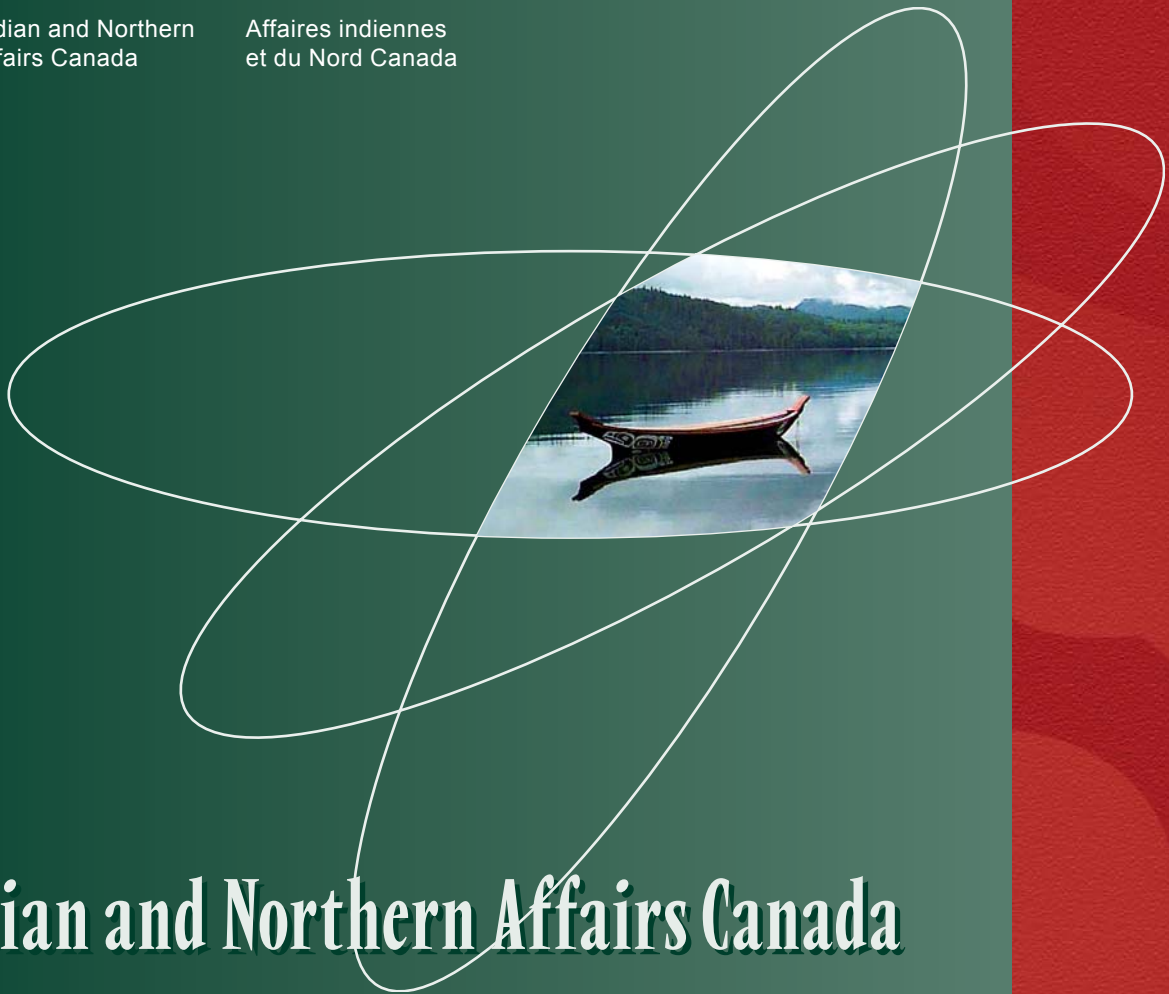




Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada



Indian and Northern Affairs Canada and Canadian Polar Commission

2003–04 Estimates

Report on Plans and Priorities

The Honourable Robert D. Nault, P.C., M.P.
Minister of Indian and Northern Affairs Canada

Canada

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Section I • Messages

Minister's Message

I am pleased to present the 2003–04 Report on Plans and Priorities for Indian and Northern Affairs Canada and the Canadian Polar Commission.

In the year ahead, our plans and priorities continue to focus on enabling improved quality of life for the people we serve. We are implementing an ambitious agenda of social and economic reform aimed at making Canada a place "of ever-widening opportunity," as the recent Throne Speech said.

At Indian and Northern Affairs Canada, we work with Aboriginal people and organizations, Northerners, and provincial and territorial governments, as well as the private sector, to accelerate social and economic development, building strong community foundations for First Nations, Inuit and Northerners.

In the North, we will continue to be active partners for change as the territories assume more province-like responsibilities. Also in partnership with Northerners, we will help bring about more efficient regulatory regimes for resource development to stimulate sustainable economic growth in the North.

A key part of our role is to enable progress, and an integrated suite of legislative initiatives undertaken for and with First Nations supports that objective. We are building on progress to date with the *First Nations Land Management Act*. The proposed *First Nations Governance Act* (FNGA), the proposed *Specific Claims Resolution Act* and the proposed *First Nations Fiscal and Statistical Management Act* are intended to lay a strong foundation for a First Nations economy that will give First Nations people real choices for the future through control over reserve lands and resources, faster claims processing and power to raise capital. Until self-government agreements can be negotiated and implemented, the proposed FNGA will provide more effective tools of governance, invests First Nations governments with the authority they need to build brighter futures for their communities, and empowers First Nations citizens to hold their governments to account.

The department will also continue to pursue a number of important initiatives to strengthen First Nations, Inuit and northern communities. The measures we propose for the coming year include ongoing support for housing, water, infrastructure and sustainable development in First Nations communities. Our department will also continue work to improve education for First Nations children and close the gap in "life chances" that exists between Aboriginal and non-Aboriginal youth. Investments in post-secondary education will give First Nations and Inuit youth the opportunities they deserve to reach their potential and fulfil their highest aspirations.

These efforts take place alongside ongoing work to honour the responsibility of the Crown to First Nations, a responsibility that ranges from treaty-making, to settling land claims, to negotiating and implementing self-government agreements. It is my hope that the year ahead will see a renewed spirit of cooperation and goodwill. The Government of Canada remains committed to the negotiation and implementation of the inherent right of self-government of each and every First Nation in this country.

As Minister, I am proud of the direction we are taking to fulfil our objectives as expressed in the Speech from the Throne. In partnership with First Nations, Inuit and Northerners, we will proceed toward our common goals. In the pages that follow, we outline our plans and priorities in support of our mission to build a better quality of life for First Nations, Inuit and Northerners. It is my belief that, in delivering on these priorities, we can help make Canada a better place for all Canadians, in the North and in the South, Aboriginal and non-Aboriginal alike.



Management Representation Statement

I submit, for tabling in Parliament, the 2003–04 Report on Plans and Priorities (RPP) for Indian and Northern Affairs Canada.

This document has been prepared based on the reporting principles and disclosure requirements contained in the *Guide to the preparation of the 2003–04 Report on Plans and Priorities*:

- It accurately portrays the organisation's plans and priorities.
- The planned spending information in this document is consistent with the directions provided in the Minister of Finance's Budget and by TBS.
- Is comprehensive and accurate.
- Is based on sound underlying departmental information and management systems.

The reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.



Caroline Davis
Assistant Deputy Minister, Corporate Services



Date

Section II • Raison d'être

The mission of Indian and Northern Affairs Canada (INAC) is to facilitate a better quality of life for First Nations, Inuit and Northerners.

Section III • Planning Overview

Planning Framework

To achieve its mission, INAC, in collaboration with First Nations governments, other federal departments, provincial and territorial governments, and others, is working on long-term and more immediate objectives to put in place fiscally responsible, sustainable initiatives, programs and services to improve the support climate and increase self-sufficiency of First Nations, Inuit and northern residents.

These objectives take into account jurisdictional considerations, statutory and fiduciary obligations, the special relationships between the federal government and Aboriginal people, and the aspirations of First Nations, Inuit and northern residents.

INAC's objectives build on the four elements of *Gathering Strength — Canada's Aboriginal Action Plan*, as well as the September 2002 Speech from the Throne. The goals articulated in the September 2002 Speech from the Throne include closing "the gap in life chances between Aboriginal and non-Aboriginal Canadians" and "ensuring that the benefits of the new economy touch every community and lift every family and every Canadian."

The department's strategic directions are based on a foundation of transforming relations with First Nations; supporting healthy and safe communities; closing socio-economic gaps; improving management of land, environment, water and natural resources; and honouring responsibilities and commitments. In the upcoming year, the focus will be on strengthening governance; reducing the socio-economic gap; encouraging healthy communities; and improving operations, in accordance with INAC's different roles and responsibilities with respect to First Nations, Inuit and Northerners.

Strengthening Governance

INAC's long-term objective with respect to First Nations is to support strong sustainable communities through such means as establishing government to government relationships. While negotiated self-government agreements are proven means to bring about positive change in First Nation communities, such agreements take significant time and resources before this objective can be realized.

INAC's immediate objective is to empower First Nations constituents to hold their governments to account by providing First Nations with the tools to implement modern, effective governance regimes and practices, which are available to other governments but absent in the *Indian Act*. This objective will be accomplished through development and implementation of a progressive legislative governance package, including the proposed *First Nations Governance Act*, *Specific Claims Resolution*

Act and First Nations Fiscal and Statistical Management Act, along with expansion of the *First Nations Land Management Act*, modernization of the *Indian Oil and Gas Act*, including development of a legislative framework to enable First Nations to take advantage of a broad range of commercial and industrial opportunities on reserve, opt-in legislation to enable First Nations to directly manage their oil and gas activities and revenues as well as other Indian Moneys. Expansion of the *First Nations Land Management Act* also provides First Nations with land management tools that facilitate land and related resource development.

