



Canadian Northern Economic  
Development Agency

Agence canadienne de développement  
économique du Nord

# CanNor

*Building a Strong North Together*

Strategic Framework  
2013-2018



[CanNor.gc.ca](http://CanNor.gc.ca)

Canada 







## Table of Contents

<b>Introduction .....</b>	<b>2</b>
<b>CanNor – <i>Building a Strong North Together</i> .....</b>	<b>3</b>
<b>Our Stakeholders .....</b>	<b>4</b>
<b>The Northern Economy .....</b>	<b>7</b>
<b>Northern Opportunities and Challenges .....</b>	<b>9</b>
<b>Strategic Focus Areas and Building Blocks.....</b>	<b>10</b>
<b>Vision.....</b>	<b>12</b>





## Introduction

The Canadian Northern Economic Development Agency's (CanNor's) Strategic Framework 2013-18 is a roadmap outlining the role and contribution of the Agency in northern economic development over this five-year period. It situates the Agency's priorities, programs and activities in the broader global economic context, against the backdrop of ongoing and anticipated economic opportunities and challenges, while providing insights into the essential partnerships and initiatives that CanNor leads or coordinates to ensure progress towards shared goals.

The Strategic Framework guides the Agency in delivering its main business lines and informs its relationships with stakeholders. It informs human and financial resource planning so that program activities and business processes are aligned with priorities. This helps foster internal efficiency and effectiveness while providing the foundation for CanNor's strategic outcome—strong and diversified territorial economies that support long-term prosperity for all Northerners—so that Northerners and all Canadians can benefit from the unprecedented economic opportunities that are unfolding in Canada's three northern territories.



## **CanNor – *Building a Strong North Together***

Established in August 2009, CanNor is the only federal department with an exclusive mandate for the three northern territories. It is headquartered in the North—in the region that it serves and is shaped by northern realities and positioned to respond to northern interests. CanNor works with its partners to ensure there is a foundation for a prosperous and diversified northern economy. The Agency headquarters is in Iqaluit, with regional offices in Whitehorse, Yellowknife, Iqaluit and a liaison office in Ottawa. CanNor reports to Parliament through the Minister of the Canadian Northern Economic Development Agency. CanNor is led by its President.

### **Vision**

**A strong, diversified, sustainable and dynamic economy for Northerners, including Aboriginal Peoples, communities and businesses across Canada's three territories, that contributes to Canada's prosperity.**



### **Mandate**

**Fostering regional economic development in Canada's three territories by delivering programs; building partnerships to leverage investments in the North; and advocating for the interests of Northerners, including Aboriginal Peoples.**

## Our Stakeholders

### Northerners

While Canada's three territories account for nearly 40 percent of the country's land mass and represent its northern coast, Northerners number only about 113,000<sup>1</sup>. While the territorial capitals, Iqaluit, Yellowknife and Whitehorse, have the largest populations, many people live in isolated and remote communities.

Through policy and research, dynamic and flexible community and business development programs, and by coordinating activities to advance major resource development projects, CanNor fosters the development of a strong, diversified and dynamic economy for all Northerners, including Aboriginal Peoples. Over the five years, CanNor will focus its efforts on supporting Northerners to participate in and benefit from economic activities linked to resource development, and strengthening the basis of sustainable and diversified economies in all territories.

### Aboriginal Peoples

Aboriginal Peoples make up the majority of the population of many communities in the North, and face unique challenges and new opportunities. Much of the North is covered by settled land claims, and negotiations are underway for several outstanding claims. CanNor supports and collaborates with Aboriginal Peoples and communities so that they can leverage opportunities to develop their economies.

