

Canadian Northern Economic Development Agency (CanNor)

2016–17

Departmental Results Report

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic
Development

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Minister's message

I am pleased to report progress made on making Canada a world-leading centre for innovation and science, helping create good, well-paying jobs, and strengthening and growing the middle class.

The work of the Innovation, Science and Economic Development Portfolio includes promoting innovation and science; supporting the commercialization of more research and ideas; providing more Canadians with the skills to participate in a global and digital economy; helping small businesses grow through innovation, access to capital and trade; promoting increased tourism in Canada; and supporting scientific research and the integration of scientific considerations in our investment and policy choices.

This year, the Portfolio organizations continued their work to deliver on the Government's Budget 2017 commitment to develop an Innovation and Skills Plan. The plan's focus on people and addressing the changing nature of the economy is a focus for the Portfolio's programs.

The Canadian Northern Economic Development Agency's (CanNor) work focuses on supporting the conditions for a sustainable, diversified and innovative economy across the three territories, in turn, contributing to Canada's prosperity. The past year has seen CanNor deliver programs and services that contribute to business development, build community capacity, support clean technology, improve infrastructure, diversify the economy and facilitate major resource projects.

It is my pleasure to present the 2016–17 Departmental Results Report for CanNor.



The Honourable Navdeep Bains
Minister of Innovation, Science and
Economic Development

Results at a glance

What funds were used? (2016-17 Actual Spending)	Who was involved? (2016-17 actual FTEs)
\$53,639,049	82

To support economic development and foster diversification in the three northern territories CanNor invested over \$38 million in 160 projects, in 2016-17.

Through the Strategic Investments in Northern Economic Development program (SINED), CanNor invested over \$18 million in 49 projects across 13 sectors in the territories. These projects were funded to strengthen key sectors of the economy, and included \$5 million to advance clean technology projects. For example, funding was directed to the Teslin Tlingit Council for a District Biomass Heating Utility Project. The system uses clean technology to heat government and administrative buildings owned by the Council. This project reduced the community's dependence on expensive, non-renewable heating fuels and generated employment and income by purchasing and installing district heating systems using biomass wood chip boilers.

CanNor also invested in projects which supported Northern Indigenous groups to take advantage of economic opportunities. For example, funding provided through the Northern Aboriginal Economic Opportunities Program (NAEOP) to Kakivak Association, who as a service delivery partner accessing funding from CanNor, has assisted in business and community economic development services in the Qikiqtani Region of Nunavut, resulting in 48 jobs being maintained, 4 new jobs created and 2 new businesses created.

CanNor implemented the Canada 150 Community Infrastructure Program (CIP150) across the territories. Under CIP 150, CanNor delivered over \$6 million in funding to projects that supported the rehabilitation, renovation, or enhancement of cultural and community infrastructure to 30 communities in 2016-17. This included, for example, providing funding to the Fort Smith Ski Club to renovate and expand its Nordic Centre building and ski trails and the development of a children's snow park in advance of Fort Smith, NWT, co-hosting the 2018 Arctic Winter Games.

Through its Northern Projects Management Office (NPMO), CanNor supported efficient and transparent environmental assessment (EA) processes - from coordination of federal regulatory departments, to EA advisory support and Crown consultation coordination - for 12 major projects in the North in 2016-17. These projects offer the potential for over \$6.9 billion in capital investment and potential operating jobs for over 5,600 people.

For more information on the department's plans, priorities and results achieved, see the "Results: what we achieved" section of this report.

Raison d'être, mandate and role: who we are and what we do

Raison d'être

Contributing to 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 funding programs to Northerners and Indigenous people, guiding resource development and major projects across the North through the Northern Projects Management Office, undertaking research to support the development of evidence-based policies, advocating for northern economic prosperity and diversification, and collaborating with and aligning the efforts of other federal departments, territorial governments, Indigenous organizations, and industry.

Mandate and role

CanNor advances economic development in Canada's North through business, community and capacity development by delivering a suite of contribution programs that foster growth and innovation, and by providing pan-northern knowledge and expertise to enhance the effectiveness of federal policy initiatives. As well, the Agency's NPMO coordinates federal participation in regulatory review processes and Crown consultation with Indigenous peoples for major projects in order to maximize the collective impact and improve the timeliness and effectiveness of the process.

