



Federal Economic Development
Agency for Northern Ontario

Agence fédérale de développement
économique pour le Nord de l'Ontario

Federal Economic Development Agency for Northern Ontario 2026–2027 Departmental Plan

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for the Federal Economic Development Agency for
Northern Ontario

Canada 

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Cat. Number: lu91-1/2E-PDF

ISSN 2816-279X

Aussi offert en français sous le titre Rapport sur les plans ministériels 2026–2027.

Federal Economic Development Agency for Northern Ontario's 2026-2027 Departmental Plan

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At a glance

This departmental plan details Federal Economic Development Agency for Northern 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 Federal Economic Development Agency for Northern Ontario's [Vision, mission, raison d'être and operating context](#).

Key priorities

The Federal Economic Development Agency for Northern Ontario (FedNor) identified the following key priorities for 2026-2027:

- Foster inclusive economic development and sustainable prosperity across Northern Ontario by leveraging existing programs to promote short- and long-term job creation, business growth, and community economic development. These efforts aim to contribute to a more innovative, diversified, and sustainable economy by ensuring that small and medium-sized enterprises, as well as communities, have access to the funding and advisory support needed to strengthen critical supply chains, build capacity, and enhance resilience to economic and trade-related disruptions.
- Lead the implementation of the refreshed Prosperity and Growth Strategy for Northern Ontario to unlock the region's full potential through coordinated federal action and

collaboration with regional stakeholders, focusing on building Northern Ontario strong, growing companies and markets, and driving innovation to enhance productivity.

- Strengthen and expand strategic partnerships with government entities, Indigenous communities, regional businesses, and organizations to foster collaboration and improve service delivery in support of key government priorities such as Indigenous economic participation and clean growth. These efforts will focus on advancing the development of critical minerals and enhancing strategic infrastructure, generating long-term benefits for the region.

In the coming year, the department will prioritize strengthening internal operations by enhancing fiscal discipline, increasing financial and operational efficiency, advancing data and information management, modernizing digital and artificial intelligence-enabled tools, and improving client service and communications. Efforts will also focus on refining governance practices, supporting strategic human resource initiatives, and fostering a safe, inclusive, and agile workplace to deliver high-quality services that meet the needs of Canadians.

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, FedNor is planning the following spending reductions:

- **2026-2027:** \$ 4,474,180
- **2027-2028:** \$ 5,226,000
- **2028-2029:** \$ 8,713,950

It is anticipated that these spending reductions will involve a decrease of approximately of \$630,551 in FedNor's salary envelope by 2028-2029.

FedNor will achieve these reductions by doing the following:

- Reprioritize the Regional Economic Growth through Innovation program towards support that strengthens their regions' economic development, focusing on investments that drive economic growth.
- Realign a portion of Northern Ontario Development Program towards support that strengthens their regions' economic development, focusing on investments that drive economic growth.
- Wind down the Tourism Growth Program after 2025-2026, with the industry continuing to be supported by regular programming.

This departmental plan reflects these measures.

Highlights for FedNor in 2026-2027

FedNor remains committed to fostering inclusive growth, driving innovation, and promoting clean and resilient economic development across Northern Ontario. Through the delivery of regionally tailored programs and targeted initiatives, FedNor ensures that local businesses and communities receive the support needed to achieve long-term economic success and strengthen critical supply chains.

In addition to its core programming, FedNor will deliver targeted initiatives to address areas of strategic importance, including tariff-market diversification, defence-related economic opportunities, and regional productivity. These efforts are designed to respond to emerging challenges and position Northern Ontario to benefit from national priorities.

The refreshed [Prosperity and Growth Strategy for Northern Ontario](#) will serve as a strategic roadmap for federal investments in the region. It focuses on initiatives that deliver broad regional benefits while aligning with national priorities such as productivity, competitiveness, and economic transformation. The strategy underscores the department's role in helping build one Canadian economy by working alongside regional partners to enhance investment readiness, strengthen interprovincial trade, and support market growth for small and medium-sized enterprises. By fostering export diversification and stronger local supply chains, the strategy aims to create a more diversified and innovative economy that positions Northern Ontario as a critical driver of Canada's long-term prosperity.

To further reinforce economic resilience over the coming year, the department will continue to cultivate and expand collaborative relationships that help Northern Ontario adapt to evolving challenges and seize emerging opportunities.

In 2026-2027, total planned spending (including internal services) for FedNor is \$83,686,329 and total planned full-time equivalent staff (including internal services) is 116.

Summary of planned results

The following provides a summary of the results the department plans to achieve in 2026-2027 under its main areas of activity, called "core responsibilities."

Core responsibility 1: Economic Development in Northern Ontario

FedNor plays a vital role in advancing economic development across Northern Ontario. Since 1987, the department has been helping Northern Ontario communities and businesses grow stronger, smarter, and more resilient. As the Government of Canada's economic development organization for the region, FedNor delivers regionally tailored programs that support business expansion, innovation, and inclusive community growth. These efforts are particularly important in small and rural communities, where access to localized support is essential for long-term prosperity.

Northern Ontario faces persistent challenges such as limited broadband, aging and inadequate infrastructure, and skilled labour shortages, but remains resilient. Real GDP is projected to grow 3.4% from 2024 to 2026, driven primarily by mining (+10.9%), followed by agriculture, forestry, and

related sectors (+6%), and manufacturing (+4.7%). Utilities and transportation are also expected to outperform the regional average.

However, U.S. tariffs pose risks to these projections. Mining and forestry dominate the economy, making the region vulnerable to sector disruptions. Northern Ontario produces 26% of Canada's minerals, with 56% exported to the U.S., and 96% of Ontario's forestry exports also going south. Forestry has faced long-term decline due to structural issues and tariffs, leading to mill closures and job losses. Competitiveness is further hindered by limited value-added production within the region. To ensure sustainability and growth, restructuring towards advanced wood products and biomass energy is critical. This is particularly important given that Northern Ontario has 10 communities where at least 20% of income is derived from the forestry sector. Ontario's wood products industry is also overwhelmingly export-oriented where the vast majority of exports go to the U.S, leaving the sector exposed to trade disputes. Like the forestry sector, Canada's steel industry is highly exposed to trade. Over half of its production is exported, with more than 90% of those exports destined for the U.S. In Northern Ontario, a handful of companies represent over 40% of advanced manufacturing employment. As a result, any new or increased U.S. trade measures on steel can quickly impact production, jobs, and investments across the region.

Conversely, rising gold prices and demand for critical minerals are fuelling mining growth, increasing pressure on infrastructure, energy, and skilled labour. Northern Ontario is central to Canada's critical minerals ambitions. The region hosts key deposits of nickel, cobalt, lithium, graphite, chromite, and rare earth elements which are all essential for electric vehicle batteries, clean technology, and defence supply chains. Transportation upgrades are needed to connect markets, while hydro and biomass resources can meet energy demands and diversify forestry.

These opportunities heighten the urgency of tackling the skilled labour gap, a challenge consistently identified by businesses across the region. Immigration, retention and upskilling will be critical to sustaining economic momentum and ensuring Northern Ontario can capitalize on emerging growth sectors.