Aboriginal Peoples as % of Total Population	
Yukon	23.1%
Northwest Territories	51.9%
Nunavut	86.3%
Aboriginal identity population includes all Aboriginal groups (North American Indian, Métis and Inuit)	

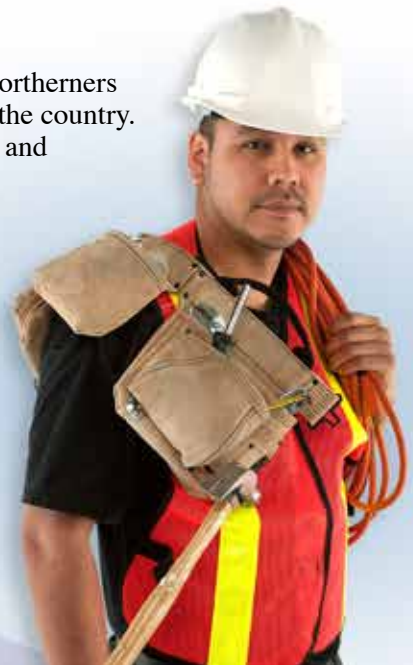
Source: Statistics Canada – Census 2011

In particular, CanNor collaborates with territorial and Aboriginal governments to support skills development in the North, along with other federal government departments. Aboriginal populations are Canada's youngest and fastest growing, so fostering skills development will help prepare them to meet workforce needs in the three territories, now and in the future.

### All Canadians

As the northern economy expands, it brings greater prosperity for Northerners and increases the flow of goods and services to and from the rest of the country. Major projects could lead to billions of dollars in capital investment and thousands of jobs over the next decade. Increased prosperity will strengthen the three territories, making them less reliant on transfers from the federal government, while providing the means to further diversify and expand their economies.

<sup>1</sup> Statistics Canada, July 1, 2012







## **Employees**

CanNor's dedicated employees take a collaborative, results-oriented and integrated approach in working together and with other partners and stakeholders to advance northern economic development. During the next five years and beyond, the Agency will continue to rely on innovative human resources strategies to build a dynamic team with the skills, knowledge and experience to deliver on its mandate.

## **Resource Development Sector**

Global demand for mineral resources and energy has made the North a prime destination for investments from within and outside the country. CanNor works closely with federal, territorial and Aboriginal partners, and with industry proponents, to facilitate major resource and infrastructure projects. The Agency's Northern Projects Management Office provides valuable and timely advice, and acts as a 'one-stop shop' for industry and Aboriginal communities to foster a more transparent, effective and timely regulatory process. CanNor also supports community readiness in areas where major projects are developing.

*"Thank you for your assistance in coordinating the federal departments; we are very appreciative of the help of Yukon Government Development Assessment Branch and the Northern Projects Management Office throughout the environmental assessment. We also very much appreciate the continued positive relationship with each federal department and CanNor's active participation in the Yukon Environmental and Socio-economic Assessment Act (YESAA) process. We very much look forward to the regulatory review phase and are confident the work done to date for the assessment provides a solid foundation for our regulatory applications."*

**Todd Goodsell**

**Environmental Manager, Victoria Gold Corporation**

## **Other Sectors**

With relatively small, dispersed populations, and economic activities concentrated in a few sectors, a diversified northern economy is important for long-term prosperity. CanNor helps to ensure that the benefits of economic development are sustainable in the three northern territories through programs aimed at stimulating entrepreneurship and the emergence and sustainability of economic activities in sectors such as tourism, geosciences, renewable energy, fisheries, as well as in cultural and traditional sectors.

*"CanNor's contribution will help to develop remote sensing data processing capacity including satellite imagery for the NWT and international research community. The funding will help create a satellite office of the NWT Centre for Geomatics at the Western Arctic Research Centre in Inuvik which can facilitate responsive data for time-sensitive projects, such as ice monitoring or spill detection in the Beaufort Delta region."*

**Jeff O'Keefe**

**Acting Director, Aurora Research Institute**

## **Territorial governments and self-governing Aboriginal Peoples**

The Agency builds upon collaborative mechanisms and agreements with territorial governments and self-governing Aboriginal Peoples to ensure that federal and territorial initiatives in support of economic development are aligned. Through strong networks and relationships with partners, CanNor leverages the opportunities flowing from areas of strong economic growth that could lead to greater economic prosperity for Northerners and all Canadians over the next five years and beyond. CanNor's role as a federal regional development agency for the three territories is particularly important as the federal government plays a more direct role in the territories than in the provinces.