The Agency works closely with all federal partners whose operations impact the North's economic development landscape, as well as with territorial governments, communities, Indigenous organizations and the private sector. These strong partnerships enable the Agency to advance economic initiatives that help to diversify and grow the northern economy and to advance the Government of Canada's priorities in the North.

CanNor is a part of the Innovation, Science and Economic Development (ISED) portfolio and supports the implementation of the Government of Canada priorities and the mandate letters for the Ministers of ISED, Small Business and Tourism, and Science by working collaboratively with portfolio partners.

For more general information about the department, see the “Supplementary information” section of this report. For more information on the department’s organizational mandate letter commitments, see the [Minister’s mandate letter](#).ⁱ

Operating context and key risks

Operating context

Canada's territories are home to approximately 119,000 people, half of whom are Indigenous, living across over 40% of Canada's landmass. The northern governance landscape includes various settled and unsettled land claims and self-governing Indigenous organizations.

Economic development and growth throughout the territories is challenging due to a widely distributed population, cyclical downturns due to a dependence on natural resource extraction, a significant infrastructure deficit, high energy costs and labour-market challenges. These challenges inform CanNor's activities and operations, and impact how it delivers on its mandate.

The North's natural resources will continue to be a strong foundation for economic growth. According to the Conference Board of Canada's latest Territorial Outlook, northern Gross Domestic Product (GDP) is forecasted to grow moderately during 2017. Regional differences, however, are pronounced with positive percentage changes forecast in GDP growth for NWT and Nunavut (4.9% and 15.6% respectively), as new mines are expected to open. Given that there are currently no operating mines in the Yukon, a negative percentage change in GDP (-7.7%) is forecasted. Over the medium- and long-term, it is expected that resource development will increase, however building sustainable northern economies will continue to require an increased focus on investments that contribute to economic diversification and clean growth.

Many northern communities have a significant infrastructure deficit, including a lack of affordable and reliable connectivity when compared to southern Canada. With nearly 70% of northern communities relying on aging diesel generators for power, the high price of energy drives up the cost of doing business in the North, which impedes economic development efforts.

Increased investments in clean technologies and information technology (IT) infrastructure will present new economic development opportunities for the North to grow and diversify and may help to lower the overall cost of doing business.

Climate change is bringing both challenges and opportunities to the northern economy. Warming temperatures have led to permafrost degradation resulting in the deterioration of some infrastructure and has shortened the operating season and load capacity of winter roads with

associated challenges to businesses and communities. However, melting ice conditions in the high Arctic provides opportunity for increased shipping and tourism.

CanNor works closely with ISED and its portfolio organizations, and across other government departments, to implement the roll out of national activities, such as targeted support for clean technology activities, the Accelerated Growth Service (AGS) and the Canada 150 Community Infrastructure Program (CIP 150). This continued collaboration will support the Agency's efforts as it advances plans and priorities in support of northern economic development.

Key risks

Risks	Mitigating strategy and effectiveness	Link to the department's Programs	Link to mandate letter commitments or to government-wide and departmental priorities
<p>Operational Environment:</p> <p>CanNor's ability to advance economic development in the North is affected by external factors, as described below that are beyond the Agency's direct control. These factors can affect the economic climate and hinder the Agency from being able to fully advance on its strategic objectives.</p> <p>Limited operational capacity of northern stakeholders can also hamper their ability to fully utilize contribution funding.</p>	<p>CanNor conducted an evaluation and successfully renewed the Northern Adult Basic Education program which helps address the skills northerners need to fully participate in the economy</p> <p>In addition, through its HQ located in Nunavut, regional offices in Yukon and Northwest territories and the liaison office in Ottawa, CanNor maintained a strong understanding of the changing economic dynamics in each of the territories and key policy changes within other federal departments impacting the North. This informs CanNor's business planning and project funding decisions.</p>	<p>1.1 Economic Development</p> <p>and</p> <p>1.2 Policy and Alignment</p>	<p>Mandate Letter of the Minister of ISED:</p> <ul style="list-style-type: none"> • Develop an Innovation Agenda that includes...working with Regional Development Agencies to make strategic investments that build on competitive regional advantages. For those communities that have relied heavily on one sector in the past for economic opportunities, investments that support transition and diversification may be appropriate; • Support the Ministers of Environment and Climate Change and Natural Resources in making strategic investments in our clean technology sector; • Support the Ministers of Natural Resources, Environment and Climate Change, Indigenous and Northern Affairs, and Fisheries, Oceans and the Canadian Coast Guard in making investments that will make our resource sectors world leaders in the use and development of clean and sustainable technology and processes; and, • Work with the Minister of Indigenous and Northern Affairs