In 2026-2027, FedNor will prioritize the following areas:

Foster inclusive economic development and sustainable growth across Northern Ontario

Over the coming year, FedNor will deliver targeted support to communities and businesses to foster long-term economic prosperity across Northern Ontario. These strategic investments will help diversify the regional economy, unlock local potential, and generate lasting, sustainable benefits that enhance the quality of life for residents.

Efforts will include:

- Advancing community-driven economic development through initiatives led by municipalities, First Nations, and other organizations to stimulate growth, create jobs, diversify local economies, and build resilience. This includes building capacity, trade development, housing solutions, workforce recruitment, and market expansion to build stronger communities.

- Strengthening business growth and competitiveness by providing funding and advisory support to small and medium-sized enterprises (SMEs) to scale operations, improve productivity, adopt advanced technologies, enhance supply chain resilience, and access new markets.
- Promoting collaboration across sectors and delivering targeted financial support to strengthen regional innovation ecosystems.
- Supporting tariff-impacted SMEs and sectors to boost productivity, catalyze growth, and diversify markets.
- Facilitating the integration of SMEs into defence supply chains and enhancing the industrial and innovation capacity of businesses, dual-use suppliers, technology centres, and defence-related strategic regional assets.
- Advancing the growth of the artificial intelligence (AI) sector by promoting the commercialization and integration of AI technologies.
- Fostering inclusion and equity by increasing entrepreneurial opportunities for members of equity-deserving groups.
- Enhancing the economic vitality of official language minority communities and increasing the region's competitiveness through linguistic duality.
- Empowering Indigenous communities and organizations by investing in capacity development, building new partnerships, and supporting economic infrastructure, while creating opportunities in clean energy, tourism and other emerging sectors.
- Supporting community-driven economic development and providing local business financing and services through 24 Community Futures Development Corporations (CFDCs) across the region, including 12 bilingual and 3 Indigenous CFDCs.

Advancing the implementation of the refreshed Prosperity and Growth Strategy for Northern Ontario

Since its launch in 2018, the [Prosperity and Growth Strategy for Northern Ontario](#) (PGSNO) has catalyzed federal investments and fostered economic growth across the region. In response to significant shifts in the global and domestic economic landscape, the strategy was refreshed and relaunched in July 2025 to ensure Northern Ontario remains competitive, resilient, and future-ready.

The refreshed PGSNO is designed to unlock the region's full economic potential through strategic, place-based investments that build resilient communities, empower workers, and drive innovation. Rooted in extensive engagement with Indigenous partners, municipalities, industry leaders, and other stakeholders, the strategy prioritizes three key areas that align with federal economic

development objectives: building Northern Ontario strong, growing companies and markets, and driving innovation to enhance productivity. These priorities are intended to increase employment and labour market participation, expand trade and access to new markets, accelerate business growth through improved access to capital, and foster greater innovation and technology adoption across the region.

As a whole-of-government strategy, the PGSNO is being implemented through coordinated efforts across federal departments and agencies. Its success relies on collaboration, evidence-based planning, and a strong commitment to inclusive economic development. These principles ensure that federal actions are responsive to regional realities, support Indigenous-led initiatives, and are delivered in a way that maximize impact and accountability.

In 2026–2027, the department will focus on working collaboratively with federal colleagues and regional stakeholders to advance key initiatives under the PGSNO. Efforts will be directed toward promoting horizontal coordination and building a stronger, more self-sufficient Northern Ontario economy.

Strengthen and expand strategic partnerships to foster collaboration and improve service delivery in support of key government priorities

FedNor will continue to play a central role in strengthening economic development across Northern Ontario by acting as a funder, advisor, pathfinder and convenor. The department will focus on outreach and collaboration with local businesses, Indigenous partners, post-secondary institutions, accelerators, and other stakeholders to better meet regional needs and drive innovation. FedNor will also work to reduce barriers to growth by connecting clients with funding sources, specialized expertise, and services, while promoting inclusive and sustainable job creation.

In support of advancing Indigenous economic reconciliation, FedNor will collaborate with Indigenous communities, leaders, and organizations to strengthen partnerships, improve access to programs and services and help address systemic barriers. This approach includes aligning efforts with the [United Nations Declaration on the Rights of Indigenous Peoples Act](#) and engaging with federal partners and Indigenous-led institutions to create opportunities and improve service delivery. Complementary federal initiatives, such as Indigenous Services Canada's community economic development programming, will further support these goals by fostering Indigenous entrepreneurship, developing reserve lands, and strengthening land management strategies. Efforts will also be made to better connect local First Nation communities in the region to opportunities offered by Indigenous-led national organizations. In addition, FedNor will work closely with Indigenous Financial Institutions (IFIs) to expand access to capital, strengthen entrepreneurship, and support culturally grounded economic development initiatives. These partnerships will help ensure that Indigenous businesses and workers play a central role in building a strong, inclusive Canadian economy.

To further strengthen Northern Ontario's economy, FedNor will prioritize collaboration across all levels of government including federal, provincial and municipal, as well as Indigenous partners and regional stakeholders to identify and advance projects of regional and national significance. This collaborative approach will help Northern Ontario communities, including small, rural,

remote, Indigenous and Francophone communities, seize emerging economic opportunities and address challenges. For instance, FedNor will work in partnership with federal and provincial counterparts to support small and medium-sized enterprises and communities to navigate trade-related challenges and uncertainties.

Furthermore, the department will advocate for Northern Ontario by strengthening intergovernmental and cross-sectoral partnerships and engaging with other federal departments such as Indigenous Services Canada, Canadian Heritage, Public Services and Procurement Canada, Innovation, Science and Economic Development Canada, Employment and Social Development Canada and Natural Resources Canada. These efforts aim to expand regional access to national programs and identify additional funding opportunities for the region's businesses and communities.

Additionally, FedNor will maintain active participation in the national network of regional development agencies to deliver coordinated, place-based economic support across Canada. This collaboration enables the exchange of best practices, innovative tools, strategic approaches, and standardized data collection methods, while also accessing shared training resources.

These efforts strengthen regional capacity, improve program delivery, and drive inclusive economic development, while ensuring continued advocacy for Northern Ontario and maximizing the impact of programs to support long-term growth and resilience.

Planned spending: \$76,160,333

Planned human resources: 74

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

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

From the Minister

I am pleased to present the 2026– 2027 Departmental Plan for the Federal Economic Development Agency for Northern Ontario (FedNor). In a rapidly changing world, we are focusing on what we can control: building a stronger, more resilient Canada and Northern Ontario. FedNor continues to be a trusted partner across the region, supporting communities, businesses, and organizations through core programming and targeted initiatives that help them adapt, innovate, and thrive.

In the year ahead, we will continue driving inclusive economic development and fostering sustainable growth. Guided by the priorities of the Government of Canada, we will work to strengthen supply chains, expand trade opportunities, and build one strong Canadian economy. Our efforts will focus on supporting small and medium-sized enterprises; aligning regional actions with national priorities such as increased competitiveness and economic transformation; and attracting and retaining skilled talent to meet the region's growing workforce needs.

