



**Submission to the Canadian Northern Economic
Development Agency (CanNor) regarding
The Strategic Investments in Northern Economic
Development (SINED) program**

May 22, 2015

Introduction

On behalf of the local/territorial chambers and corporate members represented on our Territorial Policy Committee, the Canadian Chamber of Commerce appreciates the opportunity to offer its perspectives on questions asked by the Canadian Northern Economic Development Agency (CanNor) regarding its Strategic Investments in Northern Economic Development (SINED) program. While we are not in a position to respond to all of the questions asked by CanNor in its April 14 request for comments, we have perspectives on a few of them which we hope are helpful.

The Canadian Chamber of Commerce has identified the lack of tools available to businesses in our territories as one of Canada's Top 10 Barriers to Competitiveness. Canada needs economic strength in all of its regions to compete. Reducing the dependence of Canada's territories on the federal government for financial transfers and jobs as well as improving the conditions for private sector growth will improve our national competitiveness. This cannot happen without more tools for businesses in the territories to increase their economic footprint.

In 2009, the federal government created the Canadian Northern Economic Development Agency (CanNor) to "develop a diversified, sustainable and dynamic economy across Canada's three territories..."¹

Businesses in Canada's territories appreciated the acknowledgement by the federal government that the territorial economies warranted the establishment of a dedicated economic development agency and have had successful partnerships with CanNor that have brought benefits to the business community and – as a result – the economy.

Question: *What have been the greatest successes of SINED? How can CanNor build upon these successes to further economic development in the North, for the benefit of all Northerners?*

The Whitehorse Chamber's Yukon Business Development Program (YBDP), which received CanNor support until March 31, 2014, saw selected companies and First Nations economic development corporations receive personalized business development assistance to help them reach their full market potential. The YBDP has helped more than 54 businesses in Yukon. One example of the success of the program is a business connected to the resource sector. The owner came to the program working out of his garage and after several years in the program, he now employs more than 12 people and has gone from gross sales of \$100,000 per year to more than \$4 million.

¹ Treasury Board Secretariat, 2015-16 Main Estimates Parts I and II The Government Expenditure Plan and Main Estimates, page II-65.

Clearly more partnerships which see those who represent businesses - and can bring them together - manage and deliver programs supported by SINED would increase the program's success to the benefit of all Northerners.

Question: *What new opportunities could be on the horizon for the SINED program? What more could be done to ensure that Northerners, and northern businesses, are well positioned to take full advantage of these opportunities?*

Territorial chambers of commerce and their members believe that CanNor's ability to fulfill its mandate as an enabler for northern business is hampered by a lack of business experience/sense of urgency within the agency as well as a cumbersome, lengthy and bureaucracy-laced application, review and approval process.

CanNor is undoubtedly meeting its 90-day application completion standard "which starts when a complete application for funding is received"². However, delays in acknowledging applications, changing parameters regarding supplementary documentation required and the amount of funding available as well as long time gaps associated with each are capped by the fact that the Minister must approve each application. While businesses support the need for due diligence in the spending of public funds, the current process results in frustration and the waste of precious private - and government - time and money. Businesses cannot operate in this manner - for long - nor should the publicly-funded agencies that have been established to assist them in creating sustainable economic growth.

Our members recommend that CanNor make the following enhancements/changes to the application and approval process for the SINED program:

Establish an advisory committee of business people in each territory/region to identify opportunities to invest the program's funding most effectively in private sector initiatives as a complement to its role in accepting applications on a reactive basis only. Acknowledge within 5 business days the receipt of funding applications. Follow up with a preliminary assessment of applications - including additional documentation required - within 10 business days after the original acknowledgement. Communicate a final decision on applications within 90 working days of receiving funding applications or provide an explanation to the applicant(s) of why this is not possible.

Approve applications at the territorial level for funding less than or equal to \$100 thousand that meet the required criteria.

Provide detailed marketing/communications requirements in its approval letters.

Communicate its requirements with other partners, e.g., territorial governments, Crown Corporations.

² Ibid.

Our members also suggest that SINED become a permanent program, subject to review after 5 years, in order to provide planning certainty for CanNor and territorial businesses.

Question: *Do you have any suggestions on how to improve the delivery of SINED or of CanNor's other programs?*

Several territorial businesses and the chambers of commerce that represent them have said there is some confusion – particularly amongst small businesses – regarding who to approach for financing amongst CanNor, the Business Development Bank of Canada (BDC) and the private banks. CanNor could assist by working with BDC and private banks to clarify and communicate which of these organizations businesses with different profiles should approach for financing via media easily accessible to them, for example their respective on-line channels, local/territorial chambers of commerce and media.

Question: *Do you have any other comments or suggestions?*

Some of our members have suggested that CanNor needs to develop a communications strategy that clearly defines its ‘modus operandi’ and how to do business with it.

Territorial businesses have said they find it extremely difficult to contact CanNor staff. At present, there is no personnel directory on CanNor sites.

Our members recommend that CanNor establish an “ease of access to CanNor’s offices and personnel” as a performance standard for the agency.

There is also the sentiment that CanNor representatives in each region must have a better understanding of that region’s economy and what drives it rather than being directed by Ottawa’s understanding of the territories.