			<p>and the Minister of Employment, Workforce Development and Labour to promote economic development and create jobs for Indigenous peoples.</p> <p>Whole-of-government priority to create job opportunities and economic growth for Indigenous people.</p>
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External Factors

While each territory and region is unique, economic development throughout the North is challenging due to a sparse and widely distributed population, cyclical downturns due to a dependence on natural resource extraction, an infrastructure deficit, reliance on high energy costs and labour-market challenges.

The northern gross domestic product is expected to increase moderately by 1.8% over 2016-2020 as commodity prices improve gradually.

The northern economy remains significantly less diversified than most other areas in Canada. As the North's two primary sectors – mineral extraction, and public administration – account for more than 40% of the North's gross domestic product, it is more susceptible to cyclical economic downturns. While there is significant economic growth forecast for the Yukon and Nunavut, the Northwest Territories is forecasted to see minimal economic growth in the next five years.

The North's energy challenge continues to be a significant risk factor. For example, 69% of communities in the territories are not connected to the North American power grid and are dependent on diesel generators. This leads to higher energy costs and greater environmental risks. There is a need to move towards pursuing and implementing alternative energy sources.

Infrastructure is the foundation for economic development. The North's current infrastructure deficit poses significant challenges. For example, the absence of existing infrastructure can increase capital costs by up to 2.5 times for mining operations (when compared to the rest of Canada) and outranks all other elements in determining whether a major natural resource project can advance to production.

A skilled workforce is essential in building a growing economy. In 2011, 24% of working-age Northerners (aged 25-64) had not completed Grade 12, almost double the rate of working-age Canadians. This situation poses a significant challenge preventing Northerners from fully participating in economic development opportunities.

Results: what we achieved

Programs

Program name: 1.1 Economic Development

Description

This program supports economic development in Canada's three territories: Nunavut, Northwest Territories and Yukon. Ensuring that the North is able to participate actively in the economy is essential to Canada's economic growth. Each territory has unique opportunities and challenges that require individual strategies to foster sustainable, competitive and diverse economic development. Through funding support, the Canadian Northern Economic Development Agency (CanNor) strengthens and stimulates the northern economy by taking steps to advance private sector efforts, ranging from small and medium enterprises to large-scale industry. There is also a strong focus on creating the conditions to position individuals, including Indigenous and non-Indigenous Northerners, communities and business-related organizations for economic success.

Results

CanNor, through its contribution programs and working collaboratively with territorial governments, Indigenous groups and stakeholders, advanced economic development and diversification across the territories.

For example, through SINED, the Agency invested over \$18 million in 49 projects across 13 sectors.

- For example, funding was provided to Gray Dragon Investments Corporation to support a feasibility study, market analysis and business plan which recommended that operating a vertical aquaponics farm in Yukon was feasible. As a result of CanNor funding, Gray Dragon is expected to begin construction in the fall of 2017 and has decided to further explore opportunities for export of goods into the Alaskan market. The aquaponics farm will be the first of its kind in the Yukon and will create new jobs and provide local fresh food to the region.

In implementing the Minister's commitment to Indigenous economic development, the Agency has invested over \$24 million in 85 projects impacting Indigenous communities and businesses.

- The Agency provided direct support to 11 northern Indigenous businesses for a total of \$1.5 million. For example, CanNor invested in the Qaggiavuut Society's Arctic Performing Arts Development and Promotion project. The Society represents performing

artists in the territory and strives to help them become financially self-sustainable. In 2016, Qaggiavuut provided programming and support to over 250 Inuit performing artists and 650 Nunavut children.

- In addition to the direct support, CanNor has provided three Service Delivery Partners with \$2.2 million in 2016-17 to provide contributions to Indigenous businesses. For example, funding to Kakivak Association, a service delivery partner, resulted in 48 jobs being maintained, 4 new jobs created and 2 new businesses created in Nunavut.