A key priority for 2026– 2027 will be the ongoing implementation of the refreshed Prosperity and Growth Strategy for Northern Ontario (PGSNO). Re-designed to reflect today's economic realities, this strategy aims to unlock Northern Ontario's full potential by building strong communities, growing markets, and driving innovation to enhance productivity. Together, these priorities provide a plan to respond to the major global and domestic economic shifts while strengthening the competitiveness and economic resilience in Northern Ontario.

With the implementation of Budget 2025, we have renewed focus on optimizing resources and driving operational excellence. This means modernizing processes, streamlining how we work, and embracing innovative technologies and tools to strengthen service delivery. These changes represent an exciting opportunity to work smarter, enhance client experiences, and position FedNor for long-term success.

In the face of worldwide economic uncertainty, FedNor recognizes the need to adapt. We will address emerging challenges by promoting tariff-related market diversification through our Regional Tariff Response Initiative (RTRI), helping enterprises adapt to sudden shifts in global trade, while fostering stronger interprovincial connections. Since the launch of the RTRI in September 2025, FedNor has approved 18 projects representing \$11.8 million in financial assistance.

FedNor will also unlock defence-related economic opportunities in Northern Ontario through the new Regional Defence Investment Initiative (RDII). Interest in the RDII program has been strong since the launch in December 2025, with significant demand emerging across multiple regions. To date, FedNor has provided over \$2.0 million in investments that will help businesses and organizations in Northern Ontario enhance Canada's defence capabilities and reinforce our national defence industrial base.

By investing in innovation and empowering workers with the tools and skills they need, we will ensure Northern Ontario remains a hub for technological advancement and a critical pillar of Canada's economic success. Together, Northern Ontario's businesses and workers will shape a resilient, competitive economy that thrives in an unpredictable global landscape.

Our ability to deliver on these priorities relies on a well-trained workforce. Over the next year, FedNor will modernize its internal operations by strengthening financial practices and improving

efficiency through enhanced data management. This includes leveraging digital tools and AI-enabled solutions to streamline processes while fostering an agile, inclusive workplace that supports innovation and adaptability. Additional efforts will focus on improving client service by reinforcing our commitment to exceptional customer service in every interaction and continuing to strive to meet our service standards.

Despite the challenges ahead, the opportunities before us are even greater. Rising demand for critical minerals, clean technologies, and advanced manufacturing positions our region as a key contributor to Canada's economic future. Together, we will seize these opportunities and build a stronger, more innovative, and more resilient Northern Ontario.

It is my pleasure to invite you to read the Departmental Plan and learn more about FedNor's ambitious agenda for the year ahead.



The Honourable Patty Hajdu, P.C., M.P.

Minister of Jobs and Families and Minister responsible
for the Federal Economic Development Agency for Northern Ontario

Plans to deliver on core responsibilities and internal services

Core responsibilities and internal services

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Core responsibility 1: Economic Development in Northern Ontario

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- [Gender-based Analysis Plus](#)
- [Planned resources to achieve results](#)

- [Program inventory](#)

Description

FedNor promotes an innovative, diversified and inclusive Northern Ontario economy through investments in regional growth, including commercialization and adoption of technologies, as well as community economic diversification.

Quality of life impacts

This core responsibility contributes to the “Prosperity” domain of the [Quality of Life Framework for Canada](#), and more specifically, “Employment” through the activities mentioned in the core responsibility description.

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 for Economic Development in Northern Ontario. Details are presented by departmental result.

Table 1: Communities are economically diversified in Northern Ontario

Table 1 provides a summary of the target and actual results for each indicator associated with the results under Communities are economically diversified in Northern Ontario.

Departmental Result Indicators	Actual Results	2026–2027 Target	Date to achieve target
Amount leveraged per dollar invested by FedNor in community projects	2022-2023: \$2.08 2023-2024: \$1.61 2024-2025: \$2.19	\$1.70	March 2027
Number of jobs created or maintained as a direct result of project activities	2022-2023: Not available 2023-2024: Not available 2024-2025: 7,153	4,600	March 2027
Number of physical community or regional assets developed, modernized or expanded as a direct result of FedNor project activities	2022-2023: Not available 2023-2024: Not available 2024-2025: 41	24	March 2027
Percentage of FedNor recipients reporting improved capacity to address economic and business development needs and opportunities two years after the project ended	2022-2023: Not available 2023-2024: Not available 2024-2025: 92.2%	90%	March 2027

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

Table 2 provides a summary of the target and actual results for each indicator associated with the results under Businesses invest in the development and commercialization of innovative technologies in Northern Ontario.

Departmental Result Indicators	Actual Results	2026–2027 Target	Date to achieve target
Number of value-added products, processes, services or technologies <i>developed</i> as a direct result of FedNor project activities	2022-2023: Not available 2023-2024: Not available 2024-2025: 101	230	March 2027
Number of value-added products, processes, services or technologies <i>commercialized</i> as a direct result of FedNor project activities	2022-2023: Not available 2023-2024: Not available 2024-2025: 42	21	March 2027
Number of patents, licenses or copyrights filed as a direct result of FedNor project activities	2022-2023: Not available 2023-2024: Not available 2024-2025: 28	15	March 2027
Value of exports of goods (in dollars) from Northern Ontario	2022-2023: 7,617,334 (2021) 2023-2024: 11,049,830 (2022) 2024-2025: 10,035,120 (2024)	7,962,500	March 2027

Table 3: Businesses are innovative and growing in Northern Ontario

Table 3 provides a summary of the target and actual results for each indicator associated with the results under Businesses are innovative and growing in Northern Ontario.

Departmental Result Indicators	Actual Results	2026–2027 Target	Date to achieve target
Number of assets in support of innovation created, acquired/adopted or enhanced/adapted as a direct result of FedNor project activities	2022-2023: Not available 2023-2024: Not available 2024-2025: 53	46	March 2027
Number of businesses created, maintained, expanded or modernized as a direct result of FedNor project activities	2022-2023: Not available 2023-2024: Not available 2024-2025: 2,035	2,260	March 2027
Percentage of FedNor-assisted entities that are majority owned or majority-led by underrepresented groups ⁱ	2022-2023: Not available 2023-2024: Not available 2024-2025: 43.1%	37.0%	March 2027

Departmental Result Indicators	Actual Results	2026–2027 Target	Date to achieve target
Percentage of funding recipients reporting their projects led to improvements in exports, market share, profits, sales growth, employment growth or tourism receipts two years after the project ended	2022-2023: Not available 2023-2024: Not available 2024-2025: 52.4%	30%	March 2027

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

Plans to achieve results

The following section describes the planned results for Economic Development in Northern Ontario in 2026-2027.

Communities are economically diversified in Northern Ontario

Northern Ontario covers nearly 90% of Ontario's landmass but accounts for only about 6% of its population. Roughly half of the residents live in small, rural, and remote communities with fewer than 2,000 people. The rurality and remoteness of these communities create significant challenges for mobility, market access, and service delivery.