The tools proposed under this governance package, including those related to leadership selection, administration, financial management, land and resource management, citizen redress, and organizational support, are intended to decrease the federal government's involvement in the day-to-day operations of First Nations communities, to increase First Nations' capacity and self-sufficiency during the transition to self-government, and to assist in the development of a First Nations' public service. On a complementary and parallel track, streamlined negotiations processes for land claims and self-government will be increasingly effective in building the capacity of First Nations and Inuit to become self-governing.

In the territories, the long-term objective is to devolve many of the province-like responsibilities currently exercised by the federal government to northern governments. More immediate objectives vary from territory to territory: with the passage of the revised *Yukon Act*, devolution to the Yukon government can proceed April 1, 2003; negotiations for a framework agreement to guide devolution discussions in the Northwest Territories are scheduled for completion in early 2003–04. In Nunavut, the department is working with its partners to lay the foundation for devolution.

Reducing the Socio-Economic Gap

Attaining this goal requires parallel achievements in the areas of economic development, northern development, education, claims settlement and self-government. It is also supported by and linked to strengthening governance as the foundation for strong economies and healthy communities, and with government-wide environmental protection and sustainable development principles.

The long-term objective is to close the socio-economic gap that exists between First Nations and Inuit individuals and communities and non-Aboriginal Canadians. This goal will be achieved through more strategic, partnership-based initiatives that generate wealth, create self-sustaining First Nations and Inuit communities, and allow greater participation by these communities in Canadian and global economies. It also means providing First Nations and Inuit with educational, employment and economic development opportunities required to participate in and contribute to the Canadian economy, as well as providing First Nations governments with the tools to provide services to their residents comparable to those provided to other Canadians. There is a pressing need to address gaps in education and economic development, and ensure services reach those in greatest need.

In regard to more immediate objectives for claims and self-government, the objective is to focus resources on negotiations in which settlements are imminent, to simplify the mandating process and to provide for incremental measures that benefit groups while encouraging final agreements.

In terms of northern development, the focus is on establishing a modern, effective regulatory management system for development in such areas as natural gas pipelines and diamond mines, so

as to provide industry with a clear understanding of the processes involved, to protect the environment and to secure investments.

Supporting Healthy Communities

This key objective encompasses social development and a spectrum of ongoing infrastructure supports (such as water and sewer systems, housing, etc.) for First Nations communities. Programs need to support provision of essential services, and at the same time foster self-sufficiency and comprehensive community planning. This work must be undertaken in collaboration with First Nations governments to encourage and engage communities in comprehensive planning, strengthening governance and reducing the socio-economic gap.

The long-term objective is similar to that for closing the socio-economic gap — to reduce disparities between First Nations and non-Aboriginal Canadians living in similar circumstances. It is to be achieved by providing First Nations governments with the tools and models to provide comparable, sustainable social services to residents and to effectively manage and maintain on-reserve infrastructure. There is an urgent need to address gaps in programming, to ensure services reach those in greatest need and to put expenditures on a sustainable basis.

In the North, the focus is on continuing to support sustainable northern resource development as a foundation for healthy communities. There is also a need to address the legacy of the past by cleaning up contaminated sites.

Environmental protection and public safety are also essential components of healthy First Nations, Inuit and northern communities.

Improving INAC's Operations

Progress in this area is essential for strengthened governance, improved socio-economic conditions and healthy communities. Improving operations comprises both operations and communications in support of a more cohesive and consistent organization.

The ongoing objective is to demonstrate that INAC provides good value for money. This involves demonstrating results through performance management and improved communications to other federal departments, provincial and territorial governments, First Nations governments and other stakeholders of the scope of responsibilities/objectives of INAC.

The more immediate performance management objectives include expanding practices of modern comptrollership (including completion of an A-base review); rationalizing and integrating policy, financial and operations processes; and increasing the effectiveness of monitoring and reporting.

Other immediate objectives are measures to further honour responsibilities and commitments (including more effectively dealing with specific claims, through the proposed *Specific Claims Resolution Act*); moving to litigation management that is increasingly geared toward resolution strategies and prevention initiatives; and improving public education initiatives aimed at both Aboriginal and non-aboriginal Canadians.

This objective also entails dealing with the legacy of contaminated sites in the North and on reserves, and implementing regimes that provide adequate environmental protection while facilitating resource development.

Circles of Influence

This report is structured around INAC's commitment to strategic outcomes. For each strategic outcome, INAC's planning process makes reference to three "circles of influence" for reporting the results of activities in terms of short-, medium- and long-term outcomes.

The **operational circle** involves the department's day-to-day activities, the use of its resources, and the operation of its policies and programs. Activities and outputs at this level are intended to contribute directly to the next level, the collaborative circle.

Operational-level results include consultations, policy development, operations, payments, and communications and outreach. Operational activities are intended to have a direct influence on immediate and intermediate outcomes.

The **collaborative circle** relies on partnerships to achieve goals, build capacity, improve practices, and create a supportive climate for initiatives.

Collaborative-level results include the following:

- adoption of practices that contribute to strategic outcomes by target communities and sectors;
- enhancement of capacity, or increased ability and commitment to address key challenges and opportunities in achieving strategic outcomes;
- increased knowledge and understanding of key requirements;
- positive reactions of key communities;
- awareness, participation and engagement in key issues, challenges and opportunities;
- support for key issues from provincial, territorial, regional and other government departments and partners; and
- agreements and partnerships with First Nations and industry for the development of land and resources.

The **global circle** describes both the existing conditions affecting strategic outcomes and desirable changes in those conditions. While these conditions are often beyond INAC's direct influence, it is important to focus on activities that contribute to positive changes for First Nations, Inuit and Northerners in the long term. Global-level results (end outcomes) or priorities include strong, sustainable communities, people and economies; strengthened Aboriginal and northern governance; a new fiscal relationship; and renewed partnerships.



Reporting Structure

Indian and Northern Affairs Canada

Strategic Outcomes	Priorities	Key Results Area
To provide Canadians with an environment that fosters a more promising future for all First Nations and Inuit by strengthening the relationship and addressing the disparities in living standards of First Nations and Inuit versus non-Aboriginal people; and to promote enhanced skills and expertise, leading to more sustainable and accountable Aboriginal governments, increased self-sufficiency and economic independence.	Strong Communities, People and Economies	Reducing the Socio-Economic Gap Supporting Healthy Communities
	Strengthened Aboriginal Governance	Strengthening Governance
	New Fiscal Relationship	Strengthening Governance
To provide Canadians with management of the federal Northern Agenda resulting in: strengthened territorial governance systems that are sensitive to Aboriginal rights and interests and the needs of all Northerners in general; exercising environmental stewardship, and promoting sustainable development in the North.	Renewed Partnerships	Supporting Healthy Communities Improving Operations
	Effective Management of Federal Interests in the North	Strengthening Governance Supporting Healthy Communities
		Reducing the Socio-Economic gap

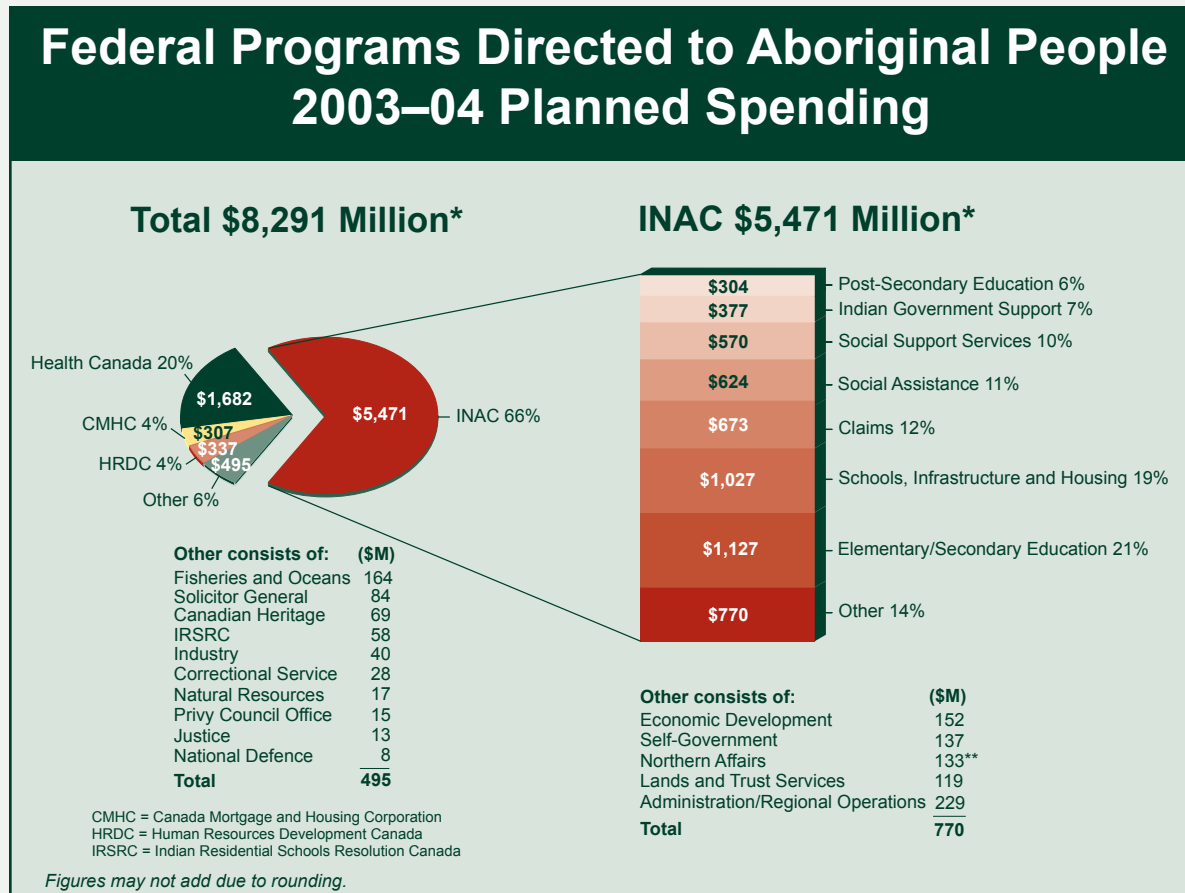
Canadian Polar Commission

Strategic Outcome	Priority	Key Results Area
To provide Canadians with an effective national and international presence in relation to polar science and technology that contributes to a broader understanding of polar issues.	Develop and Disseminate Knowledge with Respect to the Polar Regions	Develop and Disseminate Knowledge with Respect to the Polar Regions

Key Co-delivery Partners

Fourteen federal departments and agencies, including INAC, offer programs for Aboriginal people, with total expenditures of approximately \$8.3 billion in 2003–04 (see Figure 1). Basic, provincial-type services account for more than 80 percent of total on-reserve funding. Further information on co-delivery partners is included in Section VI.

