Federal Economic Development Agency for Southern Ontario | Agence fédérale de développement économique pour le Sud de l'Ontario

Federal Economic Development Agency for Southern Ontario

2025–26 Departmental Results Report



The Honourable Evan Solomon

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

Canada

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Federal Economic Development Agency for Southern Ontario's 2025–26 Departmental Results Report

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At a glance

This departmental results report details the Federal Economic Development Agency for Southern Ontario (FedDev Ontario)'s actual accomplishments against the plans, priorities and expected results outlined in its 2025–26 Departmental Plan.

These results align with the priorities outlined in the May 21, 2025, mandate letter from the Prime Minister, as well as with FedDev Ontario's vision, mission, raison d'être and operating context.

Key priorities

FedDev Ontario identified the following key priorities for 2025–26:

- Respond to U.S. tariffs impacting the southern Ontario economy through timely and targeted supports to affected small- and medium-sized businesses.
- Make strategic investments that accelerate the growth of the southern Ontario economy and that advance areas of strength, such as artificial intelligence (AI), to build a strong economy that positions Canada to be competitive and productive.
- Promote and strengthen sustainable regional economic growth and resiliency across southern Ontario communities and diverse populations.
- Build Canada strong through initiatives that catalyze economic opportunities and prosperity for businesses.
- Support businesses and organizations to enter or grow in defence supply chains and increase their industrial and innovation capacity.

Highlights

FedDev Ontario engaged with businesses and organizations across southern Ontario to identify and deliver targeted measures that support economic growth. The Agency worked to strengthen business competitiveness and productivity, particularly among firms impacted by global trade disruptions. Timely investments through the new Regional Tariff Response Initiative (RTRI) have helped build stronger, more resilient supply chains that will continue to support economic growth. The Agency also launched the Regional Defence Investment Initiative (RDII), supported by a concierge service to provide guidance to local firms seeking assistance. The high volume of project applications received through both initiatives demonstrates that FedDev Ontario's programming continues to respond to the needs of businesses and organizations across southern Ontario in times of crisis, growth and across critical sectors.

- Total actual spending (including internal services): $400,728,653
- Total full-time equivalent staff (including internal services): 253

For detailed information on FedDev Ontario's total spending and human resources, read the Spending and human resources section of this report.

Summary of results

The following provides a summary of the results the department achieved in 2025–26 under its "core responsibility" (its main area of activity).

Core responsibility 1: Economic development in southern Ontario

Actual spending: $385,015,306

Actual human resources: 167

In 2025–26, FedDev Ontario invested more than $362 million towards economic development in southern Ontario, supporting more than 530 projects. This includes regional ongoing program investments of over $185 million in 210 projects, which leveraged over $3.80 for each investment dollar and created or maintained more than 4,700 jobs in the region.

In response to trade disruptions, the Agency successfully launched the Regional Tariff Response Initiative (RTRI) to help businesses navigate tariff challenges and strengthen economic resilience. Through the RTRI, FedDev Ontario mobilized targeted support for small- and medium-sized enterprises (SMEs) across southern Ontario, enabling them to boost productivity, diversify markets, and adapt to an evolving global trade environment.

FedDev Ontario continued to advance the region's innovation ecosystem by investing in organizations that help local businesses grow. These investments were made in strategic industries that are key to potential economic growth, including artificial intelligence, technology, and health and biosciences. Agency investments provided SMEs with access to key resources including expertise, networks, and funding needed to grow and expand in these emerging and important sectors.

In 2025–26, FedDev Ontario promoted sustainable economic growth by supporting rural communities, equity-seeking groups (women, Indigenous Peoples, Black Canadians, racialized communities, youth, 2SLGBTQI+, members of official language minority communities and persons with disabilities), and clean growth. This year, the Agency invested over $103 million in 203 rural projects. The Agency also invested over $216 million in 328 projects providing opportunities for diverse populations, including nearly $7 million invested in 24 projects led or majority-led by Indigenous Peoples. In addition, the Agency invested over $112 million in 119 clean growth projects.

For more information on FedDev Ontario's activities related to Economic development in southern Ontario, read the "Results: What we achieved" section of this report.

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

It is my pleasure to present the 2025–26 Departmental Results Report for the Federal Economic Development Agency for Southern Ontario (FedDev Ontario).

Southern Ontario is central to Canada's economy, supply chains and national resilience. Some of the region's most important sectors have been hit hardest by current tariff measures, and businesses and workers are feeling the effects. FedDev Ontario has responded with its full range of programs, investments and services—helping Canadian innovators and businesses manage immediate pressures, strengthen productivity, diversify markets and position themselves for long-term growth.

Through the Regional Tariff Response Initiative, FedDev Ontario is helping businesses overcome tariff and market disruptions, improve productivity and competitiveness, strengthen supply chains and diversify into new markets. The Agency is also connecting firms with trade opportunities and partners across Canada—supporting a more integrated domestic market and helping build one Canadian economy.

At the same time, FedDev Ontario is investing in southern Ontario's areas of strategic strength—including defence, artificial intelligence, life sciences, agri-food and advanced manufacturing—to build the capabilities Canada needs for long-term growth, security and competitiveness.

Defence is a growing opportunity for southern Ontario. In alignment with Canada's Defence Industrial Strategy, FedDev Ontario is helping firms enter defence markets, advance dual-use technologies and strengthen Canada's industrial base. Through the Regional Defence Investment Initiative, the Agency is building capabilities that support Canada's defence, security and sovereignty. Its Defence Concierge Service complements this work by helping SMEs and organizations navigate defence-sector opportunities and by connecting major contractors with the region's industrial, innovation and research capabilities.

I am proud that, in 2025–26, FedDev Ontario invested over $362 million to support more than 530 projects across the region. This included more than $185 million through ongoing regional programs for 210 projects, helping create or maintain more than 4,700 jobs. For every dollar invested by FedDev Ontario, these projects leveraged more than $3.80 in additional investment.

A strong southern Ontario economy depends on broad participation and opportunity. In 2025–26, FedDev Ontario invested over $216 million in projects supporting equity-seeking groups, including Indigenous entrepreneurs and businesses. As part of the national relaunch of the Black Entrepreneurship Program, the Agency also reopened the Black Entrepreneurship Program

Ecosystem Fund in the region. In addition, it invested over $103 million in rural projects, recognizing that strong local businesses and communities are essential to Canada's economic growth.

What happens in southern Ontario matters across Canada. These investments are helping businesses innovate, grow and compete, strengthening communities and contributing to a more resilient Canadian economy. I invite you to read this report to learn more about the results FedDev Ontario delivered in 2025–26 and the work underway to build lasting prosperity across the region.

Results: What we achieved

Core responsibilities and internal services

- Core responsibility: Economic development in southern Ontario
- Internal services

Core responsibility 1: Economic development in southern Ontario

In this section

- Description
- Quality of life impacts
- Progress on results
- Details on results
- Key risks
- Resources required to achieve results
- Related government priorities
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Description

The Federal Economic Development Agency for Southern Ontario works to strengthen southern Ontario's capacity for innovation, economic development and growth.

Quality of life impacts

FedDev Ontario primarily contributes to "Income and growth" and "Employment and job quality" under the "Prosperity" domain of the Quality of Life Framework for Canada.

Progress on results

This section details the department's performance against its targets for each departmental result under Core responsibility: Economic development in southern Ontario.

The actual results in the following tables are based on the latest available data from Statistics Canada. Actual results for previous years were the latest available at that time. Statistics Canada data may be updated after this report is published.

Table 1 shows the target, the date to achieve the target and the actual result for each indicator under Businesses in southern Ontario are innovative and growing in the last three fiscal years.