The region is also home to 106 First Nations communities, many in remote or fly-in locations, creating unique challenges in infrastructure, connectivity, and economic participation. Despite these challenges, Indigenous communities offer significant opportunities for partnership and leadership in resource development, clean energy, and innovation.

Northern Ontario's aging population (23% compared to 18% provincially and 19% nationally) and persistent shortages in technical and skilled trades make attracting newcomers essential to sustaining a strong labour force and supporting long-term regional growth. In recent years, an urban–rural divide has emerged, with urban populations growing by 5.9% between 2002 and 2024 compared to just 1.2% in rural areas. Despite this divide, business growth has remained similar in both regions, with rural areas growing by 1.4% and urban areas by 1.3%. Immigration has disproportionately benefited urban centres, accounting for 15% growth versus 5% in rural communities. Retaining and attracting youth is critical for long-term economic growth, especially as the population ages. Achieving this requires reliable, well-paying jobs that keep pace with rising living costs. When businesses compete, expand and succeed, sustainable jobs follow.

Northern Ontario's economy is undergoing a period of transition marked by strong resource-driven growth, demographic challenges, and structural shifts across key sectors. Low population density and vast geography compound labour and transportation issues. To build Northern Ontario strong, the federal government, including FedNor, will work to help communities better respond to regional economic opportunities and challenges.

Through the [Northern Ontario Development Program](#) (NODP), the department will drive economic diversification and growth by investing in initiatives that strengthen community capacity, foster

collaboration, and build resilience. Support provided through the NODP will help communities and businesses adapt to changing economic conditions, seize emerging opportunities, and position themselves for long-term success. Funding will focus on projects that support strategic planning, infrastructure improvements, community-led development, and initiatives that create jobs and diversify local economies.

The department will also advance the [Community Investment Initiative for Northern Ontario](#) (CIINO) to provide funding for comprehensive community planning and dedicated personnel to lead local and regional development projects. This support, delivered through the NODP, will strengthen planning capacity and informed decision-making, building on the success of over 200 community plans developed since 2014.

In the coming year, FedNor will continue to attract and retain youth through its [Youth Internship Initiative](#) under the flagship NODP. These internships will help recent graduates gain valuable experience while building local capacity and helping to address workforce gaps.

In addition, the department will strengthen community and business capacity to participate in immigration programs such as the [Rural and Francophone Community Immigration Pilots](#) and the [Welcoming Francophone Communities Initiative](#). Building on the success of the [Rural and Northern Immigration Pilot](#), which generated an estimated economic impact of nearly 5,000 jobs as of January 2024, the department will collaborate with Immigration, Refugees and Citizenship Canada to help rural communities attract newcomers, address labour shortages, and meet workforce needs.

Northern Ontario is home to 23 official language minority communities (OLMCs), where 92,500 Francophones reside, representing approximately 15% of the region's population, compared to 4% in Ontario and 4% in Canada outside of Quebec, with a high representation in the northeast region. However, these communities face rising out-migration, and it is estimated that the region will need up to 12,391 French-speaking immigrants annually over the next decade to maintain current population levels. Francophone-owned businesses account for 11% of businesses in Northern Ontario, compared to 2% across the rest of the province.

To support these communities in strengthening their economic foundations and enhancing business development opportunities, the department will continue to support OLMCs through its core programming and the Government of Canada's [Economic Development Initiative](#), which promotes competitiveness through linguistic duality. Over the next year, the department will collaborate with other federal departments and national and regional stakeholders to advance economic and business development in Northern Ontario's Francophone communities. It will also continue to support the implementation of the [Action Plan for Official Languages 2023–2028: Protection–Promotion–Collaboration](#), which aims to strengthen the economic and entrepreneurial ecosystem of OLMCs across the region.

Indigenous economic participation is a key driver of inclusive growth in Northern Ontario. Indigenous Peoples represent 17% of the region's population, compared to 3% in Ontario and 5% nationally, with 69% identifying as First Nations, 29% as Métis and less than 1% as Inuit. Between 2016 and 2021, the Indigenous youth population grew by 2.2% and now accounts for 22.7% of

Northern Ontario's population, underscoring a growing, younger demographic entering the workforce. Ensuring Indigenous Peoples are central to economic prosperity is critical for the region and for Canada as a whole.

To advance economic reconciliation, the department will continue to partner with Indigenous-led organizations, communities, and businesses to foster inclusive growth. Working alongside federal partners, including Indigenous Services Canada, Natural Resources Canada, and Crown-Indigenous Relations, FedNor will support initiatives that empower Indigenous entrepreneurs, strengthen economic development capacity, and create long-term growth. For example, the department will work collaboratively with Indigenous Services Canada to deliver [Strategic Partnerships Initiative](#) project funding. This financial support, delivered through the Northern Ontario Initiative for Clean Energy, will enable First Nations-led clean energy projects to be established, optimized, and grow while enhancing collaboration among partners, reducing administrative burdens, and advancing the clean energy transition across the region.

FedNor will also work closely with federal, provincial and Indigenous partners to advance initiatives that empower entrepreneurs, build economic capacity, and create sustainable opportunities. This place-based approach to economic development will be strengthened through ongoing partnerships and the exploration of new collaborative opportunities. These efforts include co-investing in projects that promote community development, Indigenous economic reconciliation, business growth, innovation, talent attraction and retention, and strategic sectors, such as critical minerals.

Results we plan to achieve

- Foster sustainable economic growth in Northern Ontario by strengthening community capacity, promoting diversification, and tackling infrastructure and workforce challenges through targeted investments and collaborative partnerships.
- Strengthen pathfinding, convening, and financial support to enable communities, businesses, and individuals to capitalize on emerging economic opportunities.
- Foster strong relationships to help small, rural, and remote communities, including First Nations and official language minority communities, attract investment, support local enterprises, and diversify their local economies for long term-resilience.

Businesses are innovative and growing in Northern Ontario

Small businesses play a vital role in communities across Northern Ontario, shaping local identity while contributing to economic resilience and long-term growth. Small and medium-sized enterprises (SMEs) make up 99.7% of all employer-based businesses in the region and are particularly vital in rural areas, where they generate employment, sustain local economies, and support community well-being. Between 2019 and 2024, rural businesses represented a much larger share of the regional economy (43% vs. 8% provincially).

SMEs are crucial to Northern Ontario's economy, yet they face unique challenges that hinder growth and competitiveness. Geographic isolation from major economic hubs and professional

networks limits access to information, investment, and market opportunities. At the same time, higher costs for energy and transportation, combined with long distances to large centres and limited access to financial institutions, place additional strain on operations. Key barriers identified by businesses include difficulties in recruiting and retaining skilled workers (30%), labour shortages (23%), and high transportation costs (23%).

In 2024, the region exported goods valued at over \$10 billion, and as of 2023, 11% of Northern Ontario's SMEs were engaged in exporting. However, global trade uncertainties threaten to increase costs and disrupt supply chains, potentially undermining the competitiveness of regional products. These evolving dynamics require businesses to adapt quickly to maintain growth and resilience. Despite these obstacles, SMEs remain essential drivers of innovation, job creation, and local economic development across Northern Ontario.

