

Canadian Northern Economic Development Agency

2013-14

Report on Plans and Priorities

The original version was signed by

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Minister's Message

As Minister of the Canadian Northern Economic Development Agency (CanNor), I am pleased to present to Parliament, and to Canadians, the 2013-14 Report on Plans and Priorities.

With Canada's North at an unprecedented point in its economic development, it is more important than ever before for all partners to work together. By working together we will ensure that the North takes its central place in Canada's jobs and growth agenda, while Northerners fully participate in this work and realize its benefits.



CanNor is using its programs, policy and research capacity, and its Northern Projects Management Office, to guide this work. In 2013-14 renewed Aboriginal economic development programming will focus on supporting the opportunities before communities today. This will be complemented by the second year of the Community Infrastructure Improvement Fund, and the third year of funding for the Northern Adult Basic Education Program. The Strategic Investments in Northern Economic Development program will continue to focus on initiatives that help Northerners drive the northern economy.

Responsible resource development is critical to the success of Canada's North. CanNor's Northern Projects Management Office is taking on the task of working with communities and industry to position Canada's North as a world-class resource development destination where prosperity for Northerners and benefits for Canadians are a single goal.

In 2012, I was pleased to be sworn in as Minister for the Arctic Council. The work of the Arctic Council and CanNor complement each other and I look forward to having the opportunity to play a key role in each in advancing northern development.

While many challenges remain in realizing the North's full potential, 2013-14 is a crossroad in the transformation of our North. Partnerships, planning, smart investments, and a shared sense of purpose are the foundations for success. This is what has brought the North to where it is today and will guide it into the future. CanNor will be at the heart of this work.

The Honourable Leona Aglukkaq, P.C., M.P.
Minister of Health, Minister of the
Canadian Northern Economic Development Agency and
Minister for the Arctic Council

Section I: Organizational Overview

Raison d'être

Contributing to the jobs and growth in Canada, the Canadian Northern Economic Development Agency (CanNor) works to develop a diversified, sustainable and dynamic economy across Canada's three territories. It does this by delivering economic development programs, undertaking policy and research, and by collaborating with and aligning the efforts of other federal departments, territorial governments, Aboriginal organizations, and industry. This is particularly the case in resource development through its Northern Projects Management Office (NPMO).

Responsibilities

As the only federal department headquartered in the North (in Iqaluit), CanNor offers a unique perspective and value added to the federal government's efforts to advance the socio-economic component of the Northern Strategy. The Agency does this by aligning the efforts of all federal government departments whose operations impact the North's economic development. This work is enhanced by coordinating federal approaches with those being adopted by territorial governments, communities, Aboriginal organizations and the private sector.

CanNor plays a leadership role by bringing partners together so that investments can be collectively leveraged, ideas and insights exchanged, knowledge shared, and efforts coordinated. Major projects are the single largest driver of economic development in the North and CanNor's NPMO provides single window pathfinding and issues management for industry at all stages of resource development. This often begins during exploration and takes on even greater importance during environmental assessment and regulatory permitting. It is at this point that the NPMO coordinates all federal regulators to ensure the timeliness, transparency and predictability of regulatory efforts, while overseeing the Crown's Aboriginal consultations. NPMO also partners with communities to foster their readiness to maximize the positive impact of these projects, while working collaboratively to minimize and mitigate risks.

The Agency has a suite of contribution programs which principally include the Strategic Investments in Northern Economic Development (SINED) program, Aboriginal economic development programming, the Northern Adult Basic Education Program (NABEP) and the Community Infrastructure Improvement Fund. CanNor investments can be the catalyst to get a business started or expanded. They can help a community plan to benefit from upcoming economic opportunities. They can support a wide range of studies and projects from physical infrastructure to preparing individuals to enter the workforce.

Complementing NPMO and CanNor's programs, the Agency also uses its policy and research capacity to examine economic issues and opportunities. This informs the federal perspective on

northern economic development and how to respond to challenges and opportunities. It also contributes to the efforts and thinking of all partners. A common understanding of the facts is a foundation to successful partnerships and effective investments of time and money. The Agency's pan-northern perspective and knowledge of the North are at the core of its efforts to champion the economic interests of the North within and outside the federal government. Ultimately for CanNor, success is a function of its partnerships, collaboration and networks.

Strategic Outcome and Program Alignment Architecture

Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners.

The Program Alignment Architecture (PAA) supports achieving the Agency's strategic outcome. It reflects the current activities of CanNor, but may change to accommodate evolution in the Agency's roles, responsibilities, programs and activities.