*"The Hamlet of Arviat is happy to be working with CanNor to develop the tourism industry in Arviat. Arviat is proud of its strong traditional culture and beautiful landscape, and tourism allows the community to develop economically while using and preserving those resources."*

**Keith Collier**  
Community Economic Development Officer for Arviat

## **Government of Canada**

The federal government established Canada's Northern Strategy to meet the challenges and opportunities of the North by undertaking concrete action under priority areas, including promoting social and economic development. Significant efforts are being invested in Canada's North by a range of federal organizations. In addition to delivering direct funding to support business and community development, CanNor brings strategic focus to federal government activities linked to economic development in the North. CanNor, as a regional development agency, has a strategic role to play over the next five years in leading and coordinating federal initiatives to advance major resource development projects, in alignment with the Government's Responsible Resource Development initiative. This will be instrumental to creating jobs and increasing northern prosperity.

*"Our Government is committed to ensuring that Northerners benefit from the tremendous natural resource reserves that are found in their region. For the benefits to flow, it is necessary to get resource projects up and running in an effective and responsible way and to put agreements in place with territorial governments to ensure that revenues generated by these initiatives stay up North."*

**Prime Minister Stephen Harper during his seventh annual Northern Tour**  
August 2012





## The Northern Economy

CanNor tracks the North's economic progress over time through its Northern Economic Index <http://www.cannor.gc.ca/aa/nei1112/nei1112-eng.asp>. While the Canadian economy has weathered the global economic downturn with resilience over the last few years, the North still has ample room for economic growth, and can therefore contribute even further to Canada's prosperity.

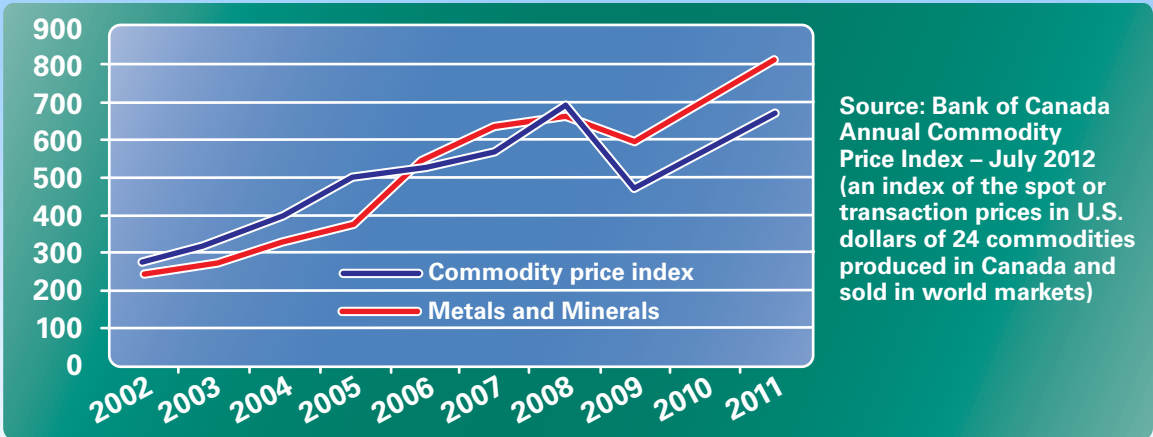
Gross domestic product (GDP) at basic prices (\$M)			
	2009	2010	2011
Yukon	2,064	2,182	2,324
Northwest Territories	3,558	3,633	3,454
Nunavut	1,362	1,589	1,666
North	6,984	7,404	7,444

Source: Statistics Canada

CanNor also tracks the progress of economic diversification in the North through its Northern Economic Diversification Index <http://www.cannor.gc.ca/aa/nedi1213/nedi1213-eng.asp>. In 2011, the northern economy was significantly less diversified than the overall Canadian economy, although it has improved over the last few years. Northerners still rely heavily on goods shipped, trucked or flown long distances from the South for their basic needs and for infrastructure projects. This reliance on southern imports makes the cost of living in the North significantly higher than in the rest of Canada.

In order to build sustainable, diversified and dynamic northern economies, the federal government, through CanNor and other departments, plays an enabling role. One way to stimulate economic development in the North can be through responsible resource development. Demand for minerals in particular is expected to keep rising as a result of sustained economic growth in highly populated, emerging economies such as China and India, and as economies recover in Europe and the USA. Although commodity prices fluctuate from year to year, the long-term trend shows a steady increase.