As part of the Innovation and Skills Plan's clean technology commitment, CanNor invested over \$5 million in 22 communities across the territories, exceeding the target of doubling investments in clean technology projects, such as funding provided to complete a wind energy feasibility study to determine the feasibility of constructing a wind turbine to offset the use of diesel in Inuvik, NWT.

As part of the commitment to implement CIP-150, CanNor invested over \$6 million in projects that rehabilitated, renovated, or enhanced cultural and community infrastructure. Through this funding the Agency supported 30 communities across all of the territories, within the territorial capitals and in remote communities.

- For example, the Agency invested in the Champagne Aishihik First Nation (CAFN) Da Kų Cultural Center Expansion. The project received funding to renovate and expand the Da Kų Cultural Center in Haines Junction, Yukon. The center is a gathering place that recognizes and celebrates the cultural contributions and way of life of the CAFN.

In addition, the Agency continued to support the economic development of the North's sealing industry by providing \$63,000 in funding the industry's efforts to increase access to domestic and international markets.

CanNor also provided \$80,000 in funding to support the economic advancement of official language minority communities.

Results achieved

Expected results	Performance indicators	Target	Date to achieve target	2016–17 Actual results	2015–16 Actual results	2014–15 Actual results
Increased northern economic activity and well-being of northern communities	Northern Economic Index (NEI)	Value of 24 to 26	March 31, 2017	17.5*	9.5**	13.0**

The Northern Economic Index (NEI)¹ score of 17.5 reaffirms that in 2016 there was an expansion in economic activity in the North relative to the 2010 to 2015 period. The territories saw a decrease in their unemployment rate, an increase in own-source revenues generated by territorial governments, and a stable level of average weekly earnings. Mineral exploration spending, a key economic driver for the North, was down by 11.9% across the territories.

*In calculating the trade balance for 2016/17 actuals, previous year's figures were used due to lag in data availability (Stats Canada releases territorial trade data in November for any given year)

**Please note that the numbers for the NEI for 2014/15 and 2015/16 have been revised due to revisions and updates in StatsCan data availability.

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 Planned spending	2016–17 Total authorities available for use	2016–17 Actual spending (authorities used)	2016–17 Difference (actual minus planned)
18,108,174	18,108,174	44,884,329	43,349,264	25,241,090

The difference between planned spending and actual authorities is due to the inclusion of renewal funding of SINED (\$19.8M), NABEP (\$3.9M) and CIP 150 (\$3.2M) in 2016-17 Supplementary Estimates 'A'.

¹ The Northern Economic Index (NEI) is an important part of the Agency's Report on Plans and Priorities and serves not only as a measure of the state of economic development in Canada's territories, but also as a performance indicator for CanNor's Economic Development Program. NEI is comprised of indicators which illustrate the state of the territorial economies: labour market, financial well-being of Northerners, fiscal health/self-sufficiency of territorial governments, investment in the territories and business activity.

Human resources (full-time equivalents)

2016–17 Planned	2016–17 Actual	2016–17 Difference (actual minus planned)
13	29	16

The increase of 16 FTEs is related to new resources for major program renewal (eg. 14 FTE's for SINED)

Program name: 1.2 Policy and Alignment

Description

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 and opportunities in the North.

Results

Results achieved

CanNor uses its policy, research and coordination capacity to examine economic issues and opportunities to inform the delivery of the Agency's contribution programs and NPMO operations and to provide insights on Northern issues/needs to national policy deliberations. CanNor assesses the effectiveness of this program by how successful the Agency is in meeting its overall strategic objective of strengthening the northern economy. To determine this, CanNor also measures annual changes across seven indicators of economic development.² CanNor aims to meet targets for at least five out of seven of these indicators to determine whether the composite measure's target was met.

In 2016-17, the Agency met six of seven performance indicators. Based on this performance analysis, CanNor's current policies and programs are aligned with strengthening the northern economy. Although the performance indicator target for the NEI was not met, it did increase to 17.5 from 9.5 in 2015-16. The northern GDP also increased by 3.6% from 2015.

² These indicators include: the Northern Economic Index (NEI), GDP growth, the percentage of northern and Indigenous firms supported by the Agency still operating after three years, the Northern Economic Diversification Index (NEDI) the proportion of Indigenous economic development community planning investments relative to business investments, the percentage change of northern labour force participation and the percentage of CanNor investments in infrastructure studies that lead to infrastructure projects within five years.