Program Alignment Architecture

CanNor Strategic Outcome <i>Developed and diversified territorial economies that support prosperity for all Northerners.</i>	Program	Sub-Program
	1.1 Business Development	1.1.1 Innovation and Knowledge 1.1.2 Entrepreneurship 1.1.3 Sectoral Development
	1.2 Community Development	1.2.1 Aboriginal Economic Development 1.2.2 Capacity and Skills Development 1.2.3 Infrastructure
	1.3 Policy, Advocacy and Coordination	1.2.1 Policy 1.2.2 Advocacy 1.2.3 Coordination
	1.4 Internal Services	1.4.1 Governance and Management Support 1.4.2 Resource Management Services 1.4.3 Asset Management Services

Organizational Priorities

Priority	Type ¹	Strategic Outcome
Strengthening the northern economy, including focusing on key relationships	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners
Description		
Why is this a priority? - Strengthening the northern economy is the Agency's raison d'être. All of the Agency's functions and work contribute to advancing this goal. - CanNor's success flows from its ability to build partnerships and coordinate and align action across stakeholders including federal departments, territorial governments, Aboriginal people, and the private sector. Plans for meeting the priority CanNor will: - support fact-based decision-making and policies through enhanced analytical tools and an economic research agenda that has as its focus the development of a whole of governments approach to positioning Canada's North as a world-class destination for resource development; - increase its external communications efforts to both assist in the promotion and marketing of the North, as well as improve and expand partnerships with other stakeholders in the North's economic success; - orient its suite of economic development contribution programs to prioritize investments based on the best and most immediate economic development opportunities; and - improve the alignment of efforts among partners through greater outreach, leveraging of its investments and a more consistent application of a "northern lens" to other federal government initiatives and programs.		

Priority	Type	Strategic Outcome
Advancing major project development in the North	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners
Description		
Why is this a priority? - Major resource project developments are a key driver to the overall economic development of Canada's North. They are an important source of job growth and business development, while representing an opportunity to fundamentally improve socio-economic outcomes for Northerners. - Responsible resource development and regulatory streamlining and simplification are key priorities for the Government of Canada, particularly in relation to major projects. - Regulatory coordination, and single window pathfinding service and issues management to industry, is critical to improving the investment and business climate for northern projects. - Socio-economic outcomes for Northerners are poor by Canadian standards and improvements must be part of any economic development strategy for the North. Plans for meeting the priority CanNor will: - use its NPMO to expand its portfolio of industry clients, working with more companies during the exploration phase of their work; - use the suite of tools it has recently built to more strategically manage resource development projects; these tools include its client engagement database, projects agreements, memorandum of understanding, and improved communications mechanisms; - lead federal regulatory partners in meeting timelines and responding to project volumes by enhancing coordination and seeking to align these efforts with territorial governments and Aboriginal communities; - foster community readiness so that Northerners benefit from these projects and that risks and opportunities are addressed early in the development of projects, ultimately improving socio-economic outcomes for Northerners; - advance a whole of government strategy that includes all northern stakeholders that will position Canada's North as a world class destination for resource development; and - continue to ensure that the government of Canada's consultation obligations to the northern Aboriginal people is met by coordinating a whole of government approach to consultation and holding the record of consultation and ensure it is complete.		

Priority	Type	Strategic Outcome
Effective financial management	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners
Description		
Why is this a priority? Effective financial management will: • ensure that CanNor operates in an effective and efficient manner; • enable the Agency to align resources with priorities; and • ensure that processes are in place to control and monitor financial activities. Plans for meeting the priority The Agency will: • continue to implement CanNor's financial management framework, with a focus on forecasting and aligning resources with priorities; • continue to implement effective business processes and governance that include effective control and monitoring for financial management; • ensure that staff members are trained on financial systems and processes; and • establish mechanisms that support continuous improvement.		

Priority	Type	Strategic Outcome
Excellence in people management	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners
Description		
Why is this a priority? The Agency's ability to advance economic development in the North is supported by the collective efforts of its employees. A workforce and workplace of excellence are the foundation for those efforts. Excellence in people management will: • ensure the health and well-being of employees; • advance an organizational culture of mutual support, teamwork, integrity, respect, and trust; • foster employee engagement and workforce productivity; and • promote high quality service to clients. Plans for meeting the priority The Agency will: • implement its action plan based on results from the Public Service Employee Survey to promote a culture of excellence; • update its human resources strategy in line with the renewal of the Public Service, including engaging staff in assessing current capacity, requirements and gaps, staffing strategies, and training requirements; • develop innovative recruitment strategies to target Northerners; and • ensure clear and timely performance management agreements and learning plans linked to the Agency's priorities.		

Priority	Type	Strategic Outcome
Improving business processes, program and service delivery.	New	Developed and diversified territorial economies that support prosperity for all Northerners
Description		
Why is this a priority? • With its small number of employees and large mandate, CanNor must ensure that it operates in the most efficient and effective manner. • Economic and business development in the North is increasing at an unprecedented pace and CanNor must ensure its speed of operations can meet the real time demands of its clients. Plans for meeting the priority CanNor will: • examine its contribution programs delivery mechanisms to identify areas for improvement in line with its commitments made in Budget 2012; • establish and communicate service standards to its clients and implement mechanisms to ensure they are met; and • improve its performance measurement efforts to help inform all aspects of CanNor's operations and support organizational and program decision-making and results based management.		