Figure 1



* Expenditures in Figure 1 are budgetary only. To reconcile to the 2003–04 planned expenditure figure for INAC (\$5,575 million), \$104 million must be added to the INAC total of \$5,471 million in Figure 1. The \$104 million reflects the total for non-budgetary expenditures (\$77 million) and the non-Aboriginal portion of expenditures in the Northern Affairs Program (\$27 million).

** Reflects Aboriginal-specific programs and a proportion of non-Aboriginal-specific programs.

Profile of Canada's Aboriginal People

The *Constitution Act*, 1982, recognizes three groups of Aboriginal people — **Indians, Inuit and Métis**. In addition, the *Indian Act* delineates the legal definitions that apply to **Status Indians** in Canada: a Status Indian is an Indian person who is registered under the *Indian Act*.¹ **Métis** people are of mixed First Nations and European ancestry, who identify themselves as Métis. The **Inuit** are the Aboriginal people of Arctic Canada and live primarily in Nunavut, the Northwest Territories and northern parts of Labrador and Quebec. The Inuit do not live on reserves and are not covered by the *Indian Act*.

INAC's core responsibilities with respect to Aboriginal people are primarily related to Status Indians living on reserves and the Inuit. INAC is responsible for the delivery of provincial-type programs and services on reserves. In the North, INAC works in cooperation with Inuit and other Aboriginal communities to develop governance structures and to finalize and implement land claims and self-government agreements. Given the unique context of Canada's North, and in accordance with the federal policy on Aboriginal self-government,² some agreements also include Métis north of 60° latitude.

Status Indians living on reserves represent about 61 percent of the Status Indian population. There are 445,436 on-reserve Status Indians and 285,139 who reside off-reserve.³ In total, there are 614 First Nations communities, comprising 52 nations or cultural groups and more than 50 languages. About 61 percent of First Nations communities have fewer than 500 residents — only six percent have more than 2,000. Overall, 34.6 percent of on-reserve Status Indians live in urban areas, while 44.6 percent live in rural areas; 17.0 percent live in special-access areas and 3.7 percent in remote zones.

The on-reserve Status Indian population is expected to increase by 57.9 percent from 2003 to 2021, compared with 12.0 percent for the Canadian population as a whole. About 40.4 percent of the Status Indian population is under the age of 19, compared with 25.2 percent for the Canadian population.^{3,4}

In Canada's North, which occupies 40 percent of Canada's land mass, there are three territories consisting of some 96 organized communities, most of them home to small populations of First Nations, Métis or Inuit. Widespread distribution of the population increases the cost of providing services. Some 92,300 residents are scattered across this area; Nunavut's population is 26,700, while there are 37,100 people in the Northwest Territories and 28,500 in the Yukon.

The population in the North is young, with 43.6 percent of the population under the age of 25. A little over half of the population is Aboriginal, varying from 85.7 percent in Nunavut to about 51 percent in the Northwest Territories and about 24.5 percent in the Yukon. There are few reserves.

¹ A **Treaty Indian** is a Status Indian who belongs to a First Nation that signed a treaty with the Crown. Not all Status Indians belong to First Nations that signed treaties. A **Non-Status Indian** is an Indian person who is not registered as an Indian under the *Indian Act*.

² See http://www.ainc-inac.gc.ca/pr/pub/sg/plcy_e.html.

³ 2000-based projections using the Indian Registry System for the year 2003.

⁴ *Population Projections for Canada, Provinces and Territories, 2000–2026*, Statistics Canada, 2001.

Reliability of Statistics

Demographic Statistics Supplied and Verified Through Population Projections

On-reserve Status Indian Population

The department uses 2000-based Indian Registry System (IRS) population projections developed by Statistics Canada for INAC. These projections have been adjusted for late and under-reporting of births and deaths and therefore differ from actual IRS data. Although these projections are not predictions, they represent future trends that the Registered Indian population will follow, if the underlying assumptions (with respect to fertility, mortality, miscellaneous additions, migration, reinstatement and status inheritance) are accurate.

Canadian Population

The department uses *Population Projections for Canada, Provinces and Territories, 2000–2026* (Statistics Canada publication, Catalogue No. 91-520). These data are considered reliable, if the underlying assumptions are accurate.

Demographic Statistics Supplied and Verified Through the 2001 Census of Canada

Statistics from the 2001 Census represent the characteristics of the Canadian population taken at one point in time. They are based on self-reporting by individuals.

One major limitation of Census statistics is undercoverage resulting from nonparticipation or incomplete enumeration of communities. A preliminary estimate released by Statistics Canada on January 21, 2003, indicates that approximately 30,000 to 35,000 individuals were not enumerated in the 2001 census. Most of these people were registered Indians living on-reserve. Non-participation of First Nations communities was not a problem in the territories; therefore, statistics for the North are very reliable.

Please note that the data for the Aboriginal population in the North is based on Statistics Canada's Ancestry's definition of Aboriginal, which takes into account those respondents who reported themselves as having Aboriginal ancestry, with one or more Aboriginal ethnic origins.

Section IV • Plans and Priorities by Strategic Outcome

INDIAN AND NORTHERN AFFAIRS CANADA

STRATEGIC OUTCOME

To provide Canadians with an environment that fosters a more promising future for all First Nations and Inuit by strengthening the relationship and addressing the disparities in living standards of First Nations and Inuit versus non-Aboriginal people; and to promote enhanced skills and expertise, leading to more sustainable and accountable Aboriginal governments, increased self-sufficiency and economic independence.

Results Logic for Each Strategic Outcome

To provide a context for performance, focus on outcomes and link resources to outcomes, a results-logic "map" has been outlined for each strategic outcome in INAC and the Canadian Polar Commission (CPC).

These results-logic maps build on the circles of influence described above and allow the reader to visibly link together INAC's use of resources to perform activities and produce outputs at the operational level, and to influence outcomes at the collaborative level with partners and client communities, such as First Nations, Inuit and Northerners. These collaborative outcomes can then be associated with the strategic outcomes and priorities that make up the raison d'être of the department.

All plans outlined in Section IV can be traced to at least one summary statement in the appropriate results-logic map. Eventually these charts will serve as accomplishment report outlines, and will link achievements to the results-logic map. By consulting each map, a reader will then more easily see how specific accomplishments contribute to broader strategic outcomes.

Results Logic

Canada and the world

Global Circle

STRATEGIC (GLOBAL) OUTCOMES

A more promising future for all First Nations and Inuit as demonstrated by accomplishments in the following areas:

- Strong First Nations communities, people and economies
- Strengthened Aboriginal governance
- New fiscal relationship
- Renewed partnerships

More sustainable and accountable Aboriginal governments, increased self-sufficiency and economic independence

First Nations and Inuit people and communities

Collaborative Circle

COLLABORATIVE OUTCOMES WITH FIRST NATIONS AND INUIT

First Nation communities:

- adopt specific approaches that contribute to strategic outcomes
- gain capacity to manage their own affairs
- improve their legal, regulatory, fiscal, social, governance and infrastructure support climate

Constructive progress on disputes, land claims, negotiations and other statutory and fiduciary responsibilities

Collaboration on development, participation and engagement of approaches, frameworks and plans with INAC and other partners

Federal, provincial and regional governments, not-for-profit and private sectors

Collaborative Circle

COLLABORATIVE OUTCOMES WITH DELIVERY PARTNERS

Appropriate access to services and capital from private sector financial and services institutions and other related organizations

Federal, provincial and territorial governments provide harmonized policies, programming and funding, laws and regulations in support of strategic outcomes

INAC

Operational Circle

ACTIVITIES

- Liaison with partners and First Nations
- Development of strategy, policy, guidelines, etc.
- Funding processes
- Specialized support for infrastructure and services
- Advisory and information services
- Public education and awareness

OUTPUTS

- Meetings, fora for information exchange
- Frameworks, guidelines and other policy outputs
- Funding Agreements/payments
- Infrastructure outputs
- Service and communication outputs
- Public education and awareness outputs

RESOURCES

\$5.3 billion in 2003–04 and 2,626 full-time equivalents (FTEs)

PRIORITY

Strong Communities, People and Economies (\$3,829 million in 2003–04)

What is this priority about?

Achieving strong communities, people and economies is about putting in place the tools, structures and instruments that will improve the quality of life for First Nations and Inuit people and enhance their participation in the economy through improved health, public safety, education and community infrastructure.