CanNor was active in 2016-17 in terms of planning for and conducting evaluations. In November 2016, an evaluation of the Northern Adult Basic Education Program (NABEP) was completed. The evaluation found that, given the latest trends in literacy, essential skills proficiency and formal education level in the North, NABEP is still a relevant program that is well aligned with Government of Canada priorities. This evaluation informed the renewal of NABEP announced in Budget 2017 and in ensuring that the program is meeting the needs of Northerners.

CanNor worked closely with ISED portfolio to achieve Budget 2016 commitments regarding clean technologies, supporting the development of the Innovation and Skills Plan and Canada's new Tourism Strategy. CanNor also worked with other Government departments and agencies on policy initiatives impacting the North, including the Arctic Policy Framework, the Pan-Canadian Framework on Clean Growth and Climate Change and the Arctic Council.

NPMO engaged with and provided services to approximately 50 resource companies and coordinated the federal participation in eight environmental assessments of which two were completed. One community in the Yukon worked on developing its Community Readiness Planning. Another five, having completed their plans, continued working on the implementation of their Community Readiness Plans across the other two territories.

CanNor also participated in the Accelerated Growth Service with partners from Business Development Canada, National Research Council, and ISED. Potential northern firms were identified and one firm, Air North, was on-boarded into the program.

Expected results	Performance indicators	Target	Date to achieve target	2016–17 Actual results	2015–16 Actual results	2014–15 Actual results
Policies, Programs and initiatives that are effective in strengthening the northern Canadian economy, thereby enabling Northerners to access business and community development opportunities	Composite of performance indicators for the Economic Development Program and the related Sub-Programs of Business Development and Community Development	Meet or exceed at least 2/3 of targets identified in Program 1.1 and the related Sub-Programs	March 31, 2017	6 of 7 indicators met	5 of 7 indicators met	4 of 7 indicators met

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 Planned spending	2016–17 Total authorities available for use	2016–17 Actual spending (authorities used)	2016–17 Difference (actual minus planned)
2,013,466	2,013,466	4,225,413	3,686,597	1,673,131

The difference between planned spending and actual authorities is due to the inclusion of renewal funding of NPMO (\$2.3M) in 2016-17 Supplementary Estimates 'A'.

Human resources (full-time equivalents)

2016–17 Planned	2016–17 Actual	2016–17 Difference (actual minus planned)
12	26	14

The increase of 14 FTEs is due to the renewal of the NPMO program.

Information on the CanNor's lower-level programs is available on the [departmental website](#) and in the [TBS InfoBase](#).ⁱⁱ

Internal Services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Results

CanNor continued to improve internal governance by implementing a Policy, Planning & Operations Committee and a Resource Management Committee. These provide a forum to examine and discuss strategic issues and priorities for the Agency. CanNor also developed and implemented a Human Resource staffing manual and People Management Plan for 2017-2020.

CanNor worked closely with other RDAs to identify common requirements and exploring opportunities for improving the delivery of programs and services to Canadians.

As a micro-organization, CanNor relies on larger departments to obtain most corporate services. CanNor has MOU's with Indigenous and Northern Affairs Canada (financial and administrative services), Health Canada (financial systems) and Public Services and Procurement Canada (human resources management services).

Budgetary financial resources (dollars)

2016–17 Main Estimates	2016–17 Planned spending	2016–17 Total authorities available for use	2016–17 Actual spending (authorities used)	2016–17 Difference (actual minus planned)
6,111,811	6,111,811	6,713,865	6,603,188	491,377

