

For Immediate Release

Restructuring FedNor will provide more freedom to better serve Northern Ontario

June 9, 2015, Thunder Bay, ON – According to a new research report released by Northern Policy Institute, a major restructuring of FedNor could help separate the program from Industry Canada and allow it to stand on its own two feet, giving it more autonomy and place it in a better position to serve the people of Northern Ontario. The report, **FedNor: It's Just Got to be Free: Toward More Strategic and Collaborative Governance of Regional Economic Development in Northern Ontario**, written by Charles Conteh, examines the current structure of FedNor and compares it to other economic development agencies in Canada.

FedNor is currently a program delivery unit within Industry Canada. Conteh argues that becoming less tied to Industry Canada will allow FedNor to be more locally embedded and responsive to initiatives of the local private sector and community groups. Using the Western Economic Diversification Canada in Manitoba and the Atlantic Canada Opportunities Agency in New Brunswick as comparisons, Conteh looks at how FedNor differs from these agencies. According to Conteh, FedNor lacks effective financial and policy discretion.

“Although FedNor is often referred to as an ‘agency,’ in fact it is not technically an agency in the strict legal and institutional sense of the term, but merely a program delivery unit within industry Canada,” Conteh writes. “Regional economic development in Canada is no longer about economic equalization for economically disadvantaged regions through redistributive programs, but increasingly about creating the institutional infrastructure and making critical investments needed to mobilize a region’s economic assets to allow it to become more economically diverse and globally competitive.”

Conteh provides five key recommendations for restructuring FedNor:

1. FedNor should be structured to allow for greater operational discretion and autonomy from Industry Canada.
2. FedNor should abandon its current project-centric approach of allocating disparate grants to a wide number of projects in favour of supporting a small number of larger investments designed to build the capacity of value-added and knowledge-intensive economic clusters.
3. FedNor should adopt formally the Growth Plan for Northern Ontario as the policy framework for the region.
4. FedNor should institutionalize a collaborative approach to program delivery by developing comprehensive five year formal partnership agreements with Ministry of Northern Development and Mines (MNDM) and the Northern Ontario Heritage Fund Corporation (NOHFC) for larger investments that support the emerging priorities targeted in the Growth Plan for Northern Ontario.
5. Because Northern Ontario is not one homogenous region, the partnership agreements should focus on supporting SMART programs identified through a comprehensive process of consultative strategic

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planning by five regional economic zones or sub-regions. These sub-regions should be a partnership with the region's five major cities and their surrounding communities to coordinate the development and delivery of economic development programs.

"The current mandate, structure, and approach to regional economic development of the Federal Economic Development Initiative for Northern Ontario have a detrimental effect on the organization's policy engagement in the region, especially as seen through the lens of the new regionalism and by juxtaposing Fednor's experience with those of Western Economic Diversification Canada in Manitoba and the Atlantic Canada Opportunities Agency in New Brunswick."

FedNor: It's Just Got to be Free: Toward More Strategic and Collaborative Governance of Regional Economic Development in Northern Ontario can be found on the Northern Policy Institute website at www.northernpolicy.ca.

Media Interviews: Author, Charles Conteh and Northern Policy Institute president and CEO, Charles Cirtwill, are available for comment. To arrange an interview, please contact:

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About Northern Policy Institute:

Northern Policy Institute is Northern Ontario's independent think tank. We perform research, collect and disseminate evidence, and identify policy opportunities to support the growth of sustainable Northern Communities. Our Operations are located in Thunder Bay and Sudbury. We seek to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts Northern Ontario, Ontario, and Canada as a whole.

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