Risk Analysis

Business development in the North needs to deal with the complexities related to remote communities, sparse population, dependence on natural resource extraction and associated challenges, such as underdeveloped infrastructure and labour market gaps. Program delivery in the North therefore requires a strong focus on risk management and mitigation.

CanNor has updated its Corporate Risk Profile and is presenting a revised risk assessment in this RPP. Firstly, risks have been divided into two categories: internal and external. Secondly, the Agency has deleted “public communications” as a risk and instead incorporated a communications component where necessary into individual risks and mitigation measures. Thirdly, two new risks have been added: the first being in the area of performance measurement; and the second in the area of information management and information technology. Finally, other risk areas and mitigation measures have been updated to reflect the Agency’s current reality.

CanNor’s seven risk areas are:

Internal Risks

1. Performance Measurement
2. Human and Knowledge Capital
3. Alignment with Priorities and Needs
4. Information Management & Information Technology

Internal & External Risks

5. Operational Environment

External Risks

6. Relationships with Clients, Partners and Stakeholders
7. Legal, Statutory and Land Claims

Performance Measurement: The ability to measure performance is critical. For contribution funding, CanNor relies on recipients to capture performance measurement information and report it to the Agency. However, because of a variety of data collection methodologies and the lack of capacity and resources to collect and interpret performance data, adequate performance measurement has proven to be challenging. Improved performance measurement is also required for the Agency’s other functions, including policy, advocacy, coordination and internal services. It is a foundation for continuous improvement efforts within the Agency. To mitigate this risk, the Agency continues to work to streamline its performance measurement framework to better capture activities related to its mandate and program activities. An emphasis needs to be put on data collection capacity. The Agency is using systems currently in place for some data collection but has to supplement these systems with manual methods. CanNor is consulting with other Regional Development Agencies (RDAs) and Shared Services Canada to seek longer term solutions. Notwithstanding that systems need to be improved and fine-tuned to simplify data collection and advance supporting analytical work, the Agency communicates some key performance targets in its Report on Plans and Priorities and reports on performance measurement results in its Departmental Performance Report.

Human and Knowledge Capital: CanNor must manage the risks associated with building and maintaining a representative workforce with the appropriate skill mix, as well as timely access to complete and appropriate information for effective operations and decision-making. These

efforts are complicated by a limited labour pool in the North which impacts both recruitment and retention. The latter puts at risk the corporate knowledge base of the Agency. To mitigate this risk, CanNor uses a comprehensive human resources plan with a focus on the recruitment and retention of skilled personnel and effective succession planning. To manage recruitment and retention of skilled staff in the small northern labour market, CanNor uses multiple staffing strategies with an emphasis on the long-term development of its own permanent staff. Also, as part of the Public Service Employee Survey, the Agency has developed a Survey Action Plan which provides solutions for creating a stronger and more effective workplace and workforce. Some of the prevalent themes in the Survey Action Plan relate to improving career and employee development; and strengthening information management and communications across the organization. Information management is used to respond to the need to maintain a strong base of corporate knowledge and experience.

Alignment with Priorities and Needs: CanNor must give careful consideration to its organizational alignment of activities, priorities and resources to meet service expectations and organizational priorities. Risks relate to ensuring that scarce resources are allocated to priority activities which need to be aligned with the complex and fast changing northern economy. Mitigation begins with maintaining a strong understanding of the changing economic dynamics in each of the territories which then feeds into CanNor's business planning cycle guided by its Program Alignment Architecture and established business lines. The Agency is implementing standardized business processes and continues to build its policy and economic research functions to inform goals and priorities. To further help mitigate this risk, the Agency employs a proactive internal and external communications approach.

Information Management and Information Technology: There is a risk that the Agency does not ensure that it properly captures its information and data holding and ensure that it is kept up to date and accessible to those who need to use it. The Agency also relies on third-party service providers (Shared Services Canada and Aboriginal Affairs and Northern Development Canada) to support its information technology needs. That can result in challenges in ensuring that the Agency's needs are addressed on a timely basis, both in terms of systems and tools, as well as with respect to data holding and access to information. Information management risks are being mitigated by putting in place internal procedures to ensure that information gathered is well managed and adequately housed for future use. CanNor is mitigating the information technology risk by using existing systems that were inherited when the Agency was created, while working with other Regional Development Agencies (RDAs) and Shared Services Canada to explore affordable solutions to improve internal technology.