What are the benefits and results for Canadians?

Reducing the Socio-economic Gap

- Strengthened and sustained economic development

Supporting Healthy Communities

- Increased self-sufficiency
- Improved health and safety

What challenges and opportunities do we face as we move forward with this priority?

Collaborative Circle

Closing the socio-economic gap between First Nations and Inuit people and other Canadians requires an integrated approach that addresses their unique social, cultural and economic circumstances and creates opportunities for them to participate more fully in the economy. Basic needs for jobs, health, education, housing and infrastructure must be met to lay the foundation for economic development. This means not only strengthening the federal government's relationship with Aboriginal people but also ensuring that the various federal government departments work together more effectively, as well as improving partnerships with the private sector, provinces and territories.

The priorities for INAC and its partners are governance, economic development, education, infrastructure support and social development. Beyond strategic investments in the foundations which support successful economies for First Nations and Inuit governments and communities, entrepreneurs must be effectively positioned to be able to seize these opportunities. First Nations and Inuit governments and communities require strategic investments in the foundations which support successful economies. In addition, entrepreneurs must be effectively positioned to be able to seize existing and emerging opportunities for economic growth and development. Increased participation in the economy by Aboriginal women will be important economic development themes in the coming year.

Education, delivered within an effective governance framework, is one of the keys to strong communities, people and economies, and INAC, in partnership with First Nations, is addressing the following challenges:

- establishing appropriate standards;
- meeting needs for special education;
- maintaining the buying power of the post-secondary education program as the cost of tuition rises;
- ensuring opportunities for lifelong learning;
- supporting parents and community involvement in education;
- supporting initiatives for recruitment and retention of qualified teachers; and
- collaborating with First Nations in the development of culturally relevant curricula.

First Nations and Inuit communities face continuing challenges in ensuring there is adequate housing, clean drinking water, sewer systems, and other types of basic community infrastructure. In addition, some communities still lack environmentally sound energy sources and effective modes of transportation and communication. These are needed to ensure the health and safety of communities and to build and maintain links to the social and economic fabric of the country. Remote communities require innovative and partnered solutions to ensure these needs are met in an affordable manner.

The heart of a community lies in its social support and vitality. A partnered approach is required to develop a more cohesive strategy for social programs, one that ensures federal programs are coordinated to help build local solutions to local challenges. The challenges in First Nations communities are diverse; in many they are acute. A holistic, community-based approach is required to overcome the long-term effects of poverty, dislocation, disaffection and social despair.

To ensure success in meeting these challenges, INAC will continue to support First Nations communities in strengthening governance through adoption of more effective and transparent administrative practices. An accountability regime that provides effective feedback to First Nations communities, as well as to other departments, will enable open and joint determination of progress.

Approaches to community planning are also important. INAC is building First Nations and Inuit capacity and awareness by providing tools and models of planning approaches, improving networking opportunities, hosting workshops and initiating pilot projects.

Operational Circle

All First Nations and Inuit communities are not at similar stages of development. It has become increasingly clear that, while some communities are developing sophisticated and diversified economies with specialized needs, others still require assistance with essential services, such as adequate housing, and water and sewer systems. INAC's key operational challenge is to support progress in all of these diversified communities through strategies that ensure acquisition, operation and maintenance of basic community infrastructure, application of appropriate standards and satisfactory outcomes. One initiative that is currently under way is to implement the department's Long-term Capital Plan, which aims to ensure that First Nations' most urgent needs for infrastructure are met within available resources. INAC also has various economic enabler programs which focus on feasibility studies and negotiating business partnerships, as well as business creation, development and expansion. A program review is planned to determine the success of current programming.

Increased focus will be placed on creating the conditions for stable, long-term economic growth by First Nations and Inuit communities, and on removing structural and systemic barriers to Aboriginal women's participation in the economy. These initiatives must be supported by education and training programs and advocacy programs that foster strategic partnerships and create joint ventures, particularly with the private sector. Investing in strong communities, people and economies will reduce health and other social costs and contribute to the health and well-being of First Nations and Inuit populations.

Planned Results

Strengthened and Sustained Economic Development

2003–04

- Reduce the period in which land is added to reserves from a current average of 5–7 years to a 2-year time frame, to foster community growth and economic development.
- Work with key federal departments to reinvigorate implementation of the Procurement Strategy for Aboriginal Business across government.
- Implement *Journey to Success — Aboriginal Women's Business Planning Guide* through national distribution to interested parties and workshops.

2004–06

- Following program review, enhance delivery of INAC economic enable programs to create sustainable conditions for increasing Aboriginal participation in regional economic development opportunities.
- Strengthen participation of Aboriginal women in the economy, particularly as entrepreneurs.

Increased Self-Sufficiency

2003–04

- Complete the evaluation of the Tribal Council, Indian and Inuit Management Development, and Band Employee Benefits programs. Work with First Nations representatives to identify options for the renewal of program authorities. In collaboration with First Nations, lessons learned from the evaluation will be applied to support contemporary, results-based Indian government programming in a modernized policy framework.
- In collaboration with First Nations, initiate implementation of the action plan coming from the recommendations of the Minister's Work Group on Education.
- In collaboration with First Nations, redesign the First Nations Youth Employment Strategy (YES), the department's component of the Human Resources Development Canada program.
- Develop program directives for special education programs, in collaboration with First Nations.
- Continue to work with interested First Nation and Inuit organizations and communities, other federal departments and outside stakeholders to build a consolidated federal approach to comprehensive community planning.

2004–06

- In collaboration with First Nations administrative institutions, strengthen the capacity of these institutions to develop, deliver and maintain policies, programs and services to First Nations communities, comparable to those available in neighbouring communities, in a manner that is responsive and accountable to residents, as well as to the Government of Canada for the use of public funds.
- Achieve agreement with provincial governments to exchange information on education systems to better determine the outcomes of students as they move between First Nation schools and schools located off reserve.
- Continue with First Nations the second year implementation of the requirements for the new special education program, including reporting, data collection, research and evaluation.
- Develop pilot projects in support of developing and implementing comprehensive community plans; produce and distribute capacity-building tools for better strategic community planning.

Improved Health and Safety

2003–04

- In collaboration with First Nations institutions directly involved in service delivery, contribute to continued improvements to on-reserve water and wastewater services while continuing to reduce the number houses without these basic services.
- In collaboration with First Nations and Health Canada, implement the First Nations Water Management Strategy, aimed at ensuring the safety of water supplies in First Nations communities. The strategy requires stronger partnerships with federal, provincial and territorial agencies involved in the delivery and protection of Canada's water supplies. It will include the establishment of a set of clearly defined standards; measures to ensure these standards are enforced; improvements in operational and maintenance practices; and enhancements to ensure compliance with regular inspections, monitoring and reporting.
- In collaboration with First Nations institutions, continue expansion of training programs for water plant operators and plan for the certification of all operators, to help to build capacity amongst First Nations. It is expected that ultimately water plant management will be overseen by certified operators in every on-reserve facility.
- Implement, with the support of First Nations, social program authorities to deliver program and services comparable to those available in adjacent communities, in a manner that supports effective program management, monitoring and accountability. INAC will undertake activities to detect and resolve issues of non-compliance.
- In collaboration with First Nations, seek to develop mechanisms and agreements to facilitate policy and program coordination between the federal, provincial and territorial levels related to improving safety and living conditions on reserve.
- Continue to work with other federal departments and agencies, including CMHC and Health Canada, to harmonize the delivery of housing programs, as well as with some provinces regarding delivery of water and sewer services.
- Collaborate with specific First Nations communities and institutions involved directly in the development and building of houses, to increase the percentage of adequate houses from 56 percent to 58 percent.

- Implement the Environmental Stewardship Strategy (ESS) Action Plan, which includes development of an environmental policy and an Indian and Inuit Affairs Program (IIAP) Environmental Management Framework, and IIAP environmental directives in the areas of Protection, Assessment, Conservation, Emergency Response (PACE) and Contaminated Sites.
- Consistent with the transfer of responsibilities to First Nations, complete case studies with First Nations in each of the four PACE environmental directives before the end of the 2003–04 fiscal year.

2004–06

- In collaboration with First Nations communities and institutions, strengthen First Nations capacity to design and deliver programming and implement mechanisms that can respond to changing demographics and address policy and program coordination.
- In collaboration with First Nations communities and institutions, increase the percentage of adequate houses (based on agreed National Housing codes) to 62 percent, while increasing the total number of houses by 6,000 for a total of 98,000.
- In collaboration with First Nations communities and institutions, continue to implement the First Nations Water Management Strategy to contribute to the goal of ensuring that all water and wastewater systems are built and maintained by First Nations in compliance with established standards.
- Continue to establish partnerships with First Nations, provinces, territories and others to improve watershed management and source water protection measures.
- Water and wastewater management processes are overseen by certified operators at all facilities.
- Implement the Contaminated Sites Management Program to continue to address the 482 Class 1 sites, and 353 Class 2 contaminated sites⁵ (designated highest-priority sites) on a priority basis, while managing risks at the other sites.
- Facilitate development of a national Aboriginal environmental managers association by First Nations, based on the ongoing results of the PACE case studies.

How do these results contribute to the department's strategic outcomes?

INAC is committed to providing the financial, structural and technical strategies and tools required to ensure a quality of life in First Nations and Inuit communities that is comparable to that of neighbouring communities, to increase the self-sufficiency of First Nations and Inuit, and to enable their greater participation in the economy. Partnerships between First Nations and Inuit and the private sector, nongovernmental organizations and other levels of government are essential to achieving these goals.