Recognizing the unique challenges of scale, population density, and geographic distance, the department takes a tailored approach to business growth and innovation in Northern Ontario, particularly in rural and remote areas. Innovation in these communities often looks different than in more populated regions, focusing on practical solutions that address local needs.

In 2026-2027, the department will continue to help ensure that small businesses, regardless of size or location, have the tools to succeed. Support will focus on locally driven approaches that reflect the unique strengths and priorities of communities across the region. Through the [Community Futures Program](#) (CFP), the department works with Northern Ontario's 24 Community Futures Development Corporations (CFDCs), including three Indigenous-led organizations dedicated to serving Indigenous communities. These CFDCs are vital partners in advancing locally driven economic development in rural and remote areas, offering financial assistance, business advisory services, and strategic planning to help local enterprises grow, create jobs, and strengthen communities. Governed by local boards and attuned to regional needs, they deliver place-based solutions that foster sustainable development. Efforts will also include exploring partnerships between the CFDCs and the Business Development Bank of Canada to expand access to financing and advice to unlock growth in rural and remote areas, where it's often overlooked.

In addition to support provided through the CFP, FedNor will also continue to offer targeted investments through its other programs and initiatives to help businesses scale up, access new markets, and adopt innovative technologies and processes that enhance productivity and sustainability. These efforts will contribute to a stronger, more resilient, and inclusive economy across Northern Ontario.

Results we plan to achieve

- Improve access to capital, counselling, information and referrals as well as support community strategic planning and economic development initiatives.
- Support the creation, growth, modernization, and long-term sustainability of businesses in Northern Ontario, with an emphasis on boosting profitability, productivity, job creation, and sales performance.

- Enhance supports for businesses at every stage, from start-up to scale-up, by leveraging programs such as the CFP, and foster partnerships to drive inclusive economic growth and strengthen local economies.

Businesses invest in the development and commercialization of innovative technologies in Northern Ontario

In Northern Ontario, the development and commercialization of new technologies are driving economic diversification, job creation, and regional competitiveness. The region is undergoing a significant economic transformation, driven by a growing culture of innovation. Northern Ontario is home to globally recognized advancements, particularly in mining, where cutting-edge technologies have reshaped industry practices and positioned Northern Ontario as a leader in sustainable resource development.

Other sectors such as forestry, steel, agriculture, and tourism are also evolving in response to global demand, shifting toward knowledge-based, innovation-driven models. The adoption of advanced technologies like digitization and automation is helping businesses reduce costs, boost productivity, and enhance international competitiveness, while creating new employment opportunities and skill requirements. Reflecting this trend, approximately one in four SMEs in Northern Ontario (25.8%) adopted at least one type of innovation between 2020 and 2023, compared to 27.1% nationally.

Through the [Regional Economic Growth Through Innovation \(REGI\)](#) program, the department helps businesses scale up, adopt new technologies, and expand into new markets. The REGI program provides regionally tailored support to strengthen innovation ecosystems and enhance business productivity, particularly for small and medium-sized enterprises.

The department will also advance its [2023–2027 Departmental Sustainable Development Strategy](#) by prioritizing clean technology adoption and solutions that improve environmental performance while driving productivity and competitiveness. By supporting businesses in reducing their environmental footprint and integrating green innovations, FedNor is helping future-proof operations and contributing to Canada’s net-zero transition.

In line with the Organisation for Economic Co-operation and Development (OECD)’s Enhancing Rural Innovation in Canada and the Prosperity and Growth Strategy for Northern Ontario, the department will advance productivity and strengthen regional innovation ecosystems by supporting research, development, and commercialization projects. Efforts will also focus on closing the digital gap, promoting technology adoption, and implementing solutions that reflect local priorities, enabling businesses to improve efficiency, add value, and drive sustainable growth.

Building on these efforts to foster innovation and collaboration, FedNor is also committed to continuing to strengthen the region’s manufacturing sector in 2026-2027. Through the [Targeted Manufacturing Initiative for Northern Ontario \(TMINO\)](#), the department helps existing manufacturers upgrade capital equipment and integrate advanced technologies, including information and communications technology, to improve productivity and competitiveness. Since

its inception in 2014, the TMINO has directly resulted in the creation, acquisition, adoption, enhancement, or adaptation of 62 assets in support of innovation and the development of 96 value-added products, processes, services, or technologies.

In addition to the assistance provided through its core programming, the department will also implement temporary programming in support of priority sectors and to help address new and emerging needs. This includes providing strategic assistance to support small and medium-sized enterprises impacted by the tariff war to adapt and build for the future. Delivered by the regional development agencies, the [Regional Tariff Response Initiative](#) aims to boost productivity, diversify markets, strengthen supply chains, and grow domestic trade, helping businesses remain competitive and resilient in a shifting global landscape.

FedNor will also continue to deliver the [Regional Artificial Intelligence Initiative](#) (RAII) for Northern Ontario to help bring new artificial intelligence (AI) technologies to market and help accelerate AI adoption in critical sectors such as agriculture, health sciences, manufacturing, mining supply and service and forestry. Delivered by the regional development agencies, the program helps bridge the gap between cutting-edge AI research and broader marketplace consumption with support spanning two pillars: AI productization and commercialization, and the adoption of AI applications.

Through the Defence Industrial Strategy, Canada is taking decisive action to expand its skilled workforce, fast-track innovation, strengthen North American supply chains, and ensure a reliable defence supply from the Canadian industry. Over the coming year, FedNor will provide support to SMEs to help them integrate into domestic and international defence supply chains, while strengthening industrial and innovation capacity among dual-use suppliers, technology centers, and strategic regional assets. This support, provided through the [Regional Defence Investment Initiative](#), will leverage the region's strategic strengths to advance these national priorities, positioning Northern Ontario as a key contributor to Canada's defence industrial base.

Complementing initiatives to strengthen the region's economic base, the department is also focused on advancing equity, diversity, and inclusion within the business community. Improving representation of equity-deserving groups in business ownership and leadership strengthens the regional economy by driving innovation, job creation, and inclusive growth. To support this effort, FedNor will continue implementing the [Black Entrepreneurship Program](#)'s National Ecosystem Fund, aimed at strengthening the capacity of national Black-led, not-for-profit business organizations to offer mentorship, financial planning, business training, and other supports to Black entrepreneurs.

Results we plan to achieve

- Strengthen Northern Ontario's regional innovation ecosystem by providing financial support to businesses, non-profit organizations, and key stakeholders to drive growth, foster innovation, and enhance competitiveness.
- Advance innovation-driven growth by working collaboratively with regional stakeholders and aligning with other government funding programs to support initiatives that accelerate technology adoption, commercialization and cluster development.