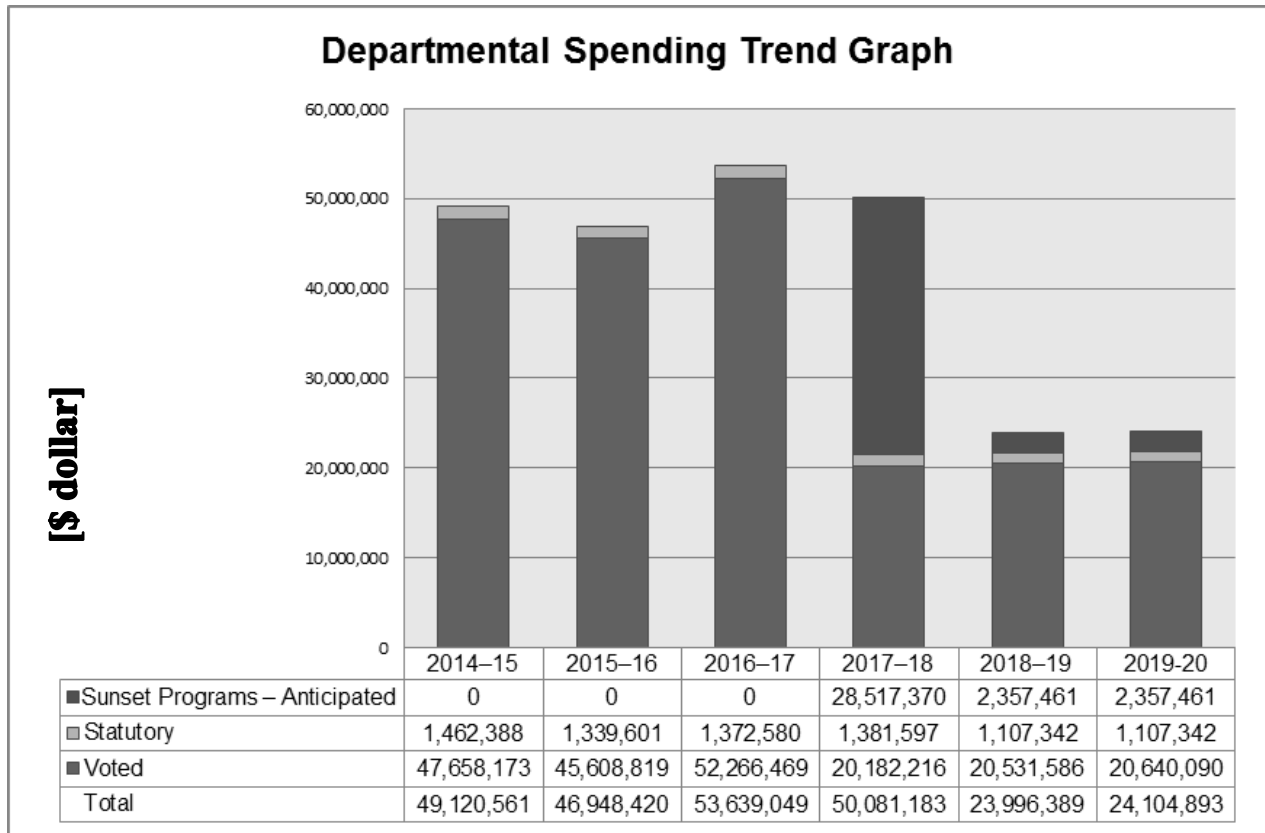
Human resources (full-time equivalents)

2016–17 Planned	2016–17 Actual	2016–17 Difference (actual minus planned)
30	27	(3)

Normal staffing fluctuations account for the difference in planned and actual FTEs.

Analysis of trends in spending and human resources

Actual expenditures



Actual spending decreased by \$2.2M between 2014-15 and 2015-16, consisting of a \$3M decrease in funding for NABEP, offset by increased funding of \$1.5M for the Centre of Innovation in Northern Mining (CNIM) and \$390K for NPMO. A lower than expected spending in contributions accounts for the remainder of the lower spending in 2015-16.

Actual spending increased by \$6.7M between 2015-16 and 2016-17, consisting of a \$6.4M increase due to new funding for CIP 150, offset by decreased final year funding for CNIM in the amount of \$1.3M, as well as a decrease in NPMO funding of \$370K. In 2016-17, CanNor undertook efforts to optimize contribution planning and spending.