Real progress in creating strong communities, people and economies requires an effective framework for development, as well as a balanced and integrated approach. This framework must be built on innovative solutions developed and implemented jointly by INAC and its partners in the areas of basic housing and infrastructure, lifelong education and training systems, and other initiatives, such as effective governance, financial management, land management and management of other resources. In addition, improved access to capital and a supportive investment climate will enhance

⁵ Number of sites identified as of December 31, 2002

communities' potential for economic growth and development, and will encourage partnerships. In all of these areas, INAC is committed to moving beyond individual project funding to a more strategic, targeted approach that lays the foundation for economic growth and development.

Support for strategic investments in First Nations and Inuit economic development will reduce health and other social costs, enhance the well-being of on-reserve populations, strengthen the broader Canadian economy, benefit neighbouring communities, and increase regional economic stability and growth. Institutional development encourages the self-reliance of First Nations and Inuit communities, as well as enhancing good governance and accountability.

What are the risks associated with delivering – or not delivering – on this priority?

Strong First Nations communities, people and economies are essential to building sustainable communities and reducing the significant disparities between First Nations and Inuit and other Canadians. Unacceptable housing and health conditions, social dependency and inadequate educational achievement are barriers that limit the ability of First Nations and Inuit to participate in all aspects of the broader Canadian society, and significantly weaken the social, political and economic fabric of Canada. Serious efforts are needed to break the cycle and promote "life chances" for current and future generations.

The degree of program effectiveness has a strong bearing on the benefits experienced by First Nations and Inuit. INAC will need to respond effectively to planned program reviews to enhance program effectiveness. The focus must be on sustainable wealth creation, as opposed to short-term job creation.



PRIORITY

Strengthened Aboriginal Governance

(\$1,019 million in 2003–04)

What is this priority about?

To strengthen Aboriginal governance, INAC is focusing on legislative initiatives and programs needed to foster strong, sustainable communities and accountability of governments. Initiatives include encouraging professional development, undertaking statutory and institutional reforms, and settling and signing self-government and comprehensive land claims agreements as quickly as possible. They are aimed at giving Aboriginal communities the tools, resources, capacity, legislative and institutional support needed to ensure strong Aboriginal governance.

What are the benefits and results for Canadians?

Strengthening Governance

- Governance capacity-building initiatives
- Self-government and claims agreements

What challenges and opportunities do we face as we move forward with this priority?

Collaborative Circle

Challenges in achieving desired outcomes include the following: small size and isolation of many communities; diversity of cultures; diversity of goals and visions of governance; disparities in human, financial and natural resources; historical imbalances of power and dependency; absence of a regulatory regime to allow for major and commercial projects to operate on reserves; the need for new intergovernmental relationships and partnerships with federal, provincial, territorial and Aboriginal governments; outstanding land claims and the issues involved in reaching self-government and claims agreements; and lack of public understanding of the issues and potential opportunities arising from improved governance, self-government and Aboriginal rights.

Operational Circle

INAC is implementing a Performance Management Framework for its land claims and self-government processes, including new internal reporting and evaluation activities; consolidation of authorities; new fiscal mechanisms; and streamlined external machinery reforms.

To invest strategically in projects that promote capacity-building, professional development and governance, INAC must develop partnerships with Aboriginal people, other federal government departments, and provincial and territorial governments, as well as with the academic community.

Planned Results

Governance Capacity-Building Initiatives

2003–04

- Continue strategic allocation of capacity-building funding to Aboriginal groups to increase communities' self-reliance; encourage community planning; demonstrate measurable and tangible results; and develop governance structures that respond to community values, customs and traditions.
- Implement the "Rolling 30" First Nations communities in the *First Nations Land Management Act* (FNLMA) ratification process (30 qualified First Nations every two years, or 15 each year).
- In collaboration with First Nations, develop a new Land Management Program for First Nations linked to FNLMA and self-government.

2004–06

- Updating and evolution of self-government and comprehensive claims policy frameworks to support governance capacity-building.
- 15 new First Nations communities operating under the FNLMA.
- 30 new First Nations communities in the FNLMA ratification process.
- New Land Management Program for First Nations to be in place, along with First Nations institutions to deliver services.
- It is expected that 200 First Nations will begin developing codes under the proposed *First Nations Governance Act* (FNGA) during this time frame.
- Legislation to fill regulatory gaps will be in place to allow for major industrial projects on-reserve.

Self-Government and Claims Agreements

2003–04

- Implement a stronger results-based performance management and accountability framework for self-government and claims negotiations, to focus efforts on negotiations that are producing promising results. The framework will also be useful to highlight negotiations that are not producing results and to suggest corrective actions, such as capacity-building or disengaging from negotiations if there is no reasonable chance for successful conclusion of an agreement.
- Obtain approvals from federal departments on key policy issues. Specifically, these guidelines will include ratification, certainty and membership. They will be used by federal negotiators in determining negotiating mandates related to federal interests. The guidelines will also help to accelerate progress in negotiating self-government and land claims between the government and Aboriginal groups.
- Streamline and improve monitoring, mandating, approval and reporting processes through the Federal Steering Committee on Self-Government and Comprehensive Claims, the Federal Treaty Negotiation Office reforms, and the use of the Cabinet Annex System. These reforms will ensure greater flexibility to manage negotiations and encourage stronger engagement of federal partners in the negotiation and implementation processes, thereby improving timeframes for the successful completion of agreements.

- Revitalize the British Columbia treaty process by implementing changes to policy mandates, including the negotiation and implementation of incremental treaty agreements between Canada, B.C. and First Nations.
- 7 Final Comprehensive Claims Agreements will be concluded.
- Achieve key milestones established by all parties involved in self-government and land claims negotiations, with 8 sets of negotiations, including framework agreements, agreements-in-principle, final agreements, implementation plans and fiscal agreements, according to the established time lines.
- Renew funding agreements in relation to the *Cree-Naskapi (of Québec) Act*.
- Negotiate new agreements with Quebec and the Cree on education and policing services in Cree communities in northern Quebec.
- Promote the use of the *Manitoba Claim Settlements Implementation Act* and the *Claim Settlements (Alberta And Saskatchewan) Implementation Act*, to accommodate third-party land interests and thereby accelerate progress for claims-based expansions of reserves in these three provinces.

2004–06

- Achieve key milestones with 10 sets of negotiations, including framework agreements, agreements-in-principle, final agreements, implementation plans and fiscal agreements.
- Parties will begin negotiating the next Nisga'a fiscal financing agreement in 2004–05.
- Resolve issues being raised by Nunavut Tunngavik Inc. related to Inuit employment in government, government contracting in Nunavut and government policies that apply in Nunavut.

How do these results contribute to the department's strategic outcomes?

INAC is committed to achieving strengthened First Nations and Inuit governments that are stable, legitimate, culturally relevant and accountable to their people, and that have the authorities, resources and economic base to provide the same quality of life and standards of service as most other Canadians enjoy. The legislative governance package that contributes to this outcome includes the proposed *First Nations Governance Act* (FNGA), the proposed *Specific Claims Resolution Act*, expansion of the *First Nations Land Management Act* (FNLMA), modernization of the *Indian Oil and Gas Act*, the *First Nations Fiscal and Statistical Management Act* and the anticipated *First Nations Oil and Gas and Moneys Management Act*, as well as self-government and land claims agreements.

Improved governance and accountability in communities is helped by developing and implementing processes that can establish consensus on community development issues; provide greater participation in local decision making and governing; and promote long-term cost effectiveness and integrated documentation of community investments.

First Nations need the tools to exercise effective and accountable governance and to engage in sustainable economic growth and development. In turn, political and fiscal stability enable First Nations to move more seriously and effectively into self-government negotiations.

The department has undertaken to modernize its land management activities. The overarching objective is to empower First Nations by providing modern, efficient and effective land management processes and tools while promoting economic development and sustainability. To allow timely economic development on reserves, the department is examining ways of streamlining land

management processes and providing tools and training for adding claims-based lands to reserves. It will review existing policies and procedures, including the 53/60 Program (named for sections of the *Indian Act*) and the Regional Lands Administration Program (RLAP), with a view to addressing regulatory gaps, service standards for leasing, and designations for major commercial and industrial development projects.

The RLAP and sections of 53/60 Delegated Authority Program will be transformed and replaced by a new and dynamic co-management program that will encompass the tools and the necessary professional development platform to facilitate modern and efficient land management in support of First Nation governance, self-sufficiency, economic development, and more importantly, will strategically position many First Nation communities towards alternative legislation such as the FNLMA and self-government agreements.

As an interim step to self-government for the many First Nations that still operate under the *Indian Act*, the proposed FNGA and other government initiatives can provide a framework for effective First Nations governance, management of land and natural resources, and accountability.

Initiatives such as implementation of the FNLMA, the Indian Oil and Gas Pilot Initiative and comprehensive claims negotiations enhance First Nations economic development opportunities, governance and accountability, since they increase First Nations' involvement in the management of natural resources, create partnerships with other public or private sector interests, and establish effective and culturally appropriate environmental regulatory regimes.

Settling claims and promoting self-government benefits Aboriginal people and all Canadians by providing First Nations and Inuit communities with the authorities, resources and economic base needed to improve socio-economic conditions and decrease social dependency. Claims settlements create certainty about titles to land and access to resources, which in turn facilitates business transactions and supports economic development.

What are the risks associated with delivering – or not delivering – on this priority?

Over the last few years, communities, the federal government and outside experts have recognized that community-driven planning is fundamental to building self-reliant, healthy and functional First Nations and Inuit communities.

The social and economic impact of failing to deliver on this priority is significant. Failure to achieve comprehensive land claims settlements or modern treaties will result in increased legal costs to settle issues in court. Other impacts include the opportunity costs for sustainable development of land and resources that could realize significant investments and socio-economic benefits.