Operational Environment: This risk relates to both the external and internal operating environment. Externally, while the North has great economic potential, there are challenges to delivering economic development programming and regulatory coordination in the Arctic. Even large centres in the three territories are far from markets and economic and community infrastructure is limited. Disruption to global economic growth can weaken demand for Canada's industrial and primary goods. While, Canada's North has benefited from the strength of commodity prices, the need for skilled trade workers in the territories will be a major challenge

for mining companies over the next decade. For the internal operating environment, maintaining an office presence in the three territories is logistically challenging and the operational costs of doing business in the North is high. To mitigate the external risks, CanNor undertakes research and engagement to foster its in-depth understanding of the changing northern context and the impacts of the global economy. Actions are also initiated to respond to these challenges particularly in terms of positioning the North as an optimal destination for global capital. To mitigate internal operational risks, CanNor applies a northern lens to its operational and business planning and people management. This includes human resource planning that focuses on northern based hiring and employee development, financial planning for costs that are northern specific, and efforts to maximize the use of technology to close the distances between CanNor's offices. Proactive internal and external communications plans also aid mitigation measures for operational environment risks.

Relationships with Clients, Partners and Stakeholders: CanNor has a number of different relationships with clients, partners, and stakeholders. For example, CanNor allows for third-party program delivery and frequently aligns its program investments with those of other parties. As well, the Agency works to align economic development strategies within the federal government and across jurisdictions and with other key economic players including the private sector and Aboriginal communities. This increases the complexity of CanNor's efforts and puts additional pressure on its ability to establish, maintain and deepen relationships with its clients, partners and stakeholders. Given CanNor's small size and limited contribution programming, the importance of these relationships is magnified even further. To mitigate these risks, CanNor has worked with partners across all three of the territories to share economic development priorities and seek opportunities to invest in common projects. The Agency has established networks of collaboration with federal departments, advancing horizontal initiatives collaboratively with key partners. The NPMO is developing a variety of tools to be used to coordinate federal regulatory activities relating to major projects in the North, while strengthening its relationship with all partners involved in advancing resource development. To further help mitigate this risk, the Agency employs a proactive external communications approach.

Legal, Statutory and Land Claims: Legal and statutory risk includes risk events relating to legislation, regulation, court decisions, major policy initiatives and, particularly in the case of CanNor, constitutionally protected comprehensive land claim agreements as well as First Nations government arrangements. A number of policies and legislative requirements set the context for CanNor's functions. However, CanNor must also adhere to the terms of Aboriginal land claim and self-government agreements in the North. These agreements also influence the regulatory environment in which the NPMO must operate. To mitigate this risk, CanNor is designing its own internal practices and models for business delivery to align with statutory and other legal requirements. CanNor is working to ensure that these practices reflect the role played by comprehensive land claims and Aboriginal self-government agreements in the North.

Planning Summary

Financial Resources (Planned Spending — \$ millions)

Total Budgetary Expenditures (Main Estimates) 2013-14	Planned Spending 2013-14	Planned Spending 2014-15	Planned Spending 2015-16
\$51.8	\$51.8	\$28.8 ^a	\$25.8 ^b

- a. Planned spending starting in 2014-15 is lower due to the sunset of both the Community Infrastructure Improvement Fund (CIIF) and the Strategic Investments in Northern Economic Development (SINED) program in March 2014.
- b. The planned spending decrease is due to the Northern Adult Basic Education Program (NABEP) coming to a conclusion. The NABEP is a one-time five-year investment of \$27 million to assist territorial colleges to improve their adult basic education services.

The numbers in the above table do not reflect any potential future decisions to renew programming.

Human Resources (Full-Time Equivalents—FTE)

2013-14	2014-15	2015-16
70	54*	54

*The planned number of FTEs starting in 2014-15 is lower due to the sunset of the SINED program in March 2014. These numbers do not reflect any potential future decisions to renew programming.

Planning Summary Table

Financial Resources (Planned Spending — \$ millions)

Strategic Outcome	Program	Spending			Planned Spending			Alignment to Government of Canada Outcomes
		Actual 2010-11	Actual 2011-12	Forecast 2012-13	2013-14	2014-15	2015-16	
Developed and diversified territorial economies that support prosperity for all Northerners	Business Development	\$1.6	\$22.7	\$23.0	\$22.6	\$4.0 ^a	\$4.0	Strong Economic Growth ²
	Community Development	\$46.5	\$14.0	\$22.0	\$20.4 ^b	\$16.2 ^c	\$13.2 ^d	Strong Economic Growth ³
	Policy, Advocacy and Coordination	\$3.8	\$2.0	\$2.0	\$2.3	\$2.3	\$2.3	Strong Economic Growth ⁴
Sub –Total		\$51.9	\$38.7	\$47.0	\$45.3	\$22.5	\$19.5	

- Planned spending starting in 2014-15 is lower due to the sunset of the SINED program in March 2014.
- Planned spending starting in 2013-14 is lower due to the implementation of Budget 2012. This was done by streamlining operations and improving efficiency so that the Agency can serve the North better and for the long term.
- Planned spending starting in 2014-15 is lower due to the sunset of both the Community Infrastructure Improvement Fund (CIIF) and the SINED program in March 2014.
- The planned spending decrease is due to the Northern Adult Basic Education Program (NABEP) coming to a conclusion. The NABEP is a one-time five-year investment of \$27 million to assist territorial colleges to improve their adult basic education services.