Table 1: Businesses in southern Ontario are innovative and growing

Departmental result indicator	Target	Date to achieve target	Actual result
Number of high-growth firms in southern Ontario	At least 4,700	March 31, 2026	2023–24: 4,600 2024–25: 6,000 2025–26: 10,240[1]
Value of exports of goods (in dollars) from southern Ontario	At least $180B	March 31, 2026	2023–24: $237.6B 2024–25: $236.3B 2025–26: $258.6B[2]
Value of exports of clean technologies (in dollars) from southern Ontario[3]	At least $9B	March 31, 2026	2023–24: $10.2B 2024–25: $10.9B 2025–26: $10.8B[4]
Revenue growth rate of firms supported by FedDev Ontario programs	At least 1.9%	March 31, 2026	2023–24: 16.54% 2024–25: 10.95% 2025–26: 4.14%[5]

- [1] The most recent data available for this indicator is from 2023.
- [2] Southern Ontario export figures are not yet available from Statistics Canada, therefore Ontario data is reported. Over the past five years, on average, southern Ontario has accounted for over 95% of Ontario's total exports.
- [3] Preliminary data from Statistics Canada on clean technologies exported by firms is for all sectors. Southern Ontario figures are not yet available from Statistics Canada; therefore, Ontario data is reported.
- [4] The most recent data available for this indicator is from 2024.
- [5] The most recent data available for this indicator is from 2024.

Table 2 shows the target, the date to achieve the target and actual result for each indicator under Businesses in southern Ontario invest in the development and commercialization of innovative technologies in the last three fiscal years.

Table 2: Businesses in southern Ontario invest in the development and commercialization of innovative technologies

Departmental result indicator	Target	Date to achieve target	Actual result
Value of business expenditure on research and development by firms receiving FedDev Ontario program funding (in dollars)	At least $100M	March 31, 2026	2023–24: $182.8M 2024–25: $133.5M 2025–26: Not available[1]
Percentage of companies engaged in collaborations with higher education institutions in southern Ontario	At least 15%	March 31, 2026	2023–24: 16.9% 2024–25: 16.9% 2025–26: 16.9%[2]

- [1] This amount was suppressed by Statistics Canada as it did not meet the confidentiality requirements of the *Statistics Act*.

Departmental result indicator	Target	Date to achieve target	Actual result
- [2] The data for this indicator is only collected every three years; therefore the number remains unchanged. The most recent data available for this indicator is from 2022.			

Table 3 shows the target, the date to achieve the target and actual result for each indicator under Communities are economically diversified in southern Ontario in the last three fiscal years.

Table 3: Communities are economically diversified in southern Ontario

Departmental result indicator	Target	Date to achieve target	Actual result
Percentage of small- and medium-sized enterprises (SMEs) that are majority-owned by women	At least 18%	March 31, 2026	2023–24: 18.9% 2024–25: 19.8% 2025–26: 19.8%[1]
Percentage of SMEs that are majority-owned by Indigenous peoples	At least 0.6%	March 31, 2026	2023–24: 0.6% 2024–25: 1.3% 2025–26: 1.3%[1]
Percentage of SMEs that are majority-owned by youth[2]	At least 14%	March 31, 2026	2023–24: 14.4% 2024–25: 12.9% 2025–26: 12.9%[1]
Percentage of SMEs that are majority-owned by visible minorities[3]	At least 14%	March 31, 2026	2023–24: 14% 2024–25: 12.1% 2025–26: 12.1%[1]
Percentage of SMEs that are majority-owned by persons with disabilities	At least 0.3%	March 31, 2026	2023–24: 0.3% 2024–25: 1.9% 2025–26: 1.9%[1]
Percentage of professional, science and technology-related jobs in southern Ontario's economy	At least 37%	March 31, 2026	2023–24: 37.6% 2024–25: 37.4% 2025–26: 37.8%
Amount leveraged per dollar invested by FedDev Ontario in community projects	At least $1.50	March 31, 2026	2023–24: $2.12 2024–25: $3.14 2025–26: $4.24
- [1] The most recent data available for this indicator is from 2023. The data is collected by Statistics Canada as part of a survey that occurs every 3 years. New data is not expected until 2027-28. - [2] Youth are defined as 15 to 40 years of age for this analysis. - [3] The term "visible minorities" is used because it is the official demographic category defined by the *Employment Equity Act* and used by Statistics Canada in surveys.			

The Results section of the Infographic for FedDev Ontario on GC Infobase provides additional information on results and performance related to its program inventory.

Details on results

The following section describes the results for Economic development in southern Ontario in 2025–26 compared with the planned results set out in FedDev Ontario's departmental plan for the year.

FedDev Ontario's core responsibility (economic development in southern Ontario) and its corresponding macroeconomic indicators in Tables 1, 2, and 3 were established in 2018 as part of the Canadian government's Innovation and Skills Plan to measure the progress of all programs offered by the Agency. This is the final year certain macroeconomic indicators are being reported, as the Agency has amended its Departmental Results Framework effective next year. The 2026–27 Departmental Plan provides more information on the upcoming changes.

There are three distinct streams in FedDev Ontario's program inventory: Business Scale-Up and Productivity (BSUP); Regional Innovation Ecosystem (RIE); and Community Economic Development and Diversification (CEDD). These program streams combine temporary and ongoing transfer payment programs, as well as national programs delivered regionally by the regional development agencies (RDAs) to promote economic growth and inclusion across Canada. FedDev Ontario assigns projects to the appropriate program inventory depending on the project details and whether the funding is for businesses or for organizations that help businesses grow.

FedDev Ontario generally reports results from its innovation programs directed at for-profit businesses under the "Businesses in southern Ontario are innovative and growing" departmental result. Results from its innovation programs aimed at not-for-profit organizations that help businesses grow are reported under the "Businesses in southern Ontario invest in the development and commercialization of innovative technologies" departmental result. Results from community-oriented programs, which have a mixture of for-profit and not-for-profit recipients, are reported under the "Communities are economically diversified in southern Ontario" departmental result. Although each program is generally reported under one departmental result, it is not unusual for some programs to contribute to more than one departmental result and exceptions apply.

Departmental Result: Businesses in southern Ontario are innovative and growing

Results achieved

FedDev Ontario supports this departmental result by investing in for-profit businesses through various programs aimed at enhancing business competitiveness and productivity. Over the last year, there have been many shifts in the global trade environment, and southern Ontario businesses are key to Canada's ability to compete globally and prosper long-term. Through its funding programs, the Agency is investing to build economic resilience while helping businesses adapt to evolving conditions. The discussion below describes the performance results of projects funded under the Regional Tariff Response Initiative (RTRI), the Regional Defence Investment Initiative (RDII), the Business Scale-Up and Productivity (BSUP) program, the Regional Artificial Intelligence Initiative (RAII), the Regional Homebuilding Innovation Initiative (RHII), and the Regional Quantum Initiative (RQI).

In 2025–26, FedDev Ontario launched the Regional Tariff Response Initiative to provide targeted, time-limited support to businesses facing global trade disruptions in southern Ontario. Delivered through RDAs, the national initiative aims to enhance business competitiveness and support

supply chain resilience across Canada as a way to protect Canadian businesses and workers. Given the significant concentration of tariff-impacted firms in Canada's steel, automotive, tool, die and mold, and machinery manufacturing sectors in southern Ontario, FedDev Ontario acted quickly to provide targeted support to affected businesses to improve operational efficiency and mitigate tariff-related impacts. The Agency invested over $83.7 million in 96 projects through the RTRI in 2025–26. Projects leveraged $2.24 for every dollar invested by the Agency, and created or maintained nearly 1,500 jobs. Through the initiative, the Agency helped steel manufacturers diversify into emerging opportunities in sectors such as defence, mining, and nuclear energy, while also supporting automotive suppliers to improve productivity and retain critical customer relationships. Further, tool, die and mold manufacturers and machinery firms received support to strengthen competitiveness, modernize operations, diversify markets, and build resilience in the face of ongoing trade uncertainty. For example, Trylon TSF Inc. (Trylon) is an Elmira-based advanced manufacturer of telecommunications and energy infrastructure products. FedDev Ontario invested $1 million in the company's more than $2.6-million project to implement modern steel advanced manufacturing equipment to increase efficiency, enhance production capacity, and support workforce growth. The project will allow Trylon to expand into new markets, while strengthening its ability to compete internationally and adapt to trade-related challenges through greater productivity, market diversification, and reduced reliance on any single sector.