Budgetary performance summary for Programs and Internal Services (dollars)

Programs and Internal Services	2016–17 Main Estimates	2016–17 Planned spending	2017–18 Planned spending	2018–19 Planned spending	2016–17 Total authorities available for use	2016–17 Actual spending (authorities used)	2015–16 Actual spending (authorities used)	2014–15 Actual spending (authorities used)
Economic Development	18,108,174	18,108,174	39,880,184	13,761,172	44,884,239	43,349,264	36,670,762	38,684,842
Policy and Alignment	2,013,466	2,013,466	4,222,127	4,259,896	4,225,413	3,686,597	3,949,912	3,955,430
Subtotal	20,121,640	20,121,640	44,102,311	18,021,068	49,109,652	47,035,861	40,620,674	42,640,272
Internal Services	6,111,811	6,111,811	5,978,872	5,975,321	6,713,865	6,603,188	6,327,746	6,480,289
Total	26,233,451	26,233,451	50,081,183	23,996,389	55,823,517	53,639,049	46,948,420	49,120,561

2017-18 planned spending includes new funding for SINED (\$19.8M), CIP 150 (\$3.M) and NPMO (\$2.3M), offset by \$1.1M in reduced funding for the Centre for Northern Innovation in Mining (CNIM), which ended in 2016-17.

In 2018-19, planned spending decreases considerably due to the sunsetting of SINED (\$19.8M) and CIP 150 (\$6.4M) in 2017-18.

Sunsetting programs are subject to government decisions to extend, reduce, or enhance funding and may be affected by results achieved, evolving priorities and available resources. New funding decisions are reflected in the Agency's future budget exercises and Estimates documents. CanNor is focused on ensuring its programs continue to meet the needs of Northerners, and provide stability for multi-year economic development projects.

Actual human resources

Human resources summary for Programs and Internal Services
(full-time equivalents)

Programs and Internal Services	2014–15 Actual	2015–16 Actual	2016–17 Forecast	2016–17 Actual	2017–18 Planned	2018–19 Planned
Economic Development	30	26	13	29	28	14
Policy and Alignment	25	26	12	26	26	26
Subtotal	55	52	25	55	54	40
Internal Services	28	28	30	27	26	26
Total	83	80	55	82	80	66

The large variance in 2016/17 forecast and actual FTE levels reflect the renewal of programs which were included in Supplementary Estimates. Similarly, 2018/19 planned FTE's reflect a decrease due to sunseting programs, including SINED.

Expenditures by vote

For information on CanNor's organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2017](#).ⁱⁱⁱ

Alignment of spending with the whole-of-government framework

Alignment of 2016–17 actual spending with the [whole-of-government framework](#)^{iv}
(dollars)

Program	Spending area	Government of Canada activity	2016–17 Actual spending
1.1 Economic Development	Economic Affairs	Strong Economic Growth	43,349,264
1.2 Policy and Alignment	Economic Affairs	Strong Economic Growth	3,686,597

Total spending by spending area (dollars)

Spending area	Total planned spending	Total actual spending
Economic affairs	20,121,640	47,035,861
Social affairs	Not applicable	Not applicable
International affairs	Not applicable	Not applicable
Government affairs	Not applicable	Not applicable

Financial statements and financial statements highlights

Financial statements

The CanNor's financial statements [unaudited] for the year ended March 31, 2017, are available on the [departmental website](#).

Financial statements highlights

Condensed Statement of Operations (unaudited) for the year ended March 31, 2017 (dollars)

Financial information	2016–17 Planned results	2016–17 Actual	2015–16 Actual	Difference (2016–17 actual minus 2016–17 planned)	Difference (2016–17 actual minus 2015–16 actual)
Total expenses	26,424,000	53,316,219	46,068,211	(26,892,219)	7,248,008
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	26,424,000	53,316,219	46,068,211	(26,892,219)	7,248,008

The \$26M difference between 2016-17 planned and actual figures reflects the inclusion of major program renewal in 2016-17 that was included in Supplementary Estimates 'A'. The \$7.2M increase in actual expenses compared to 2015-16 is mainly due to new funding for CIP 150 and reduced program spending lapses.

Condensed Statement of Financial Position (unaudited) as at March 31, 2017
(dollars)

Financial Information	2016–17	2015–16	Difference (2016–17 minus 2015–16)
Total net liabilities	15,539,492	20,340,376	(4,800,884)
Total net financial assets	14,629,300	19,361,388	(4,732,088)
Departmental net debt	910,192	978,988	(68,796)
Total non-financial assets	585,793	748,724	(162,931)
Departmental net financial position	(324,399)	(230,264)	94,135

Supplementary information

Corporate information

Organizational profile

Appropriate minister[s]: The Honourable Navdeep Bains, P.C., M.P.