The numbers in the above table do not reflect any potential future decisions to renew programming.

Planning Summary Table for Internal Services (\$ millions)

Program	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending		
				2013–14	2014–15	2015–16
Internal Services	\$12.4	\$9.9	\$7.8	\$6.5	\$6.3	\$6.3
Sub –Total	\$12.4	\$9.9	\$7.8	\$6.5*	\$6.3	\$6.3

* Planned spending starting in 2013-14 is lower due to the implementation of Budget 2012. These changes resulted in efficiencies and streamlined internal services without affecting services to CanNor's clients.

Planning Summary Total (\$ millions)

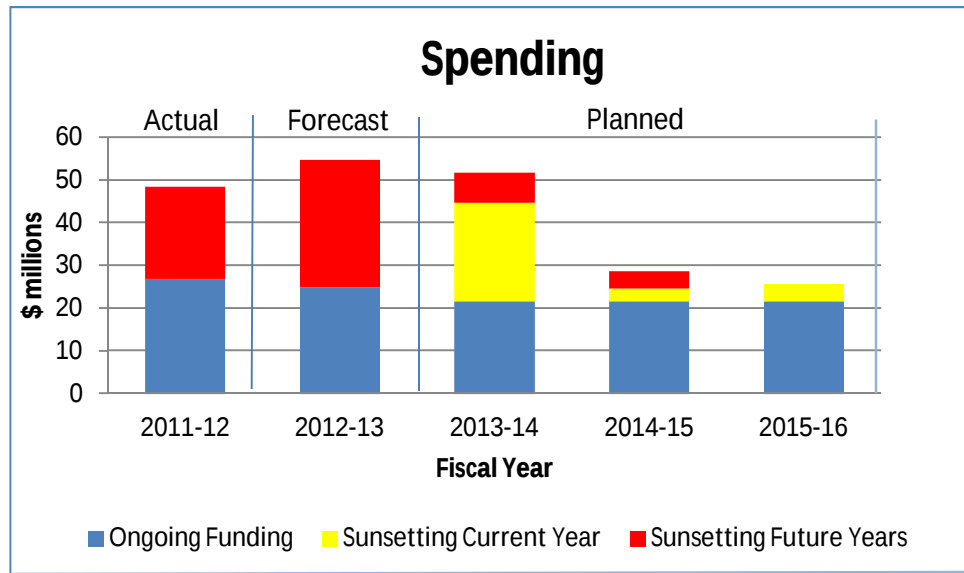
Strategic Outcome Programs, and Internal Services	Actual Spending 2010–11	Actual Spending 2011–12	Forecast Spending 2012–13	Planned Spending		
				2013–14	2014–15	2015–16
Total	\$64.3	\$48.6	\$54.8	\$51.8	\$28.8	\$25.8

Expenditure Profile

The following figure illustrates CanNor's spending trend from 2011–12 to 2015–16 including the impact of sunseting multi-year program funding.

Ongoing funding decreased between 2011-12 and 2012-13 mainly because of the onetime funding in 2011-2012 for the Nutrition North Program and the Iqaluit HQ Office costs. Ongoing funding is also decreasing from 2012-13 to 2013-14, mainly because of the implementation of Budget 2012 (\$2.2 million reduction). Ongoing funding starting in 2013-14 remains constant.

The Strategic Investments in Northern Economic Development Program (SINED) and the Community Infrastructure Improvement Fund (CIIF - started in 2012-13) will both sunset at the end of 2013-14 causing a large decrease (\$23 million) in CanNor's overall funding starting in fiscal year 2014-15. Funding for the Northern Adult Basic Education Program (NABEP - started in the latter part of 2011-12) will sunset at the end of 2015-16 though a partial reduction will occur in 2014-15 (\$7 million to be spent in 2014-15 and \$4 million to be spent in 2015-16).



Estimates by Vote

For information on the Agency's organizational appropriations, please see the [2013-14 Main Estimates](#)⁵ publication.

Contribution to the Federal Sustainable Development Strategy (FSDS)

CanNor is not required to report under the [Federal Sustainable Development Strategy](#)⁶ but nonetheless adheres to the Act's principles. Many of CanNor's activities contribute positively to addressing climate change and air quality, maintaining water quality, protecting nature, and shrinking the government's environmental footprint. The Agency is committed to the use of information and communication technologies to reduce the impact of the geographic distance between its offices while also reducing some of the environmental impacts arising from its operations. As CanNor is also committed to the [Policy on Green Procurement](#)⁷, the Agency integrates green procurement practices.