This year, FedDev Ontario also launched the Regional Defence Investment Initiative as part of a national effort delivered by RDAs to strengthen Canada's defence industrial base while also supporting regional economic development. The RDII aligns with Canada's Defence Industrial Strategy, which emphasizes the importance of investing in Canadian industrial capacity, innovation, and supply chains to enhance economic security and safeguard sovereignty. Through RDII, FedDev Ontario invests in targeted activities that support businesses and organizations seeking to enter or grow within defence supply chains, increase their industrial and innovation capacity, and capitalize on new opportunities in the defence and security sector, including through the development of dual-use technologies and the diversification of traditional manufacturing into defence and security markets. FedDev Ontario invested more than $36 million in 9 multi-year projects through the RDII in 2025–26, helping SMEs and organizations expand within or pivot towards the defence sector. For example, Kepler Communications Inc., based in Toronto, is receiving a repayable $7-million contribution towards their over $22.4-million project to advance its Tranche 1 satellite engineering and accelerate the capability of its satellites to deliver secure, resilient and sovereign communications and data services between space and Earth. The investment will help position Kepler to participate in Canada's Defence Enhanced Surveillance from Space Project as well as position Canada as an early mover in next-generation space and defence technologies, supporting both national needs and allied missions while building sovereign space capabilities.

To further strengthen Canada's defence industrial base, FedDev Ontario also helps defence contractors seeking suppliers and research collaborations to understand the industrial, innovative, and research capabilities available in southern Ontario. Southern Ontario is home to hundreds of organizations with defence capabilities and expertise, with stakeholders spanning across the region, including clusters in Ottawa, London and the Greater Toronto Area. FedDev Ontario worked to leverage economic benefits from Canadian defence procurements to foster economic growth in southern Ontario's aerospace and defence sectors in line with Canada's Industrial and

Technological Benefits Policy. In 2025–26, the Agency launched a defence concierge service and increased its engagement with defence industry stakeholders to support business opportunities, including incremental supplier work, research and development collaborations, technology transfers, and other investments. This resulted in over 700 meetings with businesses in the region, nearly 70 discussions with post-secondary and research institutions, and over 230 engagements with major defence contractors—an overall increase of 89% from 2024–25. FedDev Ontario responded to over 30 requests from defence contractors to identify potential suppliers and facilitated more than 220 introductions to such companies, including Indigenous businesses from southern Ontario.

This year, FedDev Ontario invested nearly $110 million in 146 for-profit projects through the Business Scale-Up and Productivity program. BSUP supports businesses to grow and scale in Canada by investing in business-led projects that commercialize products and services or enhance business productivity, capacity and competitiveness in domestic and global markets. These multi-year projects build on strategic industries in southern Ontario such as manufacturing, artificial intelligence, and technology. For example, Ecopia AI, a Toronto-based technology company, received an investment of $2.6 million from FedDev Ontario towards over $7.5-million project aiming to commercialize a cloud-based platform for accessing its proprietary AI-enabled mapping data. The project was transformational for Ecopia AI and established it as a Canadian leader in cloud-based geospatial AI, positioning it for long-term growth and continued market diversification. In 2025–26, BSUP projects leveraged $5.58 for every dollar invested by FedDev Ontario, and created or maintained more than 1,600 jobs. Recipient businesses reported commercializing over 500 new products, services, or processes resulting in over $336 million in sales.

A. Berger Precision

A. Berger Precision Ltd. (A. Berger), an advanced manufacturer specializing in high-precision milled and machined components for the automotive, aerospace, hydraulics, medical and industrial equipment sectors, received an investment of over $4.7 million through FedDev Ontario's BSUP program for an over $13.5-million project to increase its domestic production capabilities, create jobs and establish a new research and development centre at its Brampton facility.

As global trade pressures and tariffs continue to affect supply chains, with FedDev Ontario's support, A. Berger is strengthening Canada's ability to produce made-in-Canada critical complex parts and components. The investment has also boosted its research and development capacity, allowing the company to experiment with new techniques and materials, and collaborate with industry and partners.

Investing in advanced manufacturers, like A. Berger, helps strengthen our domestic supply chains, foster innovation, and advance Canada's economic prosperity.

In 2024–25, FedDev Ontario launched the Regional Artificial Intelligence Initiative to make strategic investments that support businesses with innovative artificial intelligence solutions in southern Ontario. Through the RAII, the Agency invests in AI projects that optimize products, technologies, systems and processes to improve operational efficiency, and strengthen the competitiveness of

southern Ontario businesses. Under this initiative in 2025–26, FedDev Ontario strategically invested more than $19 million in 38 projects, creating or maintaining over 300 jobs and supporting businesses with innovative artificial intelligence solutions in southern Ontario. For example, Spatial Data Analytics Inc. (SDAI) is a Burlington-based technology company focused on revolutionizing infrastructure management through artificial intelligence and geospatial data technologies. SDAI uses AI and machine learning to analyze laser-mapping, aerial imagery and geospatial data for efficient, cost-effective design and engineering of telecommunications and electrical infrastructure. FedDev Ontario's investment of up to $1.5 million towards their over $3.7-million project will enable SDAI to scale its AI tool development, create real-time digital models of infrastructure networks, and enhance AI-powered defect detection to support wildfire mitigation, grid efficiency, and broadband expansion.

Launched in 2024–25, the Regional Homebuilding Innovation Initiative was a time-limited program that concluded in 2025–26. FedDev Ontario invested over $10.6 million in 7 projects designed to support innovative manufacturers in scaling up production capacity and accelerating the delivery of affordable housing across southern Ontario. Under the RHII, 24 new products, services or processes were commercialized, over 150 jobs were created, and nearly 300 housing units were completed. Through targeted investments in advanced construction technologies and modern manufacturing processes, the initiative contributed to addressing housing supply challenges while supporting regional economic development. A key example is Axe Buildings, a St. Catharines–based modular home builder specializing in prefabricated housing solutions. FedDev Ontario invested over $2.9 million towards their more than $5.8-million project to expand their manufacturing capabilities and implement advanced automated machinery, enabling faster and more efficient production of modular housing components. FedDev Ontario's support helped to reduce lead times and strengthen the company's ability to meet growing demand for affordable, high-quality, and sustainable housing across the region.

As part of the Government of Canada's National Quantum Strategy (NQS), FedDev Ontario continued to deliver the Regional Quantum Initiative to help businesses advance Canadian-made quantum technologies and solutions. The Agency invested nearly $2.7 million in 7 projects, creating or maintaining over 120 jobs and commercializing 11 products, services, or processes. The program supports the development, commercialization, and scale-up of quantum technology products and solutions to advance their application across a range of industries in domestic and international markets.

FedDev Ontario continued to collaborate with Innovation, Science and Economic Development Canada (ISED) and other partners through the Accelerated Growth Service (AGS) to support Canadian businesses as they grow, innovate and increase their capability to succeed in global markets. FedDev Ontario continues to engage with 15 AGS companies and connect high-growth firms in southern Ontario with relevant government resources and the Government of Canada's online resource tool, the Business Benefits Finder. The Agency continued to provide information to entrepreneurs on topics such as business start-up, financing and regulations in Ontario through Small Business Services (SBS). In 2025–26, SBS responded to over 8,000 enquiries through the Agency's contact centre, and visits to the SBS webpage exceeded 240,000.

Under this departmental result, the Agency invested nearly $156 million in 185 projects supporting equity-deserving groups. The Agency also invested over $76 million in 77 projects supporting economic development in rural areas, and nearly $90 million in 98 clean growth projects.

As part of its Departmental Results Framework, FedDev Ontario has contracted with Statistics Canada to capture and report on regional data using four performance indicators – the number of high-growth firms, the value of goods exported, the value of clean technology exports, and the revenue growth rate of firms. In 2025–26, the results show the Agency has exceeded the set targets for these indicators. Specifically, there was a sizeable increase in the number of high-growth firms in southern Ontario with the latest available data from 2023 reporting over 10,200 firms compared to the target of 4,700. This increase can possibly be attributed to the technology sector's expansion experienced between 2021–2023, which likely contributed to stronger firm growth in the region's technology hubs, and to an increase in venture capital investment over the same period, which may have supported firm scaling and rapid expansion. The value of goods exported from southern Ontario was $258.6 billion, surpassing its target of $180 billion. The value of clean technology exports from southern Ontario was $10.8 billion, exceeding its target of $9 billion. Finally, the revenue growth rate for FedDev Ontario supported firms was 4.14% which surpassed the 1.9% growth target.