Institutional head: Janet King, President

Ministerial portfolio: Innovation, Science and Economic Development

Enabling instrument[s]: [Public Service Rearrangement and Transfer of Duties Act, R.S.C. 1985, c. P-34](#)

Year of incorporation / commencement: 2009

Reporting framework

The CanNor Strategic Outcome and Program Alignment Architecture of record for 2016–17 are shown below.

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

1.1 Program: Economic Development

1.1.1 Sub-Program: Business Development

1.1.2 Sub-Program: Community Development

1.2 Program: Policy and Alignment

1.2.1 Sub-Program: Policy and Advocacy

1.2.2 Sub-Program: Coordination and Alignment

Internal Services

Supporting information on lower-level programs

Supporting information on lower-level programs is available on [CanNor's website](#) and in the [TBS InfoBase](#).

Supplementary information tables

The following supplementary information tables are available on [CanNor's website](#).

- Details on transfer payment programs of \$5 million or more
- Upcoming evaluations over the next five fiscal years
- Upcoming internal audits for the coming fiscal year

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#).^v This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational contact information

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Email the Northern Projects Management Office: npmo.bgpn@cannor.gc.ca

Website: cannor.gc.ca

Appendix: 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, organizations or individuals; and payments to Crown corporations.

Core Responsibility (responsabilité essentielle)

An enduring function or role performed by a department. The intentions of the department with respect to a Core Responsibility are reflected in one or more related Departmental Results that the department seeks to contribute to or influence.

Departmental Plan (Plan ministériel)

Provides information on the plans and expected performance of appropriated departments over a three-year period. Departmental Plans are tabled in Parliament each spring.

Departmental Result (résultat ministériel)

A Departmental Result represents the change or changes that the department seeks to influence. 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 factor or variable that provides a valid and reliable means to measure or describe progress on a Departmental Result.

Departmental Results Framework (cadre ministériel des résultats)

Consists of the department's Core Responsibilities, Departmental Results and Departmental Result Indicators.

Departmental Results Report (Rapport sur les résultats ministériels)

Provides information on the actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

Evaluation (évaluation)

In the Government of Canada, the systematic and neutral collection and analysis of evidence to judge merit, worth or value. Evaluation informs decision making, improvements, innovation and

accountability. Evaluations typically focus on programs, policies and priorities and examine questions related to relevance, effectiveness and efficiency. Depending on user needs, however, evaluations can also examine other units, themes and issues, including alternatives to existing interventions. Evaluations generally employ social science research methods.

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. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

government-wide priorities (priorités pangouvernementales)

For the purpose of the 2017–18 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government’s agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

horizontal initiatives (initiative horizontale)

An initiative where two or more federal organizations, through an approved funding agreement, work toward achieving clearly defined shared outcomes, and which has been designated (for example, by Cabinet or a central agency) as a horizontal initiative for managing and reporting purposes.

Management, Resources and Results Structure (Structure de la gestion, des ressources et des résultats)

A comprehensive framework that consists of an organization’s inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (dépenses non budgétaires)

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

performance (rendement)

What an organization did with its resources to achieve its results, how well those results compare to what the organization 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 organization, program, policy or initiative respecting expected results.

performance reporting (production de rapports sur le rendement)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (dépenses prévues)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the 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.

plans (plans)

The articulation of strategic choices, which provides information on how an organization 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 up to the expected result.

priorities (priorité)

Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (programme)

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (architecture d'alignement des programmes)

A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

results (résultat)

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization'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.

Strategic Outcome (résultat stratégique)

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (programme temporisé)

A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (cible)

A measurable performance or success level that an organization, 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.

Endnotes

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- i. The Minister's mandate letter, <http://pm.gc.ca/eng/mandate-letters>
 - ii. TBS InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
 - iii. Public Accounts of Canada 2017, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
 - iv. Whole-of-government framework, [https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#tag-nav/~\(current_branch~'GOCO~sort_key~'name~sort_direction~'asc~open_nodes~\(~'tag_SA0001~'tag_SA9999~'tag_SA0002~'tag_SA0003~'tag_SA0004~'tag_SA0005\)\)](https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#tag-nav/~(current_branch~'GOCO~sort_key~'name~sort_direction~'asc~open_nodes~(~'tag_SA0001~'tag_SA9999~'tag_SA0002~'tag_SA0003~'tag_SA0004~'tag_SA0005)))
 - v. Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>