Source: Bank of Canada

The North is already the focus of much interest from global and Canadian mineral resource investors. In March 2013, 160 active exploration projects were underway, and the number of proposed resource development projects in the pre-environmental assessment (EA), EA, and permitting phases numbered 28, with a potential for over \$21B in capital investment and over 9,500 direct jobs.

Working with partners and stakeholders, CanNor will continue to support northern economic development in sectors such as tourism, renewable energy, cultural and traditional sectors, and fisheries. By promoting the development of small and medium enterprises, fostering community capacity, and supporting a skilled workforce across all sectors, CanNor will also help ensure that Northerners are equipped to participate in, and benefit from, opportunities arising from major projects.

*“Canada’s North has the potential to become an engine of economic growth for the entire country and a world-class destination for the resource development sector.”*

**The Honourable Leona Aglukkaq, Minister of CanNor**  
**Fall 2012**





## Northern Opportunities and Challenges

The Canadian North is being increasingly positioned as a world-class destination for resource development investments. With nearly 40 percent of Canada's land mass and bordered by the Arctic Ocean, this vast region is rich in natural resource deposits. Investments in resource development projects can pave the way to sustainable and long-term prosperity for Northerners and Canadians, while also supporting further diversification of northern economies.

Businesses, from large resource development companies to small and medium enterprises, are more likely to thrive in operating environments that provide a high degree of certainty in terms of governance. The major part of Canada's North is already covered by settled Aboriginal land claims, and negotiations are underway for several remaining claims, enhancing certainty and clarity for investors and industry. Regulatory streamlining and transparency measures introduced through the Government of Canada's Responsible Resource Development initiative ensure that the regulatory system is based on clearly defined rules and timelines, with minimal overlap or duplication between federal and territorial activities.

Proposed northern mineral resource projects could employ thousands of workers in mining operations over the next few years and beyond. The success of these large-scale projects depends on a labour force with the right skills and training. In the North, resource mining companies still rely significantly on flying in workers from elsewhere, which represents additional costs. There are clear benefits for industry and northern jurisdictions in ensuring a skilled, northern workforce for these jobs.

Limited and dispersed infrastructure in the North is a significant challenge for further economic development. This is compounded by large distances between localities, northern climatic conditions and topography.

CanNor has an important role to play in helping to address these and other challenges so as to maximize economic benefits for the North. Much could be achieved through enhanced and sustained collaboration and the alignment of initiatives and projects between the federal government, territorial governments, Aboriginal Peoples and industry.