Gender-based Analysis Plus

In 2026–2027, the department will continue to advance its commitment to gender-based analysis plus (GBA Plus) by strengthening internal governance and embedding GBA Plus principles into decision-making and policy development. This includes the ongoing development of a GBA Plus Action Plan, informed by an internal needs assessment, to ensure that the necessary policies, procedures, and tools are in place to support this work. The department will also maintain its efforts to foster awareness and engagement through ongoing internal communications, including the continuation of the GBA Plus newsletter launched in 2025-2026 and leveraging platforms to promote dialogue and resource sharing.

To advance reconciliation and uphold principles outlined in the Truth and Reconciliation Commission’s Call to Action 57 and Call to Economic Prosperity 31 on the National Indigenous Economic Development Strategy for Canada, the Indigenous Learning Journey will be fully implemented in 2026–2027. This initiative, launched in the fall of 2025-2026, is designed to build cultural competency across the organization through experiential learning opportunities that are meant to deepen knowledge of Indigenous histories and experiences. This initiative aligns with the department’s broader goal of creating inclusive and culturally safe work environments. Additional efforts will focus on enhancing accessibility through the updates to our departmental accessibility action plan and promoting linguistic plurality by increasing access to second language training for employees.

The department will also continue to apply a GBA Plus lens across its programs to promote inclusive economic participation for equity-deserving groups such as women, Indigenous peoples, youth, persons with disabilities, 2SLGBTQI+ individuals, Black and racialized communities, Francophones, and those in rural and remote areas. Through collaboration with other regional development agencies, FedNor will share best practices, tools, and training materials to strengthen GBA Plus integration across the department. These efforts will be supported by ongoing staff training and awareness activities, including those held during GBA Plus Awareness Week and through the Speakers Series.

In the upcoming year, the department will continue to use data to identify potential access barriers, assessing program effectiveness for equity-deserving groups. These efforts support the department’s obligations under the *Canadian Gender Budgeting Act* and contribute to measuring progress against the Gender Results Framework, particularly in the area of economic participation and prosperity.

Planned resources to achieve results

Table 4 : Planned resources to achieve results for Economic Development in Northern Ontario

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

Resource	Planned
Spending	76,160,333
Full-time equivalents	74

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

Program inventory

Economic Development in Northern Ontario is supported by the following programs:

- Community Economic Development and Diversification
- Regional Innovation Ecosystem
- Business Development

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

Internal services

In this section

- [Description](#)
- [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

As priorities shift and fiscal realities evolve, internal services will remain central to enabling effective program delivery, supporting a resilient and agile workforce, ensuring sound stewardship of public resources and supporting corporate obligations of the department. This section details the department's plans to achieve results and meet targets for internal services.

In 2026-2027, the department will implement the outcomes of the Comprehensive Expenditure Review to uphold its commitment to responsible, cost-effective spending that delivers results for Canadians. Financial governance will be strengthened through streamlined processes, a review of internal forms, and the adoption of best practices.

Operational efficiency will be further advanced by identifying internal synergies, clarifying roles and responsibilities, and refining business processes to improve responsiveness. This will include implementing a streamlined approach to identify and prioritize work across units, increasing integration of all units into the planning and decision-making process, and enhancing communication and collaboration through shared visibility into roles, priorities and decisions.

Staffing efforts will focus on stabilizing teams and ensuring continuity across the organization, supported by ongoing succession planning and targeted outreach to attract and retain talent, while increasing efforts for representation at every level of the organization. Human resource modernization will include updates to job descriptions and simplified processes to improve transparency and ease of navigation.

FedNor will also continue to prioritize high-quality program delivery and client service by building on the successful implementation of its Grants and Contributions Program Management tool and the new client portal. Together, these tools have improved operational efficiency and access by making it easier for clients to apply for programs, review their files, and receive timely updates, while enabling internal teams to retrieve data and generate reports more effectively. Efforts will focus on refining system capabilities, supporting users through training, and identifying opportunities to enhance service delivery. Recommendations from recent evaluations will inform broader improvements to program delivery while service standards will continue to guide consistent, timely, and client-focused support across all stages of program administration.

In alignment with the Government of Canada's Policy on Service and Digital, the department will prioritize information management, cybersecurity and the ongoing implementation of its data management strategy to safeguard information and support evidence-based decision-making. Initiatives include the decommissioning of shared drives, implementation of the Telephone Modernization Initiative, and exploration of digital signature application to improve client services. The department will also explore opportunities to develop an internal artificial intelligence strategy and utilize new user-friendly online forms to further improve internal processes and service delivery.

Clear and consistent communication will support transparency, stakeholder engagement, and increased awareness of the department's mandate and activities. In 2026–2027, FedNor will implement its updated communications plan to guide efforts that promote meaningful engagement, raise its profile, and reinforce its role as a trusted source of information. Continued use of tools such as the website, social media, and announcements will help connect with regional stakeholders and share information about programs and services. The department will also explore opportunities to increase access to regional economic data and insights through its website, helping stakeholders access relevant information and further supporting its commitment to openness and accessibility.

In the upcoming year, FedNor will continue to foster a safe, healthy, and inclusive work culture that supports a talented and agile workforce. This includes:

- Advancing initiatives that promote respect, diversity, accessibility, and bilingualism, in alignment with government-wide priorities such as the Call to Action on Anti-Racism, Equity, and Inclusion, the modernization of the Official Languages Act, and the Accessibility Strategy for the Public Service.

- Continued implementation and monitoring of the Indigenous Learning Journey to enhance cultural awareness and understanding across all levels of the organization.
- Promoting psychological health and safety by increasing awareness, ensuring easy access to mental health resources, and encouraging the use of supports like Employee Assistance Services and LifeSpeak. The department will also foster a culture of well-being through initiatives that recognize achievements, promote open communication.
- Empowering employees to maintain their health and resilience through the management of employee relations, promoting awareness of accommodations, managing performance, as well as continued awareness and management of situation of potential, apparent or real conflict of interest in relation to Values and Ethics.
- Implementing activities in FedNor's Official Languages Action Plan.
- Refining HR tools and practices to promote consistency and shared understanding, while ongoing support for training, recognition, and official languages will contribute to a workplace rooted in integrity, accountability, and continuous learning.

In 2026-2027, governance will be strengthened through updates to internal corporate policies and key governance documents. Tools such as dashboards and analytics will be leveraged to enable informed decision-making and enhance oversight, while the FedNor Departmental Security Plan will provide senior management with an integrated security risk management plan to support the activities within the department. These efforts reflect the department's commitment to transparency, accountability, and alignment with the Government of Canada's values and ethics.

Additionally, operational readiness and accommodations will be improved through initiatives such as strengthening the Business Continuity Management Program by deploying a Mass Notification System and, implementing a universal alarm system.

Together, these measures will enhance workplace safety, support continuity of operations during disruptions, and ensure a secure and responsive work environment.

The department will also continue to lead the Northern Ontario Management Group (NOMG), a collaborative forum of federal directors, managers, and supervisors from across the region. Through regular engagement, the NOMG fosters horizontal dialogue, encourages the exchange of best practices, and supports coordinated approaches to addressing shared priorities across Northern Ontario.

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.