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

Results achieved

In support of this departmental result, FedDev Ontario helped businesses and entrepreneurs by encouraging regional ecosystem growth through engagement and investing in ecosystem partners. The achievements discussed below involve ecosystem-related outreach activities undertaken by the Agency and projects funded under the ongoing Regional Innovation Ecosystem (RIE) program.

In 2025–26, FedDev Ontario invested nearly $73 million in 57 Regional Innovation Ecosystem projects to create, grow and nurture inclusive regional ecosystems. In southern Ontario, these ecosystems support businesses, and encourage an entrepreneurial environment supporting innovation, growth and competitiveness. Through investments in colleges and universities, industry associations, as well as business accelerators and incubators, needed support is flowing to SMEs and entrepreneurs. For instance, Dalriada Drug Discovery, supported through the Ontario Bioscience Innovation Organization's Capital Access Advisory Program, is advancing health and bioscience innovation through drug discovery technology platforms and services. As well, Innovate-Ops, supported through the Waterloo Accelerator Centre's AC:Studio program, is scaling artificial intelligence-enabled industrial monitoring solutions that help manufacturers improve equipment performance and operational efficiency. By investing in these projects, FedDev Ontario strengthens the region's competitive edge in these sectors and helps drive future economic growth.

In the past year, RIE projects leveraged $1.30 for every dollar invested in additional project-specific funding, supported nearly 940 organizations and businesses, and created or maintained nearly 3,100 jobs. These projects focused on key growth sectors such as technology, artificial intelligence, and health and biosciences. For example, FedDev Ontario supported the University of Waterloo Innovation Arena, located on the Health Sciences Campus in downtown Kitchener. With a $10-million investment in an over $50.3-million project to establish a health innovation hub in the region with partnerships across southwestern Ontario, the University of Waterloo Innovation Arena connects entrepreneurs with specialized resources to advance health innovation across sectors. In partnership with the University of Western Ontario and Medical Innovation Xchange (MIX), the project helped establish an integrated health technology innovation cluster linking Waterloo and London. It created a coordinated suite of supports for health technology companies at all stages of growth, including entrepreneurship programming, business advisory services, mentorship, and access to capital, alongside specialized laboratory and clinical trial infrastructure anchored at the Innovation Arena. More broadly, the initiative strengthened Ontario's health technology ecosystem by connecting companies to clinical, regulatory, and commercialization expertise, helping to accelerate the development and scaling of innovative health technologies.

Toronto Region Board of Trade

The Toronto Region Board of Trade (TRBOT), with its World Trade Centre Toronto, is one of the largest chambers of commerce in North America, representing more than 11,500 members and supporting business growth, competitiveness, and trade across the Toronto region. The TRBOT received a $500,000-investment from FedDev Ontario to deliver the CUSMA (Canada–United States–Mexico Agreement) Compliance Series, a targeted program supporting Ontario small and medium-sized enterprises (SMEs).

Through this project, Ontario SMEs had access to expert-led workshops and tailored one-on-one coaching to help them navigate the trade rules and compliance processes required under CUSMA. This support helped businesses improve operational certainty and better position themselves to compete and grow in North American markets.

This FedDev Ontario investment supported over 950 participants and SMEs across sectors such as manufacturing, agri-food, textiles, and technology to better understand the rules of origin, tariff exposure, and trade compliance processes.

The initiative also provided tailored guidance from trade specialists, lawyers, customs brokers, and industry experts to help businesses address sector-specific trade challenges, build long-term export readiness, and enhance their resilience in a shifting global trade environment.

Investments like these reflect the Government of Canada's ongoing commitment to helping businesses adapt to changing trade dynamics, build resilience, and remain competitive in a global economy, while helping to build Canada strong.

Throughout the year, FedDev Ontario engaged with businesses, not-for-profit organizations, and community partners across southern Ontario to promote Agency programs and services and increase awareness of the available funding opportunities supporting key Government of Canada priorities. These activities included promoting the Regional Tariff Response Initiative (RTRI) to

companies impacted by tariffs and global trade pressures seeking to enhance their overall competitiveness; and informing businesses and organizations seeking to enter or grow within defence supply chains and increase their industrial and innovation capacity about funding through the Regional Defence Investment Initiative (RDII). Through increased stakeholder engagement and strategic outreach, FedDev Ontario helped build a stronger pipeline of innovation-driven projects, supported the adoption and commercialization of new technologies, and advanced economic growth and productivity across southern Ontario.

In support of sustainable economic growth, under this departmental result, FedDev Ontario invested nearly $49 million in 40 projects led or majority-led by a member of an equity-seeking group. Additionally, the Agency invested over $7 million in 9 projects to support economic growth in rural southern Ontario, as well as over $22 million in 17 clean growth projects in the region.

FedDev Ontario uses Statistics Canada data to report on two performance indicators – the value of business expenditures spent on research and development, and the percentage of companies collaborating with higher education institutions – to further capture the impact these investments have on the region's economic ecosystem. The result for the value of business expenditures spent on research and development by firms receiving support from the Agency was suppressed this year by Statistics Canada as it did not meet the confidentiality requirements of the *Statistics Act*. Therefore, for 2025–26, there is no data available for this indicator. The results for the percentage of companies engaged in collaborations with higher education institutions in southern Ontario indicator are only collected every three years. Consequently, for 2025–26, the percentage remains at 16.9%, surpassing the 15% target. Achievement of targets for the macroeconomic indicators is dependent on several factors, including FedDev Ontario's programming.

Departmental Result: Communities are economically diversified in southern Ontario

Results achieved

This departmental result characterizes the impacts of projects funded under the Community Economic Development and Diversification (CEDD) program as well as the targeted Community Futures Program (CFP), Economic Development Initiative (EDI), Black Entrepreneurship Program (BEP) Ecosystem Fund, and Tourism Growth Program (TGP).

FedDev Ontario's investments have delivered meaningful impacts across southern Ontario communities. In 2025–26, under this departmental result, the Agency invested over $11 million in 103 projects led or majority-led by a member of an equity-seeking group.

Through its investments, FedDev Ontario ensured that support was broad-based, reaching beyond major urban centres into small and rural communities. This support has been especially important in the context of recent trade disruptions, as smaller communities reliant on manufacturing were particularly impacted by tariffs over the last year. Specifically, the Agency invested over $20 million in 117 projects under this departmental result to encourage economic growth in rural areas in the southern Ontario region. This investment is in addition to the over $83 million invested in rural projects reported under the other two departmental results, bringing the total invested in rural

communities in 2025–26 to $103 million. By helping companies strengthen competitiveness, diversify markets, and enhance their productivity, the Agency's investments supported economic resilience and long-term strength of these smaller and rural communities.

This year, FedDev Ontario supported the Federal Tourism Growth Strategy by delivering the Tourism Growth Program in southern Ontario. This was the final year for this temporary program, which provided strategic investments in businesses, not-for-profit organizations, and communities to develop and enhance tourism offerings in the region. FedDev Ontario invested more than $10 million in a portfolio of 121 projects to support tourism assets and enhance southern Ontario's competitiveness as an international destination. The Agency invested 17% of this funding to support the Indigenous tourism industry, and the TGP created or maintained nearly 370 jobs across southern Ontario.

In 2025–26, through its outreach activities, the Agency continued to engage with Indigenous entrepreneurs and SMEs across southern Ontario. The Agency continues to engage with Indigenous communities to better understand their needs and priorities, along with identifying pathways and opportunities to invest in and advance their interests.

In conjunction with the other RDAs throughout Canada, FedDev Ontario delivers national programs like the Community Futures Program, the Economic Development Initiative, and the Black Entrepreneurship Program. These programs enhance the ability of members from equity-deserving groups to start, grow and expand their businesses. Specifically, FedDev Ontario:

- invested nearly $13.3 million to support 36 Community Futures Development Corporations (CFDCs) and three networks in southern Ontario to provide a variety of programs and services for economic development and small business growth in rural communities.
    - CFDCs provided over $58 million through 591 loans to rural businesses that leveraged over $93.4 million in additional investments for their projects.
    - CFDCs also provided assistance via business services to over 3,500 rural businesses.
- delivered nearly $1.2 million to support 7 EDI projects that encouraged economic diversification and business development in official language minority communities; and
- relaunched the BEP Ecosystem Fund to help Black Canadian business owners and entrepreneurs overcome barriers to improving their businesses, a program that has been extended to 2030. Though no projects were funded during this transition year, results will be reported in future departmental results reports.