Section II: Analysis of Program Activities by Strategic Outcome(s)

Strategic Outcome

Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners.	
Performance Indicators	Targets
Economic Development and Northern Prosperity: Positive change in the Northern Economic Index (NEI) ⁸	Index score of 25 or higher.
Diversification: Economic Diversification Index (EDI) ⁹	Index score equal to or better than the Canadian EDI

Program: Business Development

This program supports the growth and expansion of northern businesses, including small and medium-sized enterprises, through training, advisory services, and grants and contributions. The program's objective is the encouragement of a competitive, diverse northern business sector with a strengthened capacity for innovation. Further details can be found at [2013–14 Main Estimates](#).¹⁰

...encouraging a competitive, diverse and innovative business sector in the North

Financial Resources (\$ millions)

Total Budgetary Expenditures (Main Estimates) 2013-14	Planned Spending 2013-14	Planned Spending 2014-15	Planned Spending 2015-16
\$22.6	\$22.6	\$4.0*	\$4.0

*Planned spending starting in 2014-15 is lower due to the sunset of the SINED program in March 2014. These numbers do not reflect any potential future decisions to renew programming.

Human Resources (FTEs)

2013–2014	2014–2015	2015–2016
15	4*	4

*Planned resources starting in 2014-2015 are lower due to the sunset of the SINED program in March 2014. These numbers do not reflect any potential future decisions to renew programming.

Program Expected Results	Performance Indicators	Targets
Increasing northern business and economic activity	Growth in employment	Growth rate that is equal to or better than the Canadian annual growth rate

Planning Highlights

To achieve the expected results for this program, the Agency plans to undertake the following:

- CanNor will make project investments under the Strategic Investments in Northern Economic Development (SINED) contribution program of up to \$18.1 million in 2013-14. Investments under this program target key economic development sectors such as geosciences that support resource development, tourism, cultural industries, economic infrastructure, mining, oil and gas development, forestry, renewable energy, small and medium-sized enterprises, commercial and traditional harvesting, and capacity development;

- the Agency also supports Aboriginal business development under the Aboriginal Economic Development programming. Efforts are underway to continue to ensure that CanNor's support to Aboriginal organizations and entrepreneurs reflect the principles of the Federal Framework for Aboriginal Economic Development and are aligned with the overall economic development objectives and opportunities across the North;
- CanNor programming will continue to put a growing emphasis on multi-year programming to reflect the nature of business and economic development which often requires sustained and phased investments to reflect the cycle of business growth. This will include streamlining CanNor operational procedures so that multi-year funding is flowed to recipients earlier in the fiscal year;
- there will be an increased emphasis on orienting CanNor investments with large scale economic opportunities that have the potential to rapidly transform the northern economy and positively contribute to improved socio-economic outcomes for Northerners. This approach will align investments with activities of CanNor's NPMO, particularly in terms of advancing community readiness; and
- investments will also be made to respond to a number of key foundational gaps in the northern economic infrastructure such as labour market needs and infrastructure challenges. These efforts will also support the outcomes under CanNor's Community Development program activity.

Program: Community Development

This program supports community-level investments in infrastructure and organizations, and individual-level investments in skills and capacity development undertaken in collaboration with other federal departments and partners. The program's objective is the establishment of economically sustainable northern communities with a high quality of life for residents. Further details can be found at [2013–14 Main Estimates](#).¹¹

*...economically
sustainable northern
communities and a
high quality of life
for Northerners*

Financial Resources (\$ millions)

Total Budgetary Expenditures (Main Estimates) 2013-14	Planned Spending 2013-14	Planned Spending 2014-15	Planned Spending 2015-16
\$20.4	\$20.4	\$16.2 ^a	\$13.2 ^b

- a. Planned spending starting in 2014-15 is lower due to the sunset of both the Community Infrastructure Improvement Fund (CIIF) and the Strategic Investments in Northern Economic Development (SINED) program in March 2014.
- b. The planned spending decrease is due to the Northern Adult Basic Education Program (NABEP) coming to a conclusion. The NABEP is a one-time five-year investment of \$27 million to assist territorial colleges to improve their adult basic education services.

The numbers in the above table do not reflect any potential future decisions to renew programming.

Human Resources (FTEs)

2013-2014	2014-2015	2015-2016
15	11*	11

*Planned resources starting in 2014-2015 are lower due to the sunset of the SINED program in March 2014. These numbers do not reflect any potential future decisions to renew programming.

