

FedNor lacks true autonomy

*Northern Policy
Institute calls for
stand-alone agency*

BY JEFF LABINE

THE CHRONICLE-JOURNAL

To better serve Northern Ontario, FedNor needs to cut ties with Industry Canada.

That's the main message in a new report by the Northern Policy Institute, which was released on Tuesday. The Northern Ontario think tank's report argues FedNor needs to move away from Industry Canada and become a stand-alone agency, which answers directly to the Treasury Board of Canada Secretariat.

The report goes on to say that FedNor is not a agency as it is currently but simply a vehicle to deliver funding to programs within Industry Canada.

In addition to becoming more independent, the report has four other recommendations including abandoning its current project-centric approach to providing grants and funding in favour of a small number of larger investments that are aimed to build up the so called value-added and knowledge intensive economic clusters.

The report also calls on FedNor to adopt the Growth Plan for Northern Ontario as its policy framework for the region. The Northern Policy Institute was also a part of the Ontario Growth Plan when it was announced back in 2011.

"In short, FedNor is the institutional embodiment of the federal government's historic ambivalence about the particular needs of Northern Ontario," the report states.

"Further evidence of the perennial lip service the federal government pays to decentralized economic development governance in Northern Ontario is that FedDev, created in 2009 for southern Ontario, commands more organizational autonomy and discretion than FedNor."

The report also argues that the federal government and municipalities should partner with the province to realize the growth plan's shared vision for the North.

NDP MP and FedNor Critic John Rafferty supported some of the ideas in the report such as the idea of becoming more independent but he was hesitant about adopting all of the recommendations.

"There's no question that some reconstruction has to be done," he said. "FedNor should be a stand-alone agency. Under this government, FedNor has fallen short in a number of areas. The first one, which is the obvious one, is when the Conservatives took power (in 2006) the budget has been cut in half. I will be pushing to have that brought back to 2007 levels."

He argued that FedNor becoming a stand-alone agency would make it more transparent for Northerners and Canadians.

Rafferty wasn't sure about the recommendation to move away from the project-based approach FedNor currently has. He said he would be worried that smaller communities would be overlooked but he remained open to discussing the idea more.

He said he would like to see local initiative grants returned to ensure all communities have access to FedNor funding.

Rafferty also said he would be hesitant to have FedNor funds tied up in a formal agreement as it could eat up the program funding.

"I would hesitate on the basis that FedNor funds could in essence be hijacked," he said. While seeing value in working co-operatively with the Ministry of Northern Development and Mines and the Northern Heritage Fund Corporation, he said a formal partnership is not wise.

The Chronicle-Journal was unable to reach FedNor Minister Greg Rickford for a comment.

Rickford's staff did send a statement which said "FedNor has a proven track record of making targeted, responsible investments in community economic development, business growth, competitiveness and innovation. Since 2006, we have invested in more than 1,900 projects across Northern Ontario, while supporting over 44,000 jobs."