Completed in 2025–26 and published in April 2026, the Horizontal Evaluation of the Community Futures Program (CFP) covered the period of 2018–19 to 2023–24 and examined the relevance and performance of the CFP, with a focus on the national perspective. The evaluation concluded that the CFP remains essential in supporting rural and remote communities through business financing, advisory services, and community economic development. The CFP was found to strengthen entrepreneurship and local economic capacity, though overall scale limited reach relative to

community needs. Recommendations focused on two key objectives: achieving continuous improvement in the operations of the CFP and strengthening performance measurement.

In 2025–26, the Agency invested in 7 projects under the CEDD program, contributing over $2.5 million and providing support to 16 unique communities in the region. CEDD was established to help develop, diversify and transform southern Ontario communities by promoting business development, creating and retaining employment in rural communities, and enhancing access to innovation supports for smaller- and mid-sized cities. CEDD also supports local businesses and communities to remain resilient, adapt and diversify to continue participating in emerging economic growth opportunities, as well as build new anchor firms. In 2025–26, these projects leveraged $0.42 per dollar invested by FedDev Ontario, created or maintained nearly 40 jobs, and supported nearly 120 businesses and organizations. For example, FedDev Ontario invested $130,000 in a $300,000-project with the City of Orillia to strengthen local entrepreneurship and innovation through its Founders, Upstarters, Entrepreneurs and Leaders (FUEL) Innovation program. The City of Orillia identified a need for targeted entrepreneurship programming following a gap analysis conducted by the City and its partners to address barriers to job creation and innovation-focused business growth. The project succeeded in expanding local business-support capacity and increasing access to entrepreneurship programming for equity-seeking participants across Orillia and the surrounding rural communities, including Ramara, Severn, Oro-Medonte, and the Chippewas of Rama First Nation. The project delivered targeted programming for women-led businesses, newcomers, youth, and skilled trades entrepreneurs through accelerator programs, workshops, and innovation challenges focused on business growth, financial literacy, digital transformation, and inclusion. By connecting participants with mentorship, training, and local industry partners, the project helped strengthen Orillia's entrepreneurial ecosystem and supports a more inclusive and resilient local economy.

Curve Lake First Nation

FedDev Ontario invested more than $2.4 million in Curve Lake First Nation towards an over $13.5-million project to advance Indigenous entrepreneurship, by strengthening local food production and economic development.

With this investment, Curve Lake First Nation has equipped a new, state-of-the-art, one-acre greenhouse facility designed to produce both fish and vegetables. The objective is that the products be sold to regional distributors, while a portion remains within the community to increase access to fresh, locally sourced food and enhance food security.

By building local capacity in food production, the project is helping Curve Lake First Nation strengthen its economic autonomy and reduce reliance on external supply chains.

To further the Agency's understanding of this departmental result, there are several indicators that are examined from a national perspective. The 2025–26 results show the percentage of professional, science and technology-related jobs in the southern Ontario economy increased slightly to 37.8% from last year's 37.4%, meeting the Agency's target of 37%. This year, the amount leveraged per dollar invested by FedDev Ontario in all community projects was $4.24, exceeding

the Agency's target of $1.50. The results for the percentage of firms majority-owned by equity-seeking groups are analyzed every three years, meaning the results for 2025–26 are the same as last year where they met or exceeded the targets for the following groups: women (19.8% vs 18% target), Indigenous Peoples (1.3% vs 0.6% target), and persons with disabilities (1.9% vs 0.3% target). Youth and racialized communities reported lower results than their targets: youth (12.9% vs 14% target), and racialized communities (12.1% vs 14% target). Achievement of targets for the macroeconomic indicators depends on multiple factors beyond FedDev Ontario programming.

Key risks

In 2025–26, FedDev Ontario identified the following risks:

- Trade and tariff-related risks, including the potential for existing or new U.S. tariffs and other protectionist measures to disrupt supply chains and negatively impact trade-dependent sectors such as automotive manufacturing and steel production.
- Macroeconomic and affordability-related risks, including elevated costs of living and borrowing costs, which could reduce consumer spending and constrain business investment in growth, innovation, and leading-edge technologies.

To mitigate these risks, FedDev Ontario delivered targeted and timely support to businesses and communities impacted by tariffs and trade disruptions. Through the delivery of the Regional Tariff Response Initiative, focus was placed on strengthening resilience and short-term adaptability of regional SMEs, organizations and communities. In parallel, the Agency continued to invest in longer-term competitiveness by supporting artificial intelligence adoption and other innovative technologies, through the delivery of the Regional Artificial Intelligence Initiative. Together, these efforts supported productivity improvements, market diversification, enhanced competitiveness, increased internal trade, and more secure participation in domestic and international supply chains.

Throughout the year, FedDev Ontario engaged with stakeholders and monitored the regional economic landscape to inform its investment decisions and contributed regional insights to policy discussions across the federal government. The Agency applied rigorous due diligence and maintained active oversight of supported projects across their lifecycle, helping ensure programming remained responsive to evolving conditions, addressed regional needs, and aligned with government priorities.

Resources required to achieve results

Table 4 provides a summary of the planned and actual spending and full-time equivalents required to achieve results.

Table 4: Snapshot of resources required for Economic development in southern Ontario

Resource	Planned	Actual
Spending	$251,607,927	$385,015,306
Full-time equivalents	167	167

FedDev Ontario's actual spending was above the planned amount due to the delivery of new programming related to tariff relief and defence priorities.

The Finances section of the Infographic for FedDev Ontario on GC Infobase page and the People section of the Infographic for FedDev Ontario on GC Infobase page provide complete financial and human resources information related to its program inventory.

Related government priorities

This section highlights government priorities that are being addressed through this core responsibility.

Gender-based Analysis Plus

FedDev Ontario continues to apply Gender-based Analysis Plus (GBA Plus) practices to support inclusive regional economic development and to inform policies and programs through an intersectional lens. In 2025–26, the Agency invested over $216 million in 328 projects that advance the economic participation of equity-deserving groups. FedDev Ontario also requires eligible recipients to sign contribution agreements that incorporate diversity, equity and inclusion considerations, and maintain alignment with government-wide initiatives in its internal policies, programs and tools, including GBA Plus, and the 50-30 Challenge.

To strengthen evidence-based decision-making, FedDev Ontario collects inclusivity data through a voluntary self-identification section in its program application forms. This information helps identify key gaps in program reach and supports the assessment of projects led or majority-led by equity-deserving groups. Detailed GBA Plus results for FedDev Ontario's programs are included in the supplementary information tables.

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

FedDev Ontario launched its first independent Departmental Sustainable Development Strategy (DSDS) in 2023–24, covering 2023–24 to 2026–27. The Agency's mandate, programs and initiatives directly advance progress on UN Sustainable Development Goal (SDG) 8 (Decent work and economic growth) by supporting workers, businesses and communities in their transition to a greener and more inclusive economy. In 2025–26, the Agency invested over $112 million to support nearly 120 clean growth projects.

Additionally, in support of the *United Nations Declaration on the Rights of Indigenous Peoples Act* (the *UN Declaration Act*) and UN SDG 10 (Reduced inequalities), employees and managers at

FedDev Ontario are required to participate in mandatory cultural biases and/or cultural competencies training that focuses on Indigenous Peoples. In 2025–26, 82% of employees working at FedDev Ontario completed the mandatory training, exceeding the established target of 75%.

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 our Departmental Sustainable Development Strategy and reports on progress.

Artificial intelligence

In 2025–26, the Agency continued to support the responsible use of artificial intelligence by providing guidance on Microsoft Copilot and promoting best practices for safe and effective use.

FedDev Ontario has taken steps to prepare its workforce and organization for AI adoption by focusing on awareness, governance, and access to tools. Guidance and training on appropriate AI use, including privacy and security considerations, has been shared with Agency staff to promote responsible adoption. FedDev Ontario has a data strategy in place, along with ongoing efforts to improve access to approved AI tools and strengthen readiness for broader implementation. Additionally, collaboration within the Agency is supporting a coordinated approach to AI enablement and change management across the organization.