Resource	Planned
Spending	7,525,996
Full-time equivalents	42

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

Planning for contracts awarded to Indigenous businesses

To support the Government of Canada's mandatory minimum requirement that at least five percent (5%) of the total value of contracts be awarded annually to Indigenous businesses, FedNor integrates Indigenous procurement considerations into its procurement planning and contracting activities.

FedNor reviews planned procurement activities to identify opportunities for Indigenous businesses, including the use of the Indigenous Business Directory to identify eligible suppliers. Where appropriate, FedNor engages with Indigenous businesses and partners to raise awareness of procurement opportunities and to encourage participation in federal procurement processes.

FedNor complies with all applicable planning, oversight, and reporting requirements related to the mandatory minimum target. This includes responding to Indigenous Services Canada's annual call letters and submitting deputy head-approved procurement plans and performance reports. Information on contracts awarded to Indigenous businesses is recorded and reported in accordance with Treasury Board of Canada Secretariat and Indigenous Services Canada requirements, supporting transparency and public reporting.

FedNor achieved the five percent (5%) target in advance of the mandatory implementation timeline and continues to take steps to sustain this level of performance in 2026–2027. All employees involved in contracting are required to complete the mandatory Indigenous Considerations in Procurement (COR409) course offered by the Canada School of Public Service, with new procurement staff required to complete the training within six months of appointment.

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.

5% Reporting Field	2024-2025 Actual Result	2025-2026 Forecasted Result	2026-2027 Planned Result
Total percentage of contracts with Indigenous businesses	8.8%	5.0%	6.2%

Department-wide considerations

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

Related government priorities

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

More information on FedNor'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](#).

Artificial Intelligence

The department will begin to upskill the workforce with ongoing learning initiatives designed to strengthen employees' awareness, competency, and practical application of AI technologies. To further enable engagement and continuous development, a FedNor AI Learning Hub will be established. This Hub will act as a central resource to encourage knowledge-sharing, collaboration, and hands-on learning opportunities for staff across the organization.

In addition, testing of AI tools will be undertaken. Employees will participate in hands-on assessments of selected AI tools to evaluate their value and determine their applicability across various business functions. Pilot projects will collect structured feedback and capture lessons learned, refining recommendations and supporting evidence-based selection of AI solutions.

Fostering an AI-ready culture is also essential. The department will build a shared understanding of the benefits, risks, and impacts associated with adopting AI. Clear communication will ensure transparency around how tools will be used and evaluated. By actively involving employees in discussions, assessments, and feedback processes, the department will promote collaboration as AI initiatives move forward.

Key risks

FedNor undertakes an annual risk assessment process to identify, assess, and mitigate risks that may impact its objectives and operations. By adopting a proactive and systematic approach, the department enhances its ability to navigate uncertainties, make informed decisions, and uphold the principles of transparency and accountability.

The following two risks were identified for 2026-2027:

Program Delivery Challenges in a Complex Economic Environment

In the context of ongoing economic uncertainty, including geo-political tensions, trade disruptions, and growing regional needs, the department faces a strategic risk that may impact its ability to deliver programs effectively. These pressures, combined with evolving program demands and sustained resource constraints, could affect responsiveness, program quality, and the department's capacity to meet stakeholder expectations.

To mitigate these risks, the department is maintaining a flexible and adaptive approach to its programming, ensuring that support remains responsive to changing regional and economic conditions. It continues to monitor its suite of economic development programs to ensure targeted support remains relevant and effective. Rigorous due diligence is conducted throughout the lifecycle of supported projects to ensure investments are sound and aligned with regional priorities. Furthermore, the department engages regularly with stakeholders and tracks the regional economic landscape to inform investment decisions and program adjustments. It is also adopting strategies tailored to regional realities, while implementing its regular programs with agility to meet emerging needs. Coordination through funder tables, alignment with the Prosperity and Growth Strategy for Northern Ontario, and the advancement of its Gender-Based Analysis Plus action plan further support inclusive and effective program delivery. In collaboration with partners and other levels of government, the department is working to build capacity across the region to identify and implement strategic projects that contribute to long-term economic resilience.

Operational Pressures Affecting Organizational Resilience

The department operates in a complex and evolving environment where internal pressures may affect its ability to deliver on its mandate efficiently and consistently. Risks related to organizational capacity, workforce well-being, internal coordination, and information management can influence operational effectiveness and resilience. These challenges could result in reduced responsiveness, inefficiencies, and further strain on resources and personnel.

To address these risks, the department is strengthening its internal services by streamlining financial and business processes, clarifying roles and responsibilities, and modernizing human resource practices to support team stability and talent retention. It will also be looking at establishing relevant position training to support succession planning and transfer of knowledge. Additionally, the department will prioritize information management through the implementation of a data management strategy, improved digital tools, and the development of user-friendly systems such as dashboards to support evidence-based decision-making. Continued efforts to foster a safe, inclusive, and healthy workplace, alongside improvements to operational readiness and accommodations, will help ensure the department remains agile and well-positioned to fulfill its mandate.

Planned spending and human resources

This section provides an overview of FedNor's planned spending and human resources for the next three fiscal years and of planned spending for 2026-2027 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 2023-2024 to 2028-2029.

Budgetary performance summary

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

Table 7 presents FedNor's spending over the past three years to carry out its core responsibilities and for internal services. Amounts for the 2025–2026 fiscal year are forecasted based on spending to date.

Core responsibilities and Internal services	2023-2024 Actual Expenditures	2024-25 Actual Expenditures	2025-2026 Forecast Spending
Economic Development in Northern Ontario	64,901,521	56,815,774	80,834,430
Subtotal (s)	64,901,521	56,815,774	80,834,430
Internal services	6,874,858	7,247,357	7,452,894
Total (s)	71,776,379	64,063,131	88,287,324

Analysis of the past three years of spending

FedNor's 2025-2026 forecast spending represents an increase from the 2024-2025 actual expenditures, largely due to temporary funding received for the Regional Tariff Response Initiative and the Regional Defence Investment Initiative.

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 FedNor's planned spending over the next three years by core responsibilities and for internal services.

Core responsibilities and Internal services	2026-2027 Planned Spending	2027-2028 Planned Spending	2028-2029 Planned Spending
Economic Development in Northern Ontario	76,160,333	75,904,249	51,733,415
Subtotal	76,160,333	75,904,249	51,733,415
Internal services	7,525,996	7,279,790	6,930,175
Total	83,686,329	83,184,039	58,663,590

Analysis of the next three years of spending

The reduction in planned spending from 2026–2027 and 2027–2028 compared to 2028–2029 is mainly attributable to the conclusion of temporary funding for the Regional Tariff Response Initiative and the Regional Defence Investment Initiative, both of which end in 2027–2028. Additionally, this decrease reflects cost savings resulting from the Comprehensive Expenditure Review.

