Policy Statement
Northern and Remote Communities

Introduction

Far from being an untouched wilderness and storehouse of resources, Canada’s North is home to many geographically separated communities that require strong, accountable municipal government for their security, development and prosperity.

The North and its communities need sustainable development strategies to support economic diversification. These communities also need infrastructure that connects them to the rest of Canada and to each other. That infrastructure includes roads and airports, as well as broadband internet access, health-care facilities, libraries and other elements that support the community and surrounding areas. Strong communities with sustainable infrastructure will strengthen Canada’s sovereignty in the North and advance the region’s inclusion in and contribution to national prosperity.

FCM’s Northern Forum was established in 2001 with a mandate to undertake research and policy development on issues of interest or concern to municipal governments in northern Canada. In 2008, the Forum was renamed the Northern and Remote Forum. It comprises FCM member municipalities located north of the 5th parallel, including the three territories, all of Labrador, and northern British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

Key Principles

Sustainable Community Development
New development initiatives in the North are being considered or underway. These initiatives must reflect the lessons learned from Canada’s long experience in developing remote areas. Chief among these lessons is that the resource-driven, boom-and-bust model of remote community development does not create sustained or sustainable development. All orders of government must work together to improve the quality of life for Northern residents by building on the social, economic, environmental and cultural foundations of northern and remote communities. Governments must also recognize and engage in long-term planning that promotes community resilience, thus strengthening the capacity of communities to adapt to changing economic conditions.

Quality of Life
Community quality of life is influenced by interrelated factors, including appropriate, available, and affordable housing, accessible health care, opportunities for civic engagement, community and social infrastructure, education, the local economy and employment, the natural environment, personal financial security and safety. Local governments in northern and remote communities are committed to improving their residents’ quality of life, but they require the skills and resources to do so, as well as the tools to measure progress.

Building Community Capacity
Programs that work well in southern Canada will not necessarily work in northern and remote communities, which often do not have the same capacity to undertake projects. Building community capacity involves strengthening the skills of people and community groups so they can develop their communities around local priorities. The cost of training even for short durations can be prohibitive, due to geographical distances that result in high travel and accommodation costs.

FCM Policies

COMMUNITY INFRASTRUCTURE FOR NORTHERN COMMUNITIES
The needs and capacities of northern communities demand unique approaches to infrastructure. Federal infrastructure investments that recognize financial capacity and improve access to northern communities are critical to the quality of life and competitiveness of these communities.
Communities require appropriate housing, clean water, adequate sewage disposal, appropriate solid waste management, affordable transportation and clean energy. Despite the critical importance of this infrastructure to the quality of life and competitiveness of northern communities, many local governments in the North face severe barriers to meeting their communities’ infrastructure needs and the myriad of new regulations that accompany new initiatives. This is why FCM has consistently urged distinct support for northern and remote infrastructure needs. In the 2016 Fall Economic Statement, the government responded by announcing a $2 billion, 11-year Rural and Northern Communities Fund as part of its Phase 2 Infrastructure plan that will include broad eligibility criteria to respect the wide-ranging nature of unique infrastructure needs in northern and remote communities, which includes expanding road access, pursuing renewable sources of energy and reducing reliance on diesel.

Geographic isolation remains a key driver of the northern infrastructure deficit, increasing the cost of materials, energy and labour mobilization and compounded by the impacts of climate change. In addition, the limited availability of transportation routes shortens the construction season delaying needed construction and repair. Shortened transport and construction seasons and reduced life of assets in northern climates are a reality for northern communities. Strategic infrastructure investments that reduce isolation, including deep sea ports, highway extensions and regional airports are critical to lowering the cost of infrastructure investment and supporting development.

Federal, provincial/territorial, municipal and First Nation governments must continue with efforts to make infrastructure programs work for the North and to find new ways to fund infrastructure projects in northern communities. A shift away from application-based programs, minimum dollar figure requirements as well as flexibility in eligible project types, applications by proxy and timelines for completion, are important for program success in the North.

**Strategies**

FCM recommends that the Government of Canada:

- **Infrastructure Funding** – integrate specific provisions in federal infrastructure programs that suitably address the unique conditions affecting infrastructure in the North:
  
  o Within the government’s infrastructure plan announced in the 2016 Fall Economic Statement, work with local, provincial and territorial partners to implement the dedicated $2-billion, 11-year Rural and Northern Communities Fund and develop a Trade and Transportation Infrastructure Fund carve-out for northern and remote airport, marine and road infrastructure projects;
  
  o Determine provincial/territorial funding allocations on a base plus population framework;
  
  o Disburse funds to local governments on an allocation basis; no funds should be application based;
  
  o Maintain the 75 per cent federal cost-share in the territories, and enable northern and remote communities to stack federal funding sources to cover up to 75 per cent of their share;
  
  o Simplify and streamline application forms and reporting requirements, yet retain accountability;
  
  o Allow provincial and territorial municipal associations or other partners to apply on behalf of northern municipalities;
  
  o Allow for broad interpretation of eligible projects, ensuring inclusion of recreational infrastructure and, as in the previous program, other fixed capital assets used or operated for the benefit of the public; and
  
  o Provide flexibility with timing of program delivery.

- **Housing** – take targeted measures to address northern housing challenges:
Ensure robust funding and policy direction within the National Housing Strategy to address the significant and distinct housing needs of households living in Northern and Remote communities. This could include:

- Support to fund retrofits to existing housing to reduce energy costs;
- Engaging the private sector to address the rental and ownership housing markets in the North; and
- Support the construction trades and develop home-building capacity.