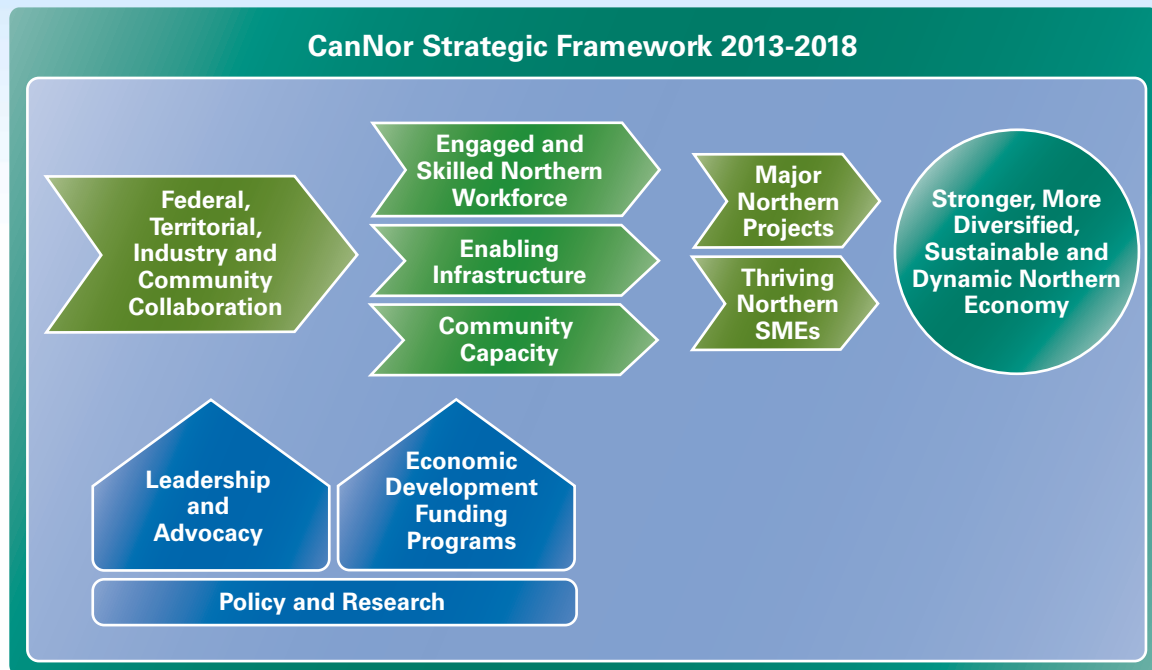




## Strategic Focus Areas and Building Blocks

From 2013 to 2018, working with partners and stakeholders, CanNor will continue to play a lead role in fostering a diverse and sustainable northern economy by focusing its activities, services and programs on three priority areas: an engaged and skilled workforce, enabling infrastructure and community capacity.

This will be accomplished through three building blocks: policy and research; leadership and advocacy; and economic development funding programs.



### Policy and Research

Policy and research informs all CanNor activities. Decisions relating to partnerships, advocacy, and economic development funding programs are guided by empirical evidence and analysis, so that activities and results are effective, meet established criteria and performance measures, and demonstrate value for money.

Through Policy and Research, CanNor will:

- research and analyze the socio-economic impacts of proposed major projects;
- support focused funding programs through evidence-based performance analysis, and socio-economic research; and
- identify and respond to new and emerging policy issues that will need to be addressed.



## **Leadership and Advocacy**

CanNor will work with its partners to align ongoing and new federal initiatives so that the North can effectively leverage the economic benefits of major projects. In addition, CanNor's Program Operations group and its Northern Projects Management Office will align and enhance their activities and services to support Northerners including Aboriginal Peoples, communities, territorial governments and industry to meet anticipated growth.

Through Leadership and Advocacy, CanNor will:

- actively advance major resource projects through the services provided by its Northern Projects Management Office; and
- work with federal partners to align and sequence ongoing and new federal initiatives to optimize northern economic development. It will also reach out to industry, territorial governments and Aboriginal Peoples to engage them in this common goal.

## **Economic Development Funding Programs**

While resource development projects can have significant positive economic impacts, most have finite lifecycles. Working with its partners, CanNor will continue to support the development of economic sectors through a flexible and evolving suite of funding programs and expertise.

Through Economic Development Funding Programs, CanNor will focus on:

- developing the capacity of organizations, associations, small and medium enterprises, and individuals to take advantage of economic opportunities in all sectors;
- enhancing the economic base by supporting the development of physical infrastructure critical to economic growth; and
- building and sustaining the knowledge base in key economic sectors to set the stage for new and emerging economic opportunities.



## Vision

From 2013 to 2018, CanNor will work with federal, territorial, Aboriginal, community and industry partners to develop a strong, diversified, sustainable and dynamic northern economy.

CanNor will seek to address the challenges and maximize the opportunities in Canada's North by focusing its programs, services and activities on three priority areas: an engaged and skilled workforce, enabling infrastructure, and community capacity.

The Agency will also facilitate and leverage resource development opportunities to help create a sustainable northern economy, diversified across a broad range of sectors, that contributes to prosperity for Northerners and all Canadians.

In keeping with Government of Canada priorities, CanNor will maintain ongoing engagement, consultation and collaboration with partners and stakeholders to create and sustain public and private sector commitment and support for a prosperous North.

*"Economic prosperity in the North provides a solid foundation for the well-being of Northerners, while benefiting all Canadians."*

**The Honourable Leona Aglukkaq, Minister of CanNor**  
**Fall 2012**