Program Expected Results	Performance Indicators	Targets
Increased well-being of northern communities	Index of income and labour force components in the Community Well-Being Index (CWBI) ¹²	CWBI sub-indices scores equal to or better than the Aboriginal communities Canadian average

Planning Highlights

To achieve the expected results for this program, CanNor plans to undertake the following:

- work with the partners to identify optimal areas for funding and investment and seek opportunity to share funding;
- successfully implement the Community Infrastructure Improvements Fund, ensuring that all funds are expended by March 31, 2014 on projects that enhance existing community facilities;
- leverage the role of the Northern Projects Management Office to better understand the potential impacts and benefits of development projects in the North and to make strategic investments in communities and northern resource development opportunities;
- advance northern economic development research and policy to guide long-term program development and delivery and investments in northern development.
- continue to engage territorial colleges to monitor performance of the Northern Adult Basic Education Program;
- work closely with Aboriginal governments and organizations to understand and respond to the economic development needs of these groups in accordance with the Federal Framework for Aboriginal Economic Development;
- provide support for Official Language minority communities in the territories, implementing Canada's strategy for Official Languages, the *Roadmap for Canada's Linguistic Duality 2008–2013: Acting for the Future*, in the North;
- seek to integrate a capacity and skills development component for existing and new economic development programs; and
- serve as the federal managing partner for the Canada Business Service Centres in the North.

Program: Policy, Advocacy and Coordination

This program supports research and analysis to guide programming and policy choices, the promotion of northern interests both inside and outside of the federal government, and the development of horizontal strategies, initiatives and projects to address economic development challenges in the North. Further details can be found at [2013–14 Main Estimates](#)¹³.

...strategic policy; advocating for the North; coordinating partners; and the work of the NPMO

Financial Resources (\$ millions)

Total Budgetary Expenditures (Main Estimates) 2013-14	Planned Spending 2013-14	Planned Spending 2014-15	Planned Spending 2015-16
\$2.3	\$2.3	\$2.3	\$2.3

Human Resources (FTEs)

2013-2014	2014-2015	2015-2016
14	14	14

Program Expected Results	Performance Indicators	Targets
Policy, Advocacy and Coordination: Policies, programs and initiatives that are effective, strengthen the northern Canadian economy and enable Northerners to access business and community development opportunities	Composite of performance indicators for the strategic outcome and business development and community development programs and initiatives	Meet or exceed at least 70% of targets identified in the Strategic Outcome and in Business and Community Development Programs

Planning Highlights

To achieve the expected results for this program, the Agency plans to undertake the following:

- the Agency will continue to build its econometric tools to inform its own efforts and that of its partners. Particular attention will be paid to building mechanisms to better understanding and predicting the socio-economic outcomes of major (resource development) projects;
- partnership building remains a focus of the year with an emphasis on complementing the relationships that have been built with leading economic think tanks to a broader outreach to academic institutions;

- policy priorities will continue to emphasize the largest identified gaps to northern economic development including: labour market and infrastructure, particularly in terms of the connectivity and communication needs of the North;
- an enhancement of efforts to bring a “northern lens” to federal government programming and policy making will be undertaken as the Agency seeks opportunities for horizontal collaboration and alignment of efforts, both with other federal government departments, as well as with territorial governments, the private sectors and other stakeholders as dictated by particular initiatives;
- with Canada taking on the chairmanship of the Arctic Council, CanNor will seek opportunities to contribute to the development of Canada’s agenda so as to help advance domestic northern economic interests while contributing to the economic development of Canada’s circumpolar partners; and
- to advance major projects and resource development in Canada’s North, CanNor’s NPMO will:
 - continue to provide a single window for issues management, information and guidance to project proponents and others regarding the applicable environmental assessment and regulatory requirements for northern projects, through active engagement and outreach with industry and government partners;
 - advance an integrated economic development perspective to major projects development including aligning other CanNor programs and tools to major projects as well as those of other stakeholders, with the goal of establishing a strategy/roadmap to position Canada’s North as a world class destination for resource development;
 - implement a comprehensive community readiness program linked to memorandum of understanding (MOUs) signed with Aboriginal communities that brings a whole of government approach and aligns with industry project planning;
 - foster foreign direct investment into the North’s resource development sector, particularly in terms of supporting junior mining companies;
 - build and/or refine the necessary tools to advance the mandate of CanNor and NPMO including: MOUs, project agreements, and databases necessary to track and manage projects and associated issues;
 - assess the effectiveness of existing governments mechanisms, such as territorial project committees, Resource Development Advisory Groups, and project specific working groups, as well as the interface with major projects governance tools used by Natural Resources Canada; and
 - continue to refine and implement mechanisms associated with Crown consultations and community readiness efforts.

Program: Internal Services

This program is common across government. Internal services are groups of related activities and resources administered to support the needs of program activities and other corporate obligations of the Agency. These groups are: management and oversight services; communications; legal services; human resources management; financial management; information management services; information technology; materiel services; acquisition services; and travel and other administrative services. Internal services include only those activities and resources that apply across the entire organization and not to those provided specifically to support a program. Further details can be found at [2013–14 Main Estimates](#)¹⁴.