**Airports** – implement a new Northern and Remote Airports Infrastructure Investment Program to deal with the airport infrastructure deficit in the territories and remote airports in the provincial north. Similar to the Airports Capital Assistance Program (ACAP), this program would include airport infrastructure improvements (e.g. paving) not only maintenance. The Trade and Transportation Infrastructure Fund announced in the 2016 Fall Economic Statement provides an opportunity to address some of these critical needs.

**NORTHERN COMMUNITY AND ECONOMIC DEVELOPMENT**

To ensure that northern communities have competitive advantages equivalent to those of other regions of Canada, local governments in the North need help diversifying local economies and maintaining a high quality of life.

To be competitive, communities require the public infrastructure and services to support economic activity and social cohesion. Beyond physical infrastructure, such as roads, clean and safe water, solid waste management and wastewater treatment, communities in the North also require social and cultural infrastructure, such as community centres, schools, and libraries, to improve their quality of life. Although relocation incentives for businesses and individuals will do much to attract people to the North, the quality of life in northern communities will ultimately influence their decision to stay and thrive.

Northern communities require the technological infrastructure needed to succeed in an increasingly integrated global economy. FCM has called for Canada to build world-leading information technology infrastructure for remote regions, as a northern development priority and welcomes the federal government’s $500-million investment over five years to extend and enhance broadband service in remote communities, as well as the decision of the Canadian Radio-Television and Telecommunications Communication (CRTC) to expand the basic service objective to include universal access to affordable high-speed broadband Internet across all of Canada, including northern and remote regions. In its current state, lack of redundancy in telecommunications infrastructure and supporting infrastructure (such as energy) makes communications services highly vulnerable to failure. Securing northern and remote area access to broadband networks will provide competitive advantages found in other parts of the country and contribute significantly to economic development, and health and safety.

Inadequate infrastructure to support the delivery of health care, including culturally relevant mental health services, is a serious impediment to economic and social development in the North. Northern communities face major barriers to providing health care because of their remote locations and the shortage of health professionals. Although health care is not generally a municipal responsibility in Canada, the lack of it affects municipal governments’ ability to attract businesses and individuals to their communities, which makes it a municipal concern. Furthermore, the prevalence of mental health issues in northern and remote communities is having a profoundly negative impact on individuals, families and overall community wellbeing.

Reducing the high cost of living is a critical policy tool for supporting economic development in northern communities. Cold, isolation and remoteness are the primary drivers of the high cost of living, with many communities accessible only by air or ship and, in the western Arctic, by ice road in winter. FCM
welcomes important federal measures to help address these high costs such the increase to the Northern Resident Tax Deduction (NRDT) which will go a long way to encourage people to live and work in the North. Additional and complimentary policy tools must also be developed.

Economic development in northern communities depends, to a certain extent, on their ability to attract people with the skills and talent they need to build strong local economies. Municipal governments recognize that targeting specific groups, such as young people, immigrants and Indigenous people, will build population bases that can support economic growth.

**Strategies**

FCM recommends that the Government of Canada:

- **Broadband** – design and implement $500 million investment in enhancing broadband services, through the Connect to Innovate program in a way that ensures northern and remote communities receive universal access to affordable high-speed broadband internet;

- **Northern Residents Tax Deduction** – increase the residency component of the Northern Residents Tax Deduction to address reduced purchasing power, and apply a predictable index so that its value continues to keep pace with inflation;

- **Mental Health** – partner with all orders of government to improve health care and mental health care in northern areas;

- **Food Insecurity** – address food insecurity by working directly with northern and remote communities to implement proposed reforms to the Nutrition North program;

- **Emergency Preparedness** – work directly with northern communities to develop a comprehensive plan for reinvesting in local emergency preparedness and enhanced search and rescue capacity in the North.

**ENVIRONMENTAL SUSTAINABILITY IN THE NORTH**

*To facilitate environmentally sustainable planning, northern communities must have access to such resources as tools, expertise and financial capacity.*

Northern communities understand the importance of environmentally sustainable community development. For example, the effects of climate change and resource extraction threaten traditional ways of life and wildlife habitats in the North. Threats to air quality through long-range transport of atmospheric pollutants demonstrate that northern communities are affected by activities in other parts of the country and internationally.

Programs for northern communities must recognize that municipal governments require the capacity and funding to plan for long-term sustainability. They need revised legislative and regulatory frameworks, new tools and training, development of best practices, and tools to measure progress. This will allow them to move toward more financially and environmentally sustainable infrastructure decisions and to undertake long-term regional planning.

By building community capacity, municipal governments in the North will become valuable partners in contributing to environmental outcomes. Municipalities must be fully engaged in federal, provincial and territorial programs. This will be of particular importance in the deployment of the Responsible Resource Development strategy and the implementation of changes to the *Fisheries Act*, the *(Navigable Waters)* *Navigation Protection Act*, the *Species at Risk Act* and the *Canadian Environmental Assessment Act*. 
Strategies

FCM recommends that the Government of Canada:

- Support Northern environmental priorities by designing the Green Infrastructure Fund announced in the 2016 Fall Economic Statement so that it includes mechanisms flexible enough to provide northern and remote communities with equal opportunity to move projects forward— including maintaining 75% federal contributions in the territories and building maximum flexibility into stacking rules;

- Enhance and expedite efforts to help northern communities adapt their infrastructure, economies and ways of life to a rapidly changing landscape and climate resulting from climate change, including through funding programs that support adaptations to melting permafrost, snow load and other climate-related challenges;

- Support and disseminate best practices, such as information on environmental technologies and design standards specific to northern communities;

- Ensure that northern communities are engaged in the development and implementation of federal policies and programs in order to address capacity and resource limitations; and

- Encourage the expanded use of environmental monitoring tools available to northern communities and promote intergovernmental partnership in developing these tools.

Approved March 2017
Northern and Remote Forum