In addition, work is underway to expand access to approved tools, including CANChat and GCtranslate, to further improve service delivery and support bilingual operations. Together, these initiatives contribute to improved efficiency and alignment with FedDev Ontario's mandate.

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.

Internal services

In this section

- Description
- Progress on results
- Resources required to achieve results
- Risk and compliance process
- Contracts awarded to Indigenous businesses

Description

Internal services are the activities and resources that support a department in meeting its corporate obligations and delivering its programs. The 10 categories of internal services are:

- 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

Progress on results

This section presents details on how the department performed to achieve results and meet targets for internal services.

Human resources management remained a key area of focus for the Agency in 2025–26. FedDev Ontario is committed to advancing dialogue on values and ethics across the organization and the federal public service. The Agency's work in serving Canadians is guided by respect for democracy, respect for people, integrity, stewardship, and the pursuit of excellence. Through initiatives that encourage respect, diversity, inclusivity and accessibility, FedDev Ontario expanded on past efforts to promote a safe, healthy and rewarding work environment and support mental health and wellness. FedDev Ontario continues to foster an evolving public service culture of excellence, modernization and a workplace of choice, while supporting employees' health and wellness. Employee wellness is promoted through the access to Ombuds Services, the Employee Assistance Program (EAP) and LifeSpeak platform. Regular wellness campaigns are promoted through the Agency's Wellness Committee, a collection of staff led by executive champions.

The Agency is committed to maintaining an accessible and barrier-free workplace by implementing action items outlined in its Accessibility Plan and promoting internal digital accessibility tools. Additionally, FedDev Ontario continues to engage employees and ensure everyone has a safe and healthy place to work through education and prevention efforts of the Agency's Occupational Health and Safety committee.

In 2025–26, the Agency developed and launched its three-year Official Languages Action Plan to support linguistic duality through supporting employee language development, promoting bilingualism across the organization, and continued engagement with Official Language Minority Communities.

Through clear and accessible communications, FedDev Ontario demonstrated a concerted effort to raise awareness, visibility, and recognition of its programs and services through multiple

channels and engagement strategies over the past year. Awareness of programs and support available to businesses in southern Ontario increased through new funding programs as well as ministerial roundtables, tours and events. Additionally, digital media content and continued efforts to modernize the website improved the user experience for accessibility, functionality and clarity.

In 2025–26, the Agency organized, executed and supported 33 funding announcements, announcing nearly 75 projects and more than $152 million in regional investments. The Agency coordinated ministerial participation at 27 speaking opportunities across southern Ontario, part of a total of 60 engagements. This advanced priority sectors such as AI, defence and manufacturing to enhance regional economic resiliency and reinforce Canada's competitiveness narrative. In addition to their own news releases, FedDev Ontario also reviewed 84 news releases drafted by recipients, which extend the reach of the Agency's messaging and presence in southern Ontario.

FedDev Ontario increased awareness of the Agency's role and impact through the launch of the "Builder of the Week" digital video series. The initiative profiles different funding recipients across the region, highlighting how Agency-supported projects contribute to Canada's economic resilience, security and sovereignty. The resulting social media videos can be shared by recipients and partners to extend the reach of information about FedDev Ontario's programs and services.

In 2025–26, in addition to funding announcements, recipient news releases and the "Builder of the Week" series, the Agency launched three new funding programs. This culmination of initiatives resulted in significant growth of the external website, with over 170,000 visits and almost 450,000 page views by more than 175,000 users. On social media, the Agency gained more than 12,900 new followers across all platforms, bringing the total to 84,200, while its channels earned over 10,500 engagements (comments, likes, shares), and over 500,000 impressions, up 63% from the previous year. The Southern Ontario Spotlight newsletter achieved consistently strong performance with 55–60% open rates and 9–14% click-through rates, while growing the subscriber base with more than 750 new subscribers to more than 3,200 total subscribers.

Through the Ontario Federal Council (OFC), chaired by the President of FedDev Ontario, the Agency continued to support interdepartmental collaboration on government-wide priorities across federal, provincial, and municipal networks in the Ontario region, outside of the National Capital Region. In 2025–26, the OFC convened membership meetings that included discussions on key issues and emerging priorities, such as the impact of tariffs on Ontario's economy, the use of AI in government, and the Comprehensive Expenditure Review (CER) process. The OFC launched Phase 3 of the Building Diverse Leaders Program (BDLP), following the successful completion of Phase 2, in which all participants graduated. The BDLP is delivered in response to the Call to Action on Anti-Racism, Equity, and Inclusion in the Federal Public Service. The OFC continued to support and provide leadership to 12 interdepartmental regional networks, while advancing collaboration with provincial and municipal partners on cross-cutting priorities.

Also, this year, FedDev Ontario implemented a budget management framework across the Agency to enhance the governance over resource allocation and management. This framework was crucial when the Agency secured the funding to launch new programming and align its existing programming towards new government priorities through programs like the RTRI and the RDII, as

well as support the government-wide CER. In addition, the Agency continued to fulfill its key financial stewardship responsibilities, including the ongoing collection of the Agency's $892 million repayable loans portfolio and administration of more than $400 million spent by the Agency during the 2025–26 fiscal year. The Agency enhanced stewardship, efficiency and client service with the successful development and onboarding of Pre-Authorized Debit functionality, which has automated the repayment process for 65% of recipients with repayable contributions by the end of the fiscal year.

Throughout 2025-26, FedDev Ontario worked across its four office locations to continue to support employees through improvements to the workspace. The Agency's ongoing collaboration with Public Services and Procurement Canada (PSPC) led to further optimization of office spaces, aligning appropriate space usage with program delivery and internal services.

The Agency also worked toward efficiencies through collaboration with other regional development agencies and the sharing of administrative resources. Ongoing adherence to PSPC's rigorous procurement requirements contributed to FedDev Ontario's strong oversight and ensured value for money in goods and service delivery.

The Agency continued to strengthen its digital and information management foundation by advancing key enterprise initiatives, including the migration to modern cloud-based workplace technologies, the decommissioning of legacy network drives, and the adoption of secure collaboration tools. These efforts have improved accessibility to information, enhanced data integrity, and supported effective program and corporate operations.

In 2025–26, FedDev Ontario created a cohesive digital transformation strategy prioritizing three strategic tracks: modernizing program management systems, enhancing intake processes, and leveraging AI to optimize grants and contributions (G&C) workflows. By bringing rigour and focus to these efforts, FedDev Ontario has made significant strides in aligning its operations with best practices in digital innovation.

This year, FedDev Ontario also implemented a modernized Access to Information and Privacy (ATIP) request processing software, which manages the entire lifecycle of an ATIP request from the initial request to final delivery of documents. This improved the Agency's request processing and better addresses current and future ATIP inquiries.

In addition, the Agency developed a robust Enterprise Data Management strategy, including the establishment of data governance frameworks. FedDev Ontario has integrated the data strategy into the Digital Transformation and Modernization (DT&M) project. The Agency also continued modernizing the G&C Management System (Minerva), with detailed planning and analysis to ensure a smooth transition to a future-ready hosting platform. Furthermore, FedDev Ontario worked closely with the Canadian Digital Service (CDS) to enhance the Agency's usage of GCForms, a secure, accessible, and bilingual online application builder. These efforts prepare the Agency's intake processes for seamless integration with a future Government of Canada business services portal, ensuring that FedDev Ontario remains at the forefront of digital service delivery.

Resources required to achieve results

Table 5 provides a summary of the planned and actual spending and full-time equivalents required to achieve results.

Table 5: Resources required for internal services for 2025–26

Resource	Planned	Actual
Spending	$16,223,574	$15,713,347
Full-time equivalents	92	86

The Finances section of the Infographic for FedDev Ontario on GC Infobase and the People section of the Infographic for FedDev Ontario on GC Infobase provide complete financial and human resources information related to its program inventory.

Risk and compliance process

The Risk and Compliance Process (RCP) is a self-assessment designed to help deputy heads verify that they have controls and practices in place to meet their accountabilities under legislation and Treasury Board policy, and to effectively manage risks in their organizations.

