



Indian and Northern
Affairs Canada

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STRATEGIC INVESTMENTS IN NORTHERN ECONOMIC DEVELOPMENT

***Presentation to Nunavut Economic Forum
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Canada

Purpose

- Provide an overview of the Strategic Investments in Northern Economic Development (SINED) programs
- Highlight end of main block of program funding and identify key issues facing program evaluation
- Solicit views on programs to date

Northern Affairs Organization has regional development mandate for the territories

- Both federal and provincial/territorial governments have economic development roles
- Section 5 of *Department of Indian Affairs and Northern Development Act* makes Minister responsible for:
 - “undertaking, promoting and recommending policies and programs for the further economic and political development of Yukon, the Northwest Territories and Nunavut
 - “coordinating the activities in Yukon, the Northwest Territories and Nunavut of the several departments, boards and agencies of the Government of Canada”
- Similar role to regional development agencies (i.e. Western Economic Diversification, Fed Nor, Canadian Economic Development for Quebec, Atlantic Opportunities Agency)

NAO's management of regional development responsibilities has varied over time

Mid 1970s – mid 1990s:

- multi-party economic development agreements coordinated by INAC

1997 – 2004:

- NAO lacked financial resources for substantive regional economic development programming.
- advocacy; Innovation & Knowledge Fund; federal delivery partner for federal infrastructure programs

2004 - 2009

- \$90M announced for northern economic development to fulfill federal mandate for regional economic development

SINED promotes economic development by:

- Strengthening the driver sectors of territorial economies
- Broadening the economic base of each territory
- Strengthening Northerners' abilities to take advantage of economic opportunities
- Increasing coordination amongst partners and programs

SINED program suite includes:

1. Targeted Investment Program (TIP)

- \$90M for five years announced in Budget 2004

2. Innovation and Knowledge Fund (I&K)

- \$360k/yr per territory

3. Partnership Advisory Forums program (PAF)

- \$79k/yr NWT only

Program focus on strategic investments

- ***Building the Knowledge Base***
 - in key economic sectors or areas of activity that will help set the stage for further economic opportunities and investments
- ***Enhancing the Infrastructure Base***
 - by supporting the planning and development of multi-user physical infrastructure critical to economic growth;
- ***Capacity Development***
 - of organizations, associations, small and medium sized enterprises (SMEs) including social enterprises and individuals so that they can take advantage of economic opportunities;
- ***Economic Diversification***
 - within regions and sectors with a focus on the development of new sectors, products and markets.

Nunavut Investment Plan guides spending

- Investment Plan tailors pan-territorial program objectives to Nunavut specific approach and aligns with Nunavut Economic Development Strategy
- Initial Plan (2005) developed with Government of Nunavut with input from Nunavut Economic Forum
 - Focus on time sensitive investments pending final plan
- Final Plan (2006-2009) developed with Government of Nunavut and Nunavut Economic Forum

Nunavut Investment Plan invests in sectors and cross-cutting issues

Economic Sectors

- Fisheries (\$2.5M)
- Mining/ Geoscience (\$7.5M)
- Tourism/ Parks (\$3.4M)
- Cultural Industries (\$1.9M)

Cross-Cutting

- Broadband (\$1.9M)
- Trade (\$3.6M)
- Community and Organizational Capacity (\$4.3M)

SINED investments part of broader approach

- Northern Strategy identifies theme of “social and economic development of northerners”
- SINED investments have been key deliverables under this priority
- Nunavut Regional Office also coordinates aboriginal-specific programming and infrastructure programs
- Broader role of federal coordination

Timelines

- TIP funding ends March 31, 2009
- I&K funds are ongoing
- External evaluation of programs underway
 - To be finalized September 2009
- Key meetings now with partners to assess SINED delivery and determine whether approach is “close to right”
- Should new funding be available, need to develop new round of investments

Key issues from program evaluation

- How can SINED better contribute to regional development mandate
- SINED as more than a contribution funding program
 - Recognition of role of regional office in federal leadership and coordination
- Determine key federal investment interests (e.g. pan-territorial/ pan-regional investments)
- Strengthen and broaden partnerships
- Better align with longer term strategies
- Address process issues
 - Initial slow roll-out
 - Importance of alignment to strategies
 - Timelines for federal approvals are problematic in northern context (shorter building season, sea-lift dates, etc.)
- Investments should seek to build from “addressing bottlenecks” to “promoting a northern advantage”

Key Questions

- Broadly, how should Government of Canada deliver a regional development mandate in the territories
 - Federal decision-making and accountability
 - Role of Regional Office
 - Engagement with partners
- What Program Framework needs to be in place to effectively promote northern economic development
 - Amount and duration of funding
 - Structure and content of Investment Plans
 - Program management
- What should be the key federal interests in new investments
 - Role of pan-territorial/ pan-regional investments
 - How to support partnerships
- Can investments promote a “northern advantage” in addition to “addressing bottlenecks”