Progress on negotiations to address Aboriginal rights, grievances and reconciliation is intertwined with progress on quality of life. Negotiations cannot be put on hold to focus exclusively on socio-economic issues. Without such progress, litigation and confrontation will continue to grow and have a detrimental effect on First Nations' quality of life. While providing guiding principles in relation to Aboriginal issues, the courts have reminded us that these issues are better addressed through negotiated settlements.

The settlement of valid specific claims enables Canada to meet outstanding lawful obligations to First Nations. The resolution of these grievances provides benefits, such as clarification of title, the elimination of continuing liability, and strengthened relationships between Canada and First Nations. These benefits translate directly into tangible progress on the "quality of life" agenda.

Failure to improve the governance framework under the *Indian Act* will lead to continued federal government involvement in the day-to-day operations of First Nations governments and communities; continued dependency on the federal government; continued lack of First Nations' involvement in decision making; significant gaps in leadership, administration, financial management, accountability and citizen redress; disincentives for economic development; political instability; and a lengthier and more difficult transition to self-government.



PRIORITY

New Fiscal Relationship

(\$5 million in 2003–04)

What is this priority about?

The objectives of a new fiscal relationship are the following:

- effective governance and intergovernmental links, including fiscal relationships with First Nations and Inuit governments, that have the required institutional and human resource capacities;
- fiscal arrangement mechanisms that are transparent, stable, predictable and support the generation of own-source revenues; and
- governance and fiscal accountability of First Nations and Inuit governments to their people, as well as appropriate intergovernmental accountabilities to help remove barriers to greater participation by First Nations and Inuit in the Canadian economy.

What are the benefits and results for Canadians?

Strengthening Governance

- Effective governance and fiscal relationships, including new fiscal arrangement models and practical examples
- New fiscal and statistical institutions
- Financial management skills and capacity in First Nations
- Strengthened governance and fiscal accountability

What challenges and opportunities do we face as we move forward with this priority?

Collaborative Circle

The legacy of the *Indian Act*, combined with devolution, have resulted in various degrees of capacity to effectively manage governance and fiscal structures among the more than 600 First Nations and Inuit communities. Other challenges include the small size and isolation of many communities; the degree of dependency on federal funding; limited ability to generate own-source revenues and economic opportunities in an increasingly market-driven economy; and the limitations of the *Indian Act* specific to Indian moneys. In addition, the lack of legislated accountability makes administering public funds and delivering programs and services even more complex. The evolving and variable state of relationships between First Nations and Inuit communities and federal, provincial and territorial governments also affects the achievement of desired outcomes. Finally, the state of regional and national economies has a large impact on outcomes.

Many federal government departments fund First Nations, leading to duplication, fragmentation and inefficiencies. Harmonizing funding processes would create a less complex and burdensome

environment for accountability and results-based management. Such harmonization would also bring to the fore a more encompassing and comprehensive view of the Canada–First Nations relationship. Challenges to implementing government-to-government fiscal relations include the following:

- the need to implement new, more flexible funding arrangements;
- the need to reduce the reporting burden of First Nations;
- complexities involved in reaching fiscal arrangements in self-government and land claims agreements; and
- the need for more public understanding of, and support for, new governance, fiscal and accountability arrangements, and supporting institutions, as effective and sustainable ways to improve the socio-economic conditions of First Nations and Inuit.

The current *Indian Act* is an inadequate framework for contemporary governance and fiscal relationships:

- it lacks a framework for accountability and administration of government (i.e. it focuses on the relationship of the Chief and Council to the Minister as opposed to their relationship with their community);
- it limits access to capital and collateral, obliges INAC to continue administering trust funds, and controls alternatives for managing First Nations funds; and
- it vests substantial power in the Minister, such as in the case where an individual dies without a legal will in place (a condition known as intestacy).

The following are additional challenges:

- to gain wider acceptance from First Nations and Inuit governments and people on the benefits of developing and using own-source revenues;
- to increase the institutional and human resource capacity of First Nations and Inuit to generate own-source revenues and manage fiscal matters; and
- to improve connectivity infrastructure to enable better access to on-line government information and services for remote First Nations and Inuit communities.

Competing political philosophies represent a key challenge to creating a new fiscal relationship with First Nations. INAC's pragmatic, incremental approach is contested by certain First Nations leaders, who favour negotiating a rights-based agenda. To build broad-based support for a new fiscal relationship, it will be necessary to demonstrate the linkages between the pragmatic, incremental approach and self-government.

Successful negotiations and implementation of self-government agreements require an entrepreneurial type risk-taking behaviour. This may be a challenge for a number of First Nation communities who prefer, and are used to, a risk-avoidance environment.

Operational Circle

It is an ongoing challenge to make strategic investments that will result in good governance, strengthened accountability, and increased institutional and human resources capacities. Another ongoing challenge involves developing and maintaining effective partnerships with First Nations and

Inuit governments, other governments, academic and professional communities, and other stakeholders.

Specific challenges to negotiating and implementing a new fiscal relationship include the following:

- developing effective governance structures for the many First Nations that still operate under the *Indian Act*, as demonstrated by the development of *First Nations Governance Act* (FNGA) regulations;
- developing appropriate mandates, guidelines and fiscal accountability provisions for self-government negotiators; and
- providing effective support to facilitate complex fiscal negotiations, given current resource levels and authorities.

Planned Results

Effective Governance and Fiscal Relationships Including New Fiscal Arrangement Models and Practical Examples

2003–04

- Enhance and extend the guidelines for negotiations to address such issues as comparability, accountability and technical matters on the treatment of own-source revenues. The enhanced guidelines will provide a clear framework for government-to-government fiscal relationships.
- As part of the National Table on Fiscal Relations, develop a tax toolkit that will enable First Nations to understand and implement First Nations taxation issues in general and real property taxation in particular.
- Improve relationships with Aboriginal groups and increase engagement of Aboriginal community members, provinces and territories on fiscal matters through the National Table on Fiscal Relations, the B.C. Fiscal Relations Working Group, and other bilateral and trilateral discussions and consultations.
- Support participation of other government departments in discussions and exchanges, resulting in improved understanding of fiscal issues, consensus, and endorsement of positions and mandates, through the interdepartmental caucus, the Federal Steering Committee on Self-Government and Claims, and the National Table on Fiscal Relations.
- Adoption of the FNGA and the *First Nations Fiscal and Statistical Management Act* (FNFSMA) and regulations, to support development of effective First Nations government structures and First Nations institutions.
- Clear framework for government-to-government relationships through newly approved guidelines for fiscal and governance negotiations.
- Affordable, sustainable and transparent arrangements through newly approved guidelines for fiscal and governance negotiations.

- Consider legislative proposals resulting from First Nations consultations, to:
 - develop a legislative framework for First Nations to opt in to manage their Indian moneys (capital and revenue). These moneys are currently held in the consolidated revenue fund and are administered under the provisions of the *Indian Act*;
 - update and modernize the *Indian Oil and Gas Act*;
 - develop a legislative framework for First Nations oil and gas management;
 - fill a major regulatory gap by referential incorporation of provincial regulations related to large industrial projects on reserves; and
 - establish a new dynamic Lands Management Program.

2004–06

- Create networks supporting increased information sharing for Government On-Line (GOL) projects through re-engineering the present business process affecting transfer payments to First Nations.
- Establish culturally appropriate agreements at specific regional and community-level tables (e.g., Saskatchewan Common Table Process, B.C. Fiscal Relations Working Group).
- Establish a clear framework for government-to-government relationships through a single funding arrangement for Canada–First Nations funding and promotion of a common accountability framework for federal departments that provide funds to First Nations.
- Transfer the management of Indian moneys to those First Nations that have opted into the proposed Indian Moneys legislation. Given the interest in this legislation, a participation rate of 10 First Nations per year is expected.
- Implement FNGA requirements by 2006, including either community-approved financial management and accountability codes, leadership selection codes and administration of government codes; or the application of fall-back regulations for these same areas.
- Develop and implement the First Nations and Inuit Transfer Payment system to provide single window, on-line filing of various financial and non-financial reports.

New Fiscal and Statistical Institutions

2003–04

- Complete the process to achieve Royal Assent for the proposed *First Nations Fiscal and Statistical Management Act* (FNFSMA), now before Parliament. The immediate outcome of the Act will be to set in place the legal and institutional framework, which is a precondition for First Nations to enter the bond market and for sharing information between governments. Without this framework, First Nations will not be able to interact more directly with financial markets, potential investors, business partners and other governments, as the case may be.
- Complete preparatory work for the coming into force of the Act, through development of:
 - associated regulations that need to be in place when the Act comes into force or within six months of that date;
 - requests for Governor-in-Council approval of the Head Offices and federal appointments to the Boards and Commission;
 - requests for Treasury Board approval to provide institutions with the necessary operating authorities and funding; and
 - evaluation frameworks and standards with which to measure the performance of institutions.

2004–06

- Submit for Governor-in-Council approval the initial set of regulations pursuant to the FNFSMA, within two years of the date the Act comes into force.
- Develop institutional capacity in accordance with the business plans prepared pursuant to the FNFSMA.
- Expand collaborative arrangements that foster local revenue laws beyond the current total of over 90 First Nations who collect property taxes and generate local revenue.
- In collaboration with First Nations as required, refine the legal framework and credit enhancement measures to allow the First Nations Finance Authority to issue First Nations government securities on the bond market (a unique international event for an Aboriginal government).
- Develop and implement a complementary, new, independent Statistical Institute run by First Nations to meet First Nations statistical requirements as a joint priority for First Nations and the federal government. The institute would collaborate with Statistics Canada and also exchange data with other statistical agencies and governments, First Nations public institutions, businesses and other stakeholders, while safeguarding privacy and confidentiality of information.