In 2025–26, FedDev Ontario completed the RCP self-assessment. The results show the department demonstrated appropriate practices and controls in several areas and identified opportunities to improve the department's management practices in others.

Areas of strength include financial and expenditure management, grants and contributions administration, procurement governance, performance management, values and ethics, and workplace health. The Agency maintains strong financial governance and risk-based monitoring frameworks and applied enhanced focus on maintaining a positive workplace culture and health.

Opportunities to strengthen data inventory management and digital technology planning were also identified. The Agency has committed to formalizing internal practices and strengthening employee training in these areas.

Contracts awarded to Indigenous businesses

Government of Canada departments are required to award at least 5% of the total value of contracts to Indigenous businesses every year.

As shown in Table 6, FedDev Ontario awarded 23% of the total value of all contracts to Indigenous businesses for the fiscal year.

Table 6: Total value of contracts awarded to Indigenous businesses

Contracting performance indicator	2025–26 result
Total value of contracts awarded to Indigenous businesses (A)	$214,433.08

Contracting performance indicator	2025–26 result
Total value of contracts awarded to Indigenous and non-Indigenous businesses (B)	$921,682.40
Value of exceptions approved by deputy head (C)	$0
Proportion of contracts awarded to Indigenous businesses [A / (B−C) × 100]	23%

Notes

For the purposes of the minimum 5% target, Indigenous Services Canada defines "Indigenous businesses" as:

- businesses owned and operated by Elders, band and tribal councils
- businesses registered in the Government of Canada's Indigenous Business Directory
- registered on a modern treaty beneficiary business list

A "contract" is a binding agreement for the procurement of a good, service or construction and does not include real property leases.

In 2025–26, FedDev Ontario supported reconciliation efforts with Canada's Indigenous Peoples by promoting opportunities for First Nations, Inuit and Métis businesses through the Agency's procurement processes. In its 2026–27 Departmental Plan, FedDev Ontario estimated that it would award 5% of the total value of its contracts to Indigenous businesses by the end of 2025–26. This target was surpassed, as the Agency awarded 23% of the value of its procurement contracts to Indigenous businesses. This amount does not include acquisition card transactions below $5,000.

The use of Indigenous Services Canada's Indigenous Business Directory when procuring goods and services continued to guide FedDev Ontario's procurement actions throughout 2025–26. The Agency's annual procurement plan enabled FedDev Ontario's Procurement team to identify opportunities to target Indigenous businesses for goods and services contracts.

Strong oversight of all procurement activities at FedDev Ontario continued through quarterly reports provided to executives on the Agency's contracting activities. This reporting maintains visibility on FedDev Ontario's procurement actions and on progress toward FedDev Ontario's commitment to meeting and surpassing the 5% minimum Indigenous procurement target.

Spending and human resources

In this section

- Spending
- Funding
- Financial statement highlights

- Human resources

Spending

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

Budgetary performance summary

Table 7 shows the money that FedDev Ontario spent in each of the past three years on its core responsibilities and on internal services.

Table 7: Actual three-year spending on core responsibilities and internal services (dollars)

Core responsibilities and internal services	2025–26 Main Estimates	2025–26 total authorities available for use	Actual spending over three years (authorities used)
Economic development in southern Ontario	251,607,927	391,629,679	• 2023–24: 444,236,507 • 2024–25: 241,875,039 • 2025–26: 385,015,306
Subtotal	**251,607,927**	**391,629,679**	• **2023–24: 444,236,507** • **2024–25: 241,875,039** • **2025–26: 385,015,306**
Internal services	16,223,574	16,223,574	• 2023–24: 17,795,903 • 2024–25: 16,720,747 • 2025–26: 15,713,347
Total	**267,831,501**	**407,853,253**	• **2023–24: 462,032,480** • **2024–25: 258,595,785** • **2025–26: 400,728,653**

Analysis of the past three years of spending

FedDev Ontario's spending increased in 2025–26 due to the delivery of new programming related to tariff relief and defence priorities. The increase occurred after the sunset of temporary pandemic relief and recovery funding programs in 2024–25, but remained below the higher level recorded in 2023–24 when those programs were still in place.

The Finances section of the Infographic for FedDev Ontario on GC Infobase provides more financial information from previous years.

Planned spending for next three years

Table 8 shows FedDev Ontario's planned spending for each of the next three years on its core responsibilities and on internal services.

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

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
Subtotal	**374,214,576**	**373,707,969**	**213,152,638**
Internal services	15,492,958	15,008,265	13,720,467
Total	**389,707,534**	**388,716,234**	**226,873,105**

Analysis of the next three years of planned spending

The planned spending reflects the heightened Agency spending on core programming and temporary programs related to key Government of Canada tariff relief and defence priorities. Programming is currently scheduled through to 2027–28 before sunsetting and the Agency returns closer to its core spending levels.

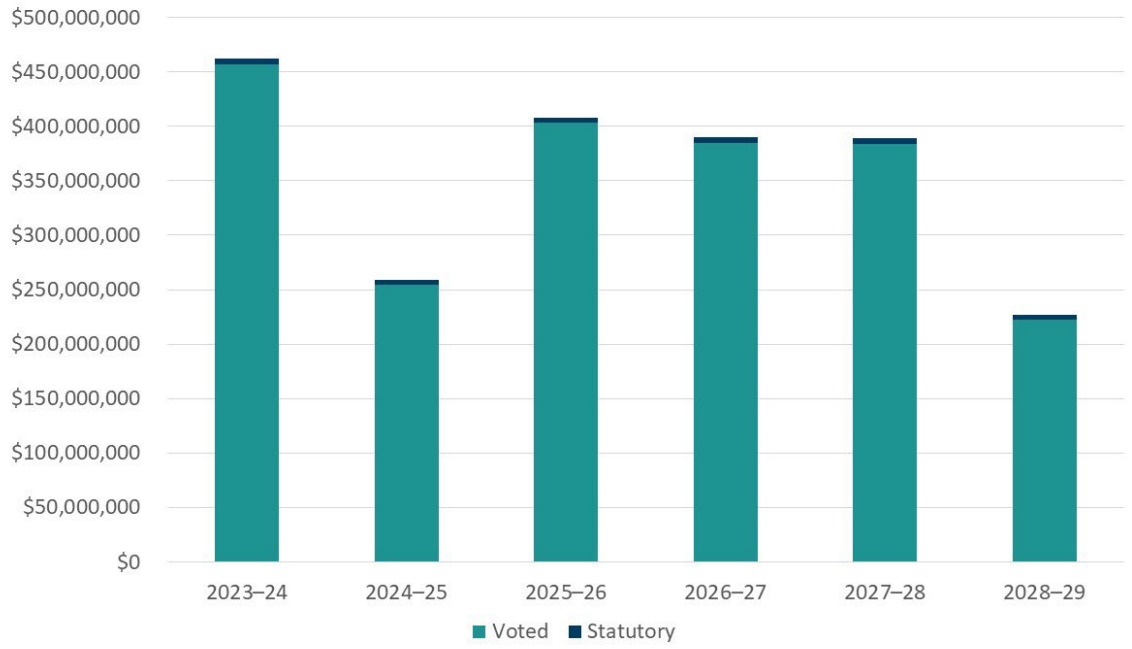
The Finances section of the Infographic for FedDev Ontario on GC Infobase provides more detailed financial information related to future years.

Funding

This section provides an overview of the department's voted and statutory funding for its core responsibilities and for internal services.

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

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



Text version of Graph 1

Fiscal year	Statutory	Voted	Total
2023–24	$5,094,308	$456,938,172	$462,032,480
2024–25	$4,510,003	$254,085,782	$258,595,785
2025–26	$4,582,614	$403,270,639	$407,853,253
2026–27	$4,931,831	$384,775,703	$389,707,534
2027–28	$4,835,974	$383,880,260	$388,716,234
2028–29	$4,381,450	$222,491,655	$226,873,105

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

FedDev Ontario's voted authorities decreased in 2024–25 due to the sunsetting of various temporary relief and recovery programs delivered across southern Ontario following the pandemic. Funding increased in 2025–26 due to the delivery of new temporary programming related to Government of Canada priorities for tariff response and defence. This has elevated the Agency's voted authorities through to 2027–28.

