



April 7, 2010

## City Council Committee Report

**To: Mayor & Council**

**Fr: Heather Kasprick, Deputy Clerk**

**Re: NOMA Resolution – Strong Fednor**

### **Recommendation:**

**That Council of the City of Kenora support the following resolution as recommended by NOMA;**

**Therefore, be it resolved that the Northwestern Ontario Municipal Association calls on the Federal Government:**

**to recognize the importance of the NODP/FedNor program to economic development in Northern Ontario;**

**to improve service delivery timelines to ensure funding requests are processed within 4 months;**

**to indicate its ongoing support for Northern Ontario through the establishment of the Economic Development Agency of Canada for the Region of Northern Ontario; and,**

**to commit to annual, stable funding of not less than \$90 million for the NODP program.**

### **Background:**

Council has received a request from The Northwestern Ontario Municipal Association for Municipalities to adopt a resolution outlining the below information:

The Federal Economic Development Initiative in Northern Ontario (FedNor) was established by the Federal Government in 1987 to promote business development and economic diversification in Northern Ontario. FedNor is responsible for the delivery of the Northern Ontario Development Fund (NODF) or the FedNor Program which promotes economic growth, diversification, job creation and sustainable self-reliant communities in Northern Ontario through a range of initiatives aimed at improving small business access to capital, information and markets; and, the Community Futures (CF) Program which supports the development and growth of rural Ontario communities.

Currently, FedNor is a Government program, not an official Government agency or department. FedNor was not established by legislation as other regional economic development agencies are such as the Atlantic Canada Opportunities Agency (ACOA), Western Economic Diversification Canada (WD), and the Canada Economic Development Agency for the Regions of Quebec. As such, FedNor does not enjoy the stability of a full agency, does not currently have a designated Minister of State, and is vulnerable to change should the Government decide to reduce or eliminate funding in the future.

In recent years, program funding has been reduced by over \$5 million and the distribution of those funds by FedNor has been slowed substantially. As a result, the delays experienced by funding applicants have greatly impacted the effectiveness of the program in supporting timely economic development. Conversely, the Provincial Government has recognized the importance of economic development for Northern Ontario by increasing funding for the Northern Ontario Heritage Fund Corporation to \$90 million per year in 2010-11. In the case of some large projects, NOHFC funding is contingent on FedNor funding approval; as such these projects are at times bogged down with delays or forfeited all-together while waiting for FedNor approvals that may take months.

**Budget:** N/A

**Communication Plan/Notice By-law Requirements:**

N/A