Financial Management Skills and Capacity in First Nations

2003–04

- Continue departmental support of and cooperation with Aboriginal Financial Officer Association (AFOA) professional development activities.

2004–06

- Enhance accountability systems, demonstrated by an increased number of First Nations annual financial statements that meet quality standards and time lines.
- Improve financial management in First Nations communities, demonstrated by a spectrum of financial management activities, including human resources development.

Strengthened Governance and Fiscal Accountability

2003–04

- Accountability of First Nations and Inuit governments to their own members through improved financial control and reporting, demonstrated by audited financial statements and appropriate codes.
- Legal instruments to support governance, and strengthen ratepayer representation and redress, such as those set out in the First Nations real property tax system.

2004–06

- First Nations constitution, governing framework and governance through the implementation of First Nations governance legislation framework.
- Enhance accountability systems, demonstrated by number of effective remedial management plans in place and improvements in budgeting, internal controls, reporting and auditing standards.
- Regulations and strengthened institutional structures for implementation of the legislative framework for First Nations real property taxation.

How do these results contribute to the department's strategic outcomes?

A new fiscal relationship will take time to develop but, supported by an effective governance framework, it will lead to more stable and predictable funding and increased self-reliance for First Nations. Together, the new fiscal relationship and governance framework will support delivery of programs and services, public confidence in First Nations governments, greater stability and more effective use of financial resources. Fostering good government and accountability, in conjunction with INAC's Sustainable Development Strategy on community planning, will also increase investor confidence, support economic partnerships and improve living conditions in First Nations communities.

INAC is committed to helping create, maintain and support effective governance and intergovernmental relations, including fiscal relationships, through three objectives:

- First Nations and Inuit governments that have the institutional and human resources capacity for managing new fiscal arrangements;
- fiscal arrangements that are transparent, stable and predictable and that support the generation of own-source revenues; and
- accountability by First Nations and Inuit governments to their members, as well as appropriate intergovernmental accountabilities.

A new fiscal relationship will support the effective use of existing financial resources for delivery of essential programs and services, while removing barriers to greater participation in the Canadian economy by First Nations and Inuit.

Finally, harmonization of the many funding processes for First Nations by federal government departments will result in a less complex, more streamlined administrative system that is more conducive to local and intergovernmental accountability.

What are the risks associated with delivering – or not delivering – on this priority?

The proposed new fiscal institutions will enhance First Nations' financial management and governance capacities, and assist in negotiating and implementing self-government agreements. They are needed to support economic development and greater self-sufficiency among First Nations through the generation of own-source revenues.

Without a new fiscal relationship, barriers to fuller participation in the economy will persist for some First Nations faced with managing increasingly complex financial operations without sufficient infrastructure or human resources capacity. First Nations may also be denied opportunities through inability to provide the financial information required for support in Canada–First Nations funding processes and for local decision making. Furthermore, without this fundamental infrastructure in place, Canada risks losing the trust and goodwill that have been built up with First Nations and professional communities. Finally, without a new fiscal model, increasing budgetary needs by First Nations may erode public support, including public support for self-government.

PRIORITY

Renewed Partnerships

(\$332 million in 2003–04)

What is this priority about?

In working toward renewed partnerships, the focus is on programs and initiatives to help deal with the problems of the past, so that together we can meet the challenges of the present and create new opportunities in the future.

What are the benefits and results for Canadians?

Supporting Healthy Communities

- Reconciliation and community healing

Improving Operations

- Increased public awareness of Aboriginal issues
- Stronger working relationships with Aboriginal people and organizations
- New approaches to federal, provincial and territorial relations with First Nations and Inuit communities

What challenges and opportunities do we face as we move forward with this priority?

Collaborative Circle

Efforts to renew partnerships occur within a complex environment. First Nations and Inuit communities are not only culturally diverse, they range from numerous small, isolated communities to a number of large, economically integrated communities. Economic and social marginalization, as well as geographic isolation, characterize many communities. In addition, relationships between Canada and First Nations and Inuit are strongly affected by a legacy of mistrust, stemming from a history of dispossession, control and dependency. Grievances range from *Indian Act* administration to recent protections for the rights of First Nations women. Additional challenges lie in reconciling divergent views on the meaning and implementation of treaties, particularly in the contemporary context.

Resolving grievances is also complicated by differences in the approaches taken by provincial and territorial governments. However, there is growing recognition that all levels of government must cooperate to address challenges and produce concrete results. All stakeholders must be actively engaged and have a solid understanding of both the cultural context and the nature of the real challenges facing First Nations and Inuit communities.

Public awareness also affects efforts to renew partnerships with First Nations and Inuit communities. On the one hand, the public appears to want all First Nations and Inuit to enjoy the same economic and social opportunities as other Canadians. On the other hand, lack of public understanding and support for historic and modern treaties and land claims can undermine these processes and impede both the resolution of these matters and renewed partnerships. A key challenge is, therefore, to improve public awareness of issues.

Finally, the rising tide of litigation presents its own set of challenges. Over the last decade, the number of general litigation cases has increased more than 11 times, from 99 cases in 1986–87 to over 1,100 cases as of December 31, 2002. Issues addressed through general litigation are wide-ranging and include the following:

- treaty rights and obligations;
- the nature and extent of Aboriginal rights and entitlements;
- the nature of the fiduciary relationship between the federal government and First Nations and the specific obligations arising out of that relationship;
- protection of the rights of First Nations women; and
- day-to-day operations governed by the *Indian Act*.

The adversarial nature of litigation detracts significantly from efforts to renew partnerships. Many court actions suggest that certain provisions of the *Indian Act* may not be compliant with the *Canadian Charter of Rights and Freedoms* (the Charter).

Operational Circle

Increased litigation places additional demands on the department and deflects resources away from moving forward. The operational cost of managing litigation has more than tripled since 1996–97, increasing to about \$36.4 million in 2002–03.⁶ The department has developed environmental scanning to help identify significant legal and business risks early in the life cycle of a case.

Ensuring the resolution of past grievances through specific claims negotiations and settlements is critical to renewing relationships and contributes to land and economic opportunities. The number of specific claims has increased in recent years which puts additional pressures on the operations of the specific claims process. The proposed *Specific Claims Resolution Act* aims to speed up the resolution of specific claims and introduces a new and important role of independence in the validation of claims and determination of settlements.

Resolving current conflicts and reconciling differing approaches is also needed to renew partnerships. However, some existing statutory authorities are not well suited for building and sustaining effective partnerships. This is particularly true for matters that fall under the *Indian Act*, which does not provide the kind of governance structures and other basic tools to enable First Nations to operate efficiently or take advantage of economic development opportunities. In addition to concerns regarding whether the *Indian Act* meets Charter tests, other legislation (e.g., *Indian Oil and Gas Act*) also requires modernization.

Broadly speaking, the policies, guidelines and legislation developed in the past, without the participation of First Nations and Inuit, act as an impediment to rebuilding modern relationships.

⁶ This amount includes personnel costs, accommodation and other operating costs, Department of Justice costs and test-case funding.

Planned Results

Reconciliation and Community Healing

2003–04

- Effectively manage specific claims Alternative Dispute Resolution (ADR) processes to satisfy outstanding lawful obligations toward First Nations, in a manner that builds partnerships, aids community healing, builds capacity, and provides First Nations with needed lands and resources.
- Increase assessment and monitoring of specific claims validation and negotiations processes, to introduce greater efficiencies and plan for transition to the new Claims Resolution Centre (CRC).
- Establish an interdepartmental process to review mandating for major specific claims.
- Complete the legislative process for the *Specific Claims Resolution Act* (Bill C-6) and prepare for the establishment of the CRC to address all transitional issues.
- 15 specific claims will be settled.
- Ongoing articulation and analysis of the drivers of litigation and development of case-specific resolution strategies and litigation prevention strategies through the review of practices, policies, regulations and/or legislation.

2004–06

- Establish the CRC to assist with resolution of specific claims. The Centre will facilitate negotiated settlements and make binding decisions on validation and compensation in certain claims.
- 25 specific claims will be settled.

Increased Public Awareness of Aboriginal Issues

2003–04

- Develop a public education strategy to provide information on self-government and increased understanding of and public support for the negotiations process. Over time, public education is expected to increase public confidence in self-government negotiations.
- Promote National Aboriginal Day programs and coordinate the distribution of materials on a national level.
- Improve accessibility to government information through an INAC 1 800 call centre.
- Develop and promote public education material.

2004–06

- Increase understanding and support of the Government of Canada's Aboriginal initiatives.

Stronger Working Relationships with Aboriginal People and Organizations

2003–04

- Enhance treaty relationships through ongoing discussions across Canada and implementation of the post-*Marshall* strategy in the Maritimes, which may include establishment of a Treaty Commission.

- Implement a re-engineered web-based Indian Registry System (IRS) with improved connectivity, updating and research functionality. The modernized IRS will provide on-line access to registration information to all First Nation Indian Registry Administrators, many for the first time.
- Foster greater understanding of historic treaties through exploratory treaty discussions with a number of Treaty First Nations. In Saskatchewan, exploratory treaty discussions with the Federation of Saskatchewan Indian Nations (FSIN) are facilitated by the province's Office of the Treaty Commissioner and continue to achieve a common understanding of treaty issues. The government of Saskatchewan participates as an observer to these issues.
- Negotiate toward establishment of a Treaty Commission, similar to the one in Saskatchewan, for Manitoba and Alberta. Preparations for exploratory discussions are under way for Treaty 6 (Alberta); discussions will begin in the spring of 2003 for Treaty 8 (Alberta).
- Establish an exploratory treaty table with the Nishnawbe-Aski Nation in Ontario, which includes 49 First Nations under Treaties 5 and 9.
- Renew working relationships and partnerships with Aboriginal people and their representative organizations, through strategic national approaches.
- Research and dialogue with First Nations to identify possible solutions with respect to on-reserve matrimonial real property.