Financial Resources (\$ millions)

Total Budgetary Expenditures (Main Estimates) 2013-14	Planned Spending 2013–14	Planned Spending 2014–15	Planned Spending 2015–16
\$6.5	\$6.5	\$6.3	\$6.3

Human Resources (FTEs)

2013–2014	2014–2015	2015–2016
26	25	25

Planning Highlights

CanNor continues to work on strengthening its internal services. A key priority is to implement and undertake ongoing monitoring of core financial and business process controls to ensure the effectiveness and accuracy of financial processes and information. This priority is part of the management action plan that responded to the audit of the Agency's controls of financial management and reporting. Priorities include developing and implementing an effective governance model to support decision-making by senior management. For human resource

management services, CanNor will focus on improving employee capacity and continuity, while exploring creative recruitment strategies that support a representative workforce. CanNor employees and management will continue to work collectively to respond to issues raised in the most recent Public Service Employee Survey. The Agency will also focus on strengthening both internal and external communications tools, and will put an emphasis on improving performance measurement to help guide and inform business planning.

Section III: Supplementary Information

Financial Highlights

The reduction in total expenses from 2012-13 to 2013-14 is mainly because of the implementation of Budget 2012 reductions (\$2.2 million).

Total expenses recognized in the Future-Oriented Statement of Operations are generally consistent with Planned Spending in this Report on Plans and Priorities although items recognized in one year may be funded through Parliamentary authorities in prior, current or future years. The Future-Oriented Statement of Operations also includes the cost of services provided without charge from common service organizations which are not funded through Parliamentary authorities.

Future-Oriented Condensed Statement of Operations and Departmental Net Financial Position

For the Year (ended March 31)

(\$ millions)

	\$ Change	Forecast 2013-14	Estimated Results 2012-13
Total expenses	(2.9)	53.8	56.7
Total revenues	-	-	-
Net cost of operations before government funding and transfers	(2.9)	53.8	56.7
Departmental net financial position	(0.5)	3.5	4.0

Future-Oriented Condensed Statement of Financial Position

For the Year (ended March 31)

(\$ millions)

	\$ Change	Forecast 2013-14	Estimated Results 2012-13
Total net liabilities	(0.7)	14.8	15.5
Total net financial assets	(1.0)	16.5	17.5
Departmental net debt	(0.3)	(1.7)	(2.0)
Total non-financial assets	(0.2)	1.8	2.0
Departmental net financial position	(0.5)	3.5	4.0

Future-Oriented Financial Statements

A link to CanNor's financial statements can be found on the [Agency's web site](#)¹⁵.

List of Supplementary Information Tables

All electronic supplementary information tables found in the *2013–14 Reports on Plans and Priorities* can be found on the [Agency's Web Site](#).¹⁶

- Details on Transfer Payment Programs
- Greening Government Operations
- Upcoming Internal Audits and Evaluations over the next three fiscal years

Tax Expenditures and Evaluations Report

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 publishes cost estimates and projections for these measures annually in the [Tax Expenditure and Evaluations](#) publication¹⁷. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

Section IV: Other Items of Interest

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Endnotes

¹ Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR.

² Strong Economic Growth: <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>

³ Strong Economic Growth: <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>

⁴ Strong Economic Growth: <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>

⁵ 2013-14 Main Estimates: <http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp>

⁶ Federal Sustainable Development: <http://www.ec.gc.ca/dd-sd/>

⁷ Policy on Green Procurement: <http://www.tpsgc-pwgsc.gc.ca/ecologisation-greening/achats-procurement/politique-policy-eng.html>

⁸ Northern Economic Index (NEI): <http://www.north.gc.ca/aa/nei1112/nei1112-eng.asp>

⁹ Link to the Economic Diversification Index (EDI): <http://north.gc.ca/aa/rr-eng.asp>

¹⁰ 2013-14 Main Estimates: <http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp>

¹¹ 2013-14 Main Estimates: <http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp>

¹² Community Well-Being Index (CWBI): <http://www.aadnc-aandc.gc.ca/eng/1100100016579/1100100016580>

¹³ 2013-14 Main Estimates: <http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp>

¹⁴ 2013-14 Main Estimates: <http://www.tbs-sct.gc.ca/ems-sgd/esp-pbc/me-bpd-eng.asp>

¹⁵ CanNor's Financial Statements: <http://north.gc.ca/aa/rr-eng.asp>

¹⁶ CanNor's Estimates documents: <http://north.gc.ca/aa/ed-eng.asp>

¹⁷ Tax Expenditure and Evaluations publication: <http://www.fin.gc.ca/purl/taxexp-eng.asp>