Consult the Public Accounts of Canada for further information on FedDev Ontario's departmental voted and statutory expenditures.

Financial statement highlights

This section presents FedDev Ontario's Financial statements (Unaudited) for the year ended March 31, 2026.

Table 9 summarizes the expenses and revenues for 2025–26, which net to the cost of operations before government funding and transfers.

Table 9: Condensed Statement of Operations (unaudited) for the year ended March 31, 2026 (dollars)

Financial information	2025–26 actual results	2025–26 planned results	Difference (actual results minus planned)
Total expenses	$194,016,215	$147,821,397	$46,194,818
Total revenues	$3,720	$0	$3,720
Net cost of operations before government funding and transfers	$194,012,495	$147,821,397	$46,191,098

Analysis of expenses and revenues for 2025–26

Actual total expenses were $46.2 million (31.2%) higher than the planned results due to additional grants and contributions authorities being made available through Supplementary Estimates B.

The 2025–26 planned results information is provided in FedDev Ontario's Future-Oriented Statement of Operations and Notes 2025–26.

Table 10 summarizes actual expenses and revenues and shows the net cost of operations before government funding and transfers.

Table 10: Condensed Statement of Operations (unaudited) for 2024–25 and 2025–26 (dollars)

Financial information	2025–26 actual results	2024–25 actual results	Difference (2025–26 minus 2024–25)
Total expenses	$194,016,215	$157,330,016	$36,686,199
Total revenues	$3,720	$0	$3,720
Net cost of operations before government funding and transfers	$194,012,495	$157,330,016	$36,682,479

Analysis of differences in expenses and revenues between 2024–25 and 2025–-26

The $36.7-million (19%) increase in expenditures from 2024–25 to 2025–26 can be attributed to new programming such as the Regional Trade Response Initiative and the Regional Defense Investment Initiative.

Table 11 provides a brief snapshot of the amounts the department owes or must spend (liabilities) and its available resources (assets), which helps to indicate its ability to carry out programs and services.

Table 11: Condensed Statement of Financial Position (unaudited) as at March 31, 2026 (dollars)

Financial information	Actual fiscal year (2025–26)	Previous fiscal year (2024–25)	Difference (2025–26 minus 2024–25)
Total net liabilities	$81,566,423	$44,092,145	$37,474,278
Total net financial assets	$74,058,793	$34,550,224	$39,508,569
Departmental net debt	$7,507,629	$9,541,921	$(2,034,292)
Total non-financial assets	$0	$17,436	$(17,436)
Departmental net financial position	$(7,507,629)	$(9,524,485)	$(2,016,856)

Analysis of department's liabilities and assets since last fiscal year

Total net liabilities increased by $37.5 million (85%), mainly due to increased transfer payment obligations as new temporary programs were introduced. This $37.5-million increase also contributed to a 114.4% increase in net financial assets. The approximate $17,000 (100%) drop in non-financial assets reflects the transfer of a fleet vehicle to another government department during the year.

Human Resources

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

Table 12 shows a summary in full-time equivalents of human resources for FedDev Ontario's core responsibilities and for its internal services for the previous three fiscal years.

Table 12: Actual human resources for core responsibilities and internal services for the last three years

Core responsibilities and internal services	2023–24 actual full-time equivalents	2024–25 actual full-time equivalents	2025–26 actual full-time equivalents
Economic development in southern Ontario	217	184	167
Subtotal	**217**	**184**	**167**
Internal services	112	102	86

Core responsibilities and internal services	2023–24 actual full-time equivalents	2024–25 actual full-time equivalents	2025–26 actual full-time equivalents
Total	**329**	**286**	**253**

Analysis of human resources for the last three years

FedDev Ontario's FTEs have steadily decreased from 2023–24 to 2025–26 as the Agency reduced its staffing complement through the wind-down of programming related to the national relief and recovery programs delivered across southern Ontario during the pandemic, and identifications made during the Comprehensive Expenditure Review. This reduction was partially offset by new programming that was launched in 2025–26 to support new tariff relief and defence priorities.

Table 13 shows the planned full-time equivalents for each of FedDev Ontario's core responsibilities and for its internal services for the next three years. Human resources for the current fiscal year are forecast based on year to date.

Table 13: Human resources planning summary for core responsibilities and internal services for the next three years

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
Subtotal	**168**	**167**	**158**
Internal services	80	79	74
Total	**248**	**246**	**232**

Analysis of human resources for the next three years

FTE decreases in the coming three years reflect the reductions identified through the Comprehensive Expenditure Review, which are partially offset by temporary FTEs in response to the new priority programming the Agency is delivering, such as the Regional Tariff Response Initiative and the Regional Defence Investment Initiative, and other key government initiatives. Due to the changing demands of these priorities, the Agency may see a net increase in total FTE utilization over the next few years.

Supplementary information tables

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

- Details on transfer payment programs
- Gender-based Analysis Plus

Federal 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): The Honourable Evan Solomon, Minister of Artificial Intelligence and Digital Innovation and Minister responsible for the Federal Economic Development Agency for Southern Ontario (May 2025 – present)

The Honourable Anita Anand, Minister of Innovation, Science and Industry (April 2025 – May 2025)

Institutional head: Kaili Levesque (March 2026 – present)

Nancy Gardiner (April 2025 – March 2026)

Ministerial portfolio: 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 or commencement: 2009

Departmental contact information

Mailing address:

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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 of a department. The departmental results listed for a core responsibility reflect the outcomes that the department seeks to influence or achieve.

Departmental Plan (plan ministériel)

A report that outlines the anticipated activities and expected performance of an appropriated department over a three-year period. Departmental Plans are usually tabled in Parliament in spring.

departmental priority (priorité)

A plan, project or activity that a department focuses and reports on during a specific planning period. Priorities represent the most important things to be done or those to be addressed first to help achieve the desired departmental results.

departmental result (résultat ministériel)

A high-level outcome related to the core responsibilities of a department.

departmental result indicator (indicateur de résultat ministériel)

A quantitative or qualitative measure that assesses progress toward 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 outlining a department's accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

Full-time equivalent (équivalent temps plein)

Measures the person years in a departmental budget. An employee's scheduled hours per week divided by the employer's hours for a full-time workweek calculates a full-time equivalent. For example, an employee who works 20 hours in a 40-hour standard workweek represents a 0.5 full-time equivalent.

Gender-based Analysis Plus (GBA Plus) (analyse comparative entre les sexes plus [ACS Plus])

An analytical tool that helps to understand the ways diverse individuals experience policies, programs and other initiatives. Applying GBA Plus to policies, programs and other initiatives helps to identify the different needs of the people affected, the ways to be more responsive and inclusive, and the methods to anticipate and mitigate potential barriers to accessing or benefitting from the initiative. GBA Plus 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.

government priorities (priorités pangouvernementales)

For the purpose of the 2025–26 Departmental Results Report, government priorities are the high-level themes outlining the government's agenda as announced in the 2025 Speech from the Throne.

horizontal initiative (initiative horizontale)

A program, project or other initiative where two or more federal departments receive funding to work collaboratively on a shared outcome usually linked to a government priority, and where the ministers involved agree to designate it as horizontal. Specific reporting requirements apply, including that the lead department must report on combined expenditures and results.

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)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

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 measure that assesses progress toward a departmental-level or program-level result, or the expected outputs or outcomes of a program, policy or initiative.

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 the amounts presented in Main Estimates. Departments must determine their planned spending and be able to defend the financial numbers presented in their Departmental Plans and Departmental Results Reports.

program (programme)

An Individual, group, or combination of services and activities managed together within a department and focused on a specific set of outputs, outcomes or service levels.

program inventory (répertoire des programmes)

A listing that identifies all the department's programs and the resources that contribute to delivering on the department's core responsibilities and achieving its results.

result (résultat)

An outcome or output related to the activities of a department, policy, program or initiative.

statutory expenditures (dépenses législatives)

Spending approved through legislation passed in Parliament, other than appropriation acts. The legislation sets out the purpose and the terms and conditions of the expenditures.

target (cible)

A quantitative or qualitative, measurable goal that a department, program or initiative plans to achieve within a specified time period.

voted expenditures (dépenses votées)

Spending approved annually through an appropriation act passed in Parliament. The vote also outlines the conditions that govern the spending.