2004-06

- Enhance accountability frameworks for Aboriginal representative organizations.

New Approaches to Federal, Provincial and Territorial Relations with First Nations and Inuit Communities

2003-04

- Federal, provincial and territorial Aboriginal Affairs Ministers and national Aboriginal leaders are to meet on an annual basis to develop and consider strategies and recommendations on housing and education. Strengthening Aboriginal participation in the economy will remain a priority, with a particular focus on women and youth.

2004-06

- Expand access to, and participation in, the economy by First Nations and Inuit communities.

How do these results contribute to the department's strategic outcomes?

The government is committed to addressing the legacies of the past, moving beyond grievances, and renewing and strengthening partnerships so that, together with First Nations and Inuit leaders and communities, we can meet the challenges of the present and take full advantage of opportunities now to build a better future for these communities.

Effective partnerships provide the foundation for strengthened Aboriginal governance, a new fiscal relationship and, ultimately, strong communities, people and economies. Treaty-making began in the early 1700s and continues today, but to renew partnerships requires mutual trust and respect based on honouring historic treaties. At the same time, addressing quality-of-life issues in conjunction with historic grievances provides the greatest chance of success.

First Nations women have raised concerns about the need to protect their rights. The department is committed to act to resolve gender equality issues, which are linked to protection of the rights of First Nations women. INAC will address issues of specific concern to First Nations women, such as the division of on-reserve matrimonial real property, and continue to implement its Gender Equality Analysis Policy by assessing the impact of proposed and existing policies, programs and legislation on women and men.

Improved relationships with First Nations and Inuit communities, together with the active engagement of other partners, help create a favourable climate for investments that reduce disparities in social and economic conditions. Better relationships and partnerships with First Nations and Inuit lead to the non-litigious resolution of long-standing grievances, and support the negotiation of agreements, settlement of specific claims and the transition to self-government. Settlements also provide a more stable environment for investment and economic development.

Partnerships with First Nations, Inuit and northern communities, in cooperation with other federal departments, provincial and territorial governments, and the private sector, are essential to building a better future and quality of life for all Canadians.

What are the risks associated with delivering – or not delivering – on this priority?

Renewed partnerships are essential to delivering INAC's mandate. Involving communities and/or individuals who are directly affected by decisions improves the probability of successful results, including an improved quality of life. Addressing historic issues related to renewed partnerships — such as reconciliation, community administration of assets, individual claims and breaches of fiduciary duty — helps to avoid costly, adversarial litigation and forge more timely and constructive solutions to ongoing problems.

It is important to increase public awareness of Aboriginal and legislative issues to create a positive environment for policy and program initiatives. Lack of understanding can impede the settlement of claims, the resolution of past grievances and movement forward.

Broaching issues through exploratory treaty tables and reconciliation of historic grievances between Canada and First Nations through the specific claims process are important parts of the healing process. Failure to settle outstanding claims undermines efforts to build future relationships based on mutual trust and respect between Canada and First Nations. It also results in mounting liabilities and costly litigation.

It is necessary to update legislative and regulatory tools to facilitate renewed partnerships that meet the needs of First Nations.

Last but not least, better working relationships with key partners, including First Nations and Inuit, Aboriginal organizations, other federal departments, and provinces and territories are needed to ensure INAC's policies and programs are effective and responsive to the needs and priorities of First Nations and Inuit communities.

STRATEGIC OUTCOME

To provide Canadians with management of the federal Northern Agenda resulting in: strengthened territorial governance systems that are sensitive to Aboriginal rights and interests and the needs of all Northerners in general; exercising environmental stewardship, and promoting sustainable development in the North.

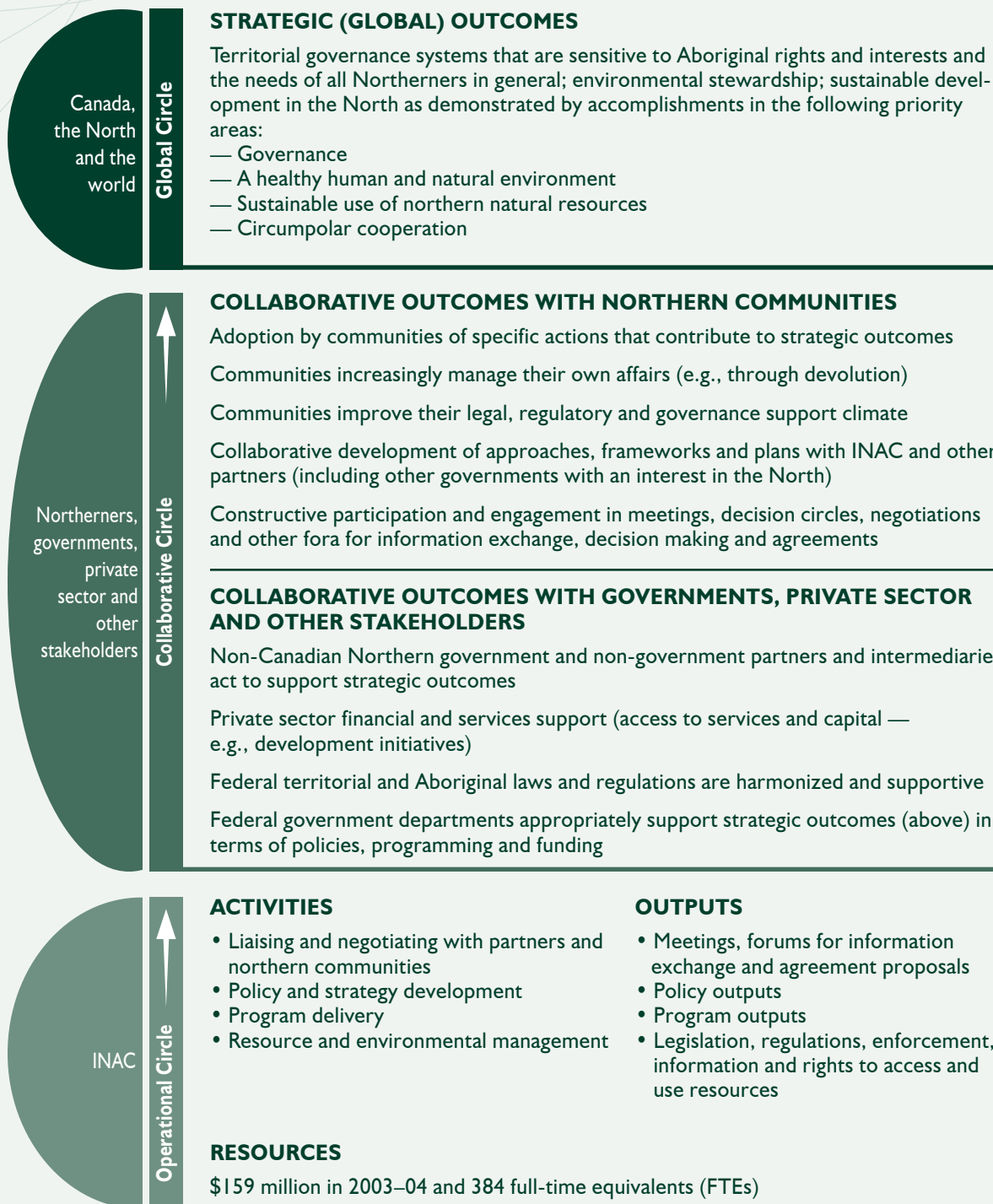
Results Logic for Each Strategic Outcome

To provide a context for performance, focus on outcomes and link resources to outcomes, a results-logic "map" has been outlined for each strategic outcome in INAC and the Canadian Polar Commission (CPC).

These results-logic maps build on the circles of influence described above and allow the reader to visibly link together INAC's use of resources to perform activities and produce outputs at the operational level, and to influence outcomes at the collaborative level with partners and client communities, such as First Nations, Inuit and Northerners. These collaborative outcomes can then be associated with the strategic outcomes and priorities that make up the raison d'être of the department.

All plans outlined in Section IV can be traced to at least one summary statement in the appropriate results-logic map. Eventually these charts will serve as accomplishment report outlines, and will link achievements to the results-logic map. By consulting each map, a reader will then more easily see how specific accomplishments contribute to broader strategic outcomes.

Results Logic



PRIORITY

Effective Management of Federal Interests in the North (*\$159 million in 2003–04*)

What is this priority about?

The focus of the Northern Affairs Program (NAP) is on strengthening territorial governance systems, with a view to ensuring they are sensitive to Aboriginal rights and interests while meeting the needs of all Northerners; exercising environmental stewardship; and promoting sustainable development in the North.

What are the benefits and results for Canadians?

Strengthening Governance

- Strengthened northern governance
- Fostering circumpolar cooperation

Supporting Healthy Communities

- A healthy human and natural environment

Reducing the Socio-Economic Gap

- Sustainable use of northern natural resources

What challenges and opportunities do we face as we move forward with this priority?

World prices for natural resources are having a major impact on exploration and development in the North. International pressures for new sources of oil and gas have resulted in an injection of exploration dollars. Oil and gas operations are moving offshore for the first time in more than a decade. The demand for new supplies of oil and gas, and proposals to transport these to market, are expected to bring long-term economic benefits to the North. Northern energy development will provide significant opportunities for economic development and employment, not only in the oil and gas industry, but also in related industries like construction and transportation, as well as small-business spin-offs. Northerners are looking to the Government of Canada to take a strong leadership role in northern development. There is also increased receptivity among Northerners, including northern Aboriginal people, for devolution of responsibilities for land and resource management from INAC to northern governments. INAC is working in cooperation