.

### **departmental results framework** (cadre ministériel des résultats)

A framework that connects the department's core responsibilities to its departmental results and departmental result indicators.

### **Departmental Results Report** (rapport sur les résultats ministériels)

A report on a department's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

### **full-time equivalent** (équivalent temps plein)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. For a particular position, the full-time equivalent figure is the ratio of number of hours the person actually works divided by the standard number of hours set out in the person's collective agreement.

### **gender-based analysis plus (GBA Plus)** (analyse comparative entre les sexes plus [ACS Plus])

Is an analytical tool used to support the development of responsive and inclusive policies, programs, and other initiatives. GBA Plus is a process for understanding who is impacted by the issue or opportunity being addressed by the initiative; identifying how the initiative could be

tailored to meet diverse needs of the people most impacted; and anticipating and mitigating any barriers to accessing or benefitting from the initiative. GBA Plus is an intersectional analysis that goes beyond biological (sex) and socio-cultural (gender) differences to consider other factors, such as age, disability, education, ethnicity, economic status, geography (including rurality), language, race, religion, and sexual orientation.

Using GBA Plus involves taking a gender- and diversity-sensitive approach to our work. Considering all intersecting identity factors as part of GBA Plus, not only sex and gender, is a Government of Canada commitment.

**government priorities** (priorités gouvernementales)

For the purpose of the 2026–27 Departmental Plan, government priorities are the high-level themes outlining the government’s agenda in the [2025 Speech from the Throne](#).

**horizontal initiative** (initiative horizontale)

An initiative where two or more federal departments are given funding to pursue a shared outcome, often linked to a government priority.

**Indigenous business** (entreprise autochtones)

Requirements for verifying Indigenous businesses for the purposes of the departmental result report are available through the Indigenous Services Canada [Mandatory minimum 5% Indigenous procurement target](#) website.

**non-budgetary expenditures** (dépenses non budgétaires)

Non-budgetary authorities that comprise assets and liabilities transactions for loans, investments and advances, or specified purpose accounts, that have been established under specific statutes or under non-statutory authorities in the Estimates and elsewhere. Non-budgetary transactions are those expenditures and receipts related to the government's financial claims on, and obligations to, outside parties. These consist of transactions in loans, investments and advances; in cash and accounts receivable; in public money received or collected for specified purposes; and in all other assets and liabilities. Other assets and liabilities, not specifically defined in G to P authority codes are to be recorded to an R authority code, which is the residual authority code for all other assets and liabilities.

**performance** (rendement)

What a department did with its resources to achieve its results, how well those results compare to what the department intended to achieve, and how well lessons learned have been identified.

**performance indicator** (indicateur de rendement)

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

**plan** (plan)

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

**planned spending** (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in Main Estimates.

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

**program** (programme)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

**program inventory** (répertoire des programmes)

Identifies all the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

**result** (résultat)

A consequence attributed, in part, to a department, policy, program or initiative. Results are not within the control of a single department, policy, program or initiative; instead they are within the area of the department's influence.

**statutory expenditures** (dépenses législatives)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

**target** (cible)

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

**voted expenditures** (dépenses votées)

Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.