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

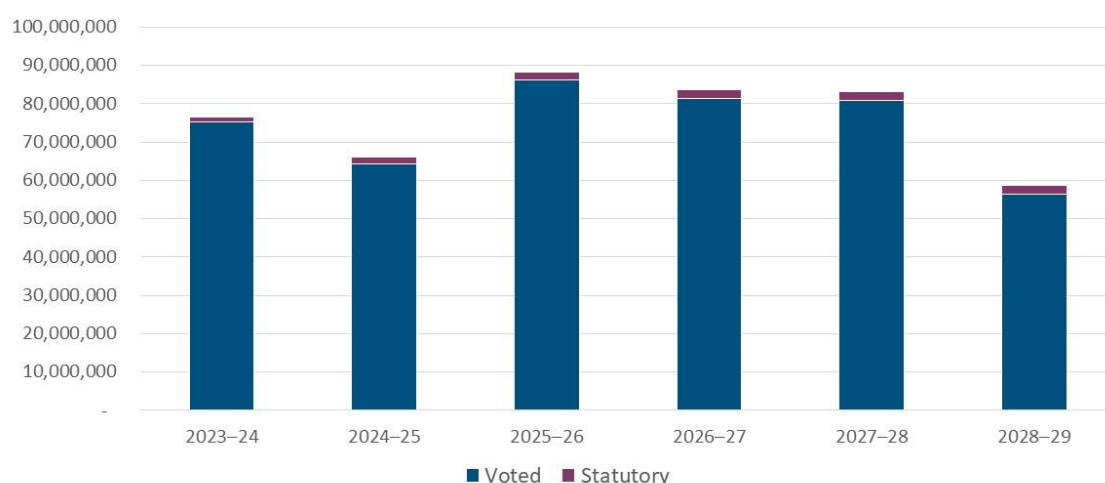
Information on the alignment of FedNor's [spending with Government of Canada's spending and activities](#) is available on GC InfoBase.

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
2023-2024	76,642,489	75,170,360	1,472,129
2024-2025	65,990,572	64,379,680	1,610,892
2025-2026	88,287,324	86,233,210	2,054,114
2026-2027	83,686,329	81,370,544	2,315,785
2027-2028	83,184,039	80,930,218	2,253,821
2028-2029	58,663,590	56,501,321	2,162,269

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

The total authorities for the fiscal years 2023-2024 and 2024-2025 include all parliamentary appropriation sources, such as the 'Main Estimates', 'Supplementary Estimates', and funding from the various Treasury Board votes.

For fiscal years 2025-2026 to 2028-2029, total planned spending does not include funding from 'Supplementary Estimates', and all future Treasury Board submissions.

Beginning in 2025-2026, FedNor received significant temporary grants and contribution funding to support the Regional Tariff Response Initiative and the Regional Defence Investment Initiative. Funding received concludes in fiscal year 2027-2028. The additional funding reductions beginning in 2028-2029 is attributed to cost savings resulting from the Comprehensive Expenditure Review.

For further information on FedNor's departmental appropriations, consult the [2026-2027 Main Estimates](#).

Future-oriented condensed statement of operations

The future-oriented condensed statement of operations provides an overview of FedNor's operations for 2025-2026 to 2026-2027.

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 2025-2026 to 2026-2027. 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	2025-2026 Forecast results	2026-2027 Planned results	Difference (Planned results minus forecasted)
Total expenses	81,856,436	79,026,152	-2,830,284
Total revenues	0	0	0
Net cost of operations before government funding and transfers	81,856,436	79,026,152	-2,830,284

Analysis of forecasted and planned results

In 2026-2027, total net spending is projected to be \$79.03 million, which represents a 3.5% decrease from the previous year. The decrease in forecast spending can be primarily attributed to the sunsetting of multiple initiatives.

A more detailed [Future-Oriented Statement of Operations and associated Notes for 2026-2027](#), including a reconciliation of the net cost of operations with the requested authorities, is available on FedNor's website.

Human resources

This section presents an overview of the department's actual and planned human resources from 2023-2024 to 2028-2029.

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

Table 10 shows a summary of human resources, in full-time equivalents, for FedNor'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	2023-2024 Actual full-time equivalents	2024-2025 Actual full-time equivalents	2025-2026 Forecasted full-time equivalents
Economic Development in Northern Ontario	58	64	72
Subtotal	58	64	72
Internal services	32	36	37
Total	90	100	109

Analysis of human resources over the last three years

The overall variance in full-time equivalents (FTE) is attributable to FedNor's ongoing recruitment efforts as it transitioned into a standalone agency to effectively fulfil its mandate.

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 FedNor's core responsibilities and for its internal services planned for the next three years.

Core responsibilities and internal services	2026-2027 Planned full-time equivalents	2027-2028 Planned full-time equivalents	2028-2029 Planned full-time equivalents
Economic Development in Northern Ontario	74	75	74
Subtotal	74	75	74
Internal services	42	40	41
Total	116	115	115

Analysis of human resources for the next three years

Planned staffing are expected to remain stable over the next three years, as the Agency fills critical positions necessary to fulfil its mandate. The planned full-time equivalents takes into account the staffing reductions as part of the Comprehensive Expenditure Review announced in Budget 2025.

Supplementary information tables

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

- [Details on transfer payment programs](#)

Information on FedNor's departmental sustainable development strategy can be found on [FedNor's website](#).

Federal tax expenditures

FedNor'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): The Honourable Patty Hajdu, P.C., M.P.

Institutional head: Valerie Gideon

Ministerial portfolio: Federal Economic Development Agency for Northern Ontario

Enabling instrument(s):

[Order in Council P.C. 2021-0840](#) dated August 6, 2021, and coming into force on August 12, 2021, (1) transferring from the Department of Industry to the Federal Economic Development Agency for Northern Ontario the control and supervision of that portion of the federal public administration in the Department of Industry known as the Federal Economic Development Initiative for Northern Ontario; and (2) ordering the Minister of Economic Development and Official Languages to preside over the Federal Economic Development Agency for Northern Ontario.

[Order in Council P.C. 2021-0841](#) dated August 6, 2021, and coming into force on August 12, 2021, amending SCHEDULE IV TO THE FINANCIAL ADMINISTRATION ACT by adding Federal Economic Development Agency for Northern Ontario to the Schedule of that Act.

Other Orders in Council brought FedNor under relevant legislation, such as the *Public Service Employment Act*, *Access to Information Act* and *Privacy Act*.

The source of the FedNor's authority remains the *Department of Industry Act*, which must be read in conjunction with the relevant Orders in Council.

Year of incorporation / commencement: 2021

Other: Originally formed in 1987 as the “Federal Economic Development Initiative for Northern Ontario” as an initiative under Industry Canada (now Innovation, Science and Economic Development Canada).

Departmental contact information

Mailing address:

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TTY: 1-866-694-8389

Fax: 1-705-671-0717

Website(s): <https://fednor.canada.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 essentielles)

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 3year 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 2026-2027 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.

ⁱ Underrepresented groups for the indicator "Percentage of FedNor-assisted entities that are majority-owned or majority-led by underrepresented groups" include 2SLGBTQ+; women; Indigenous Peoples; members of official language minority communities; youth; persons with disabilities; newcomers to Canada and immigrants; Black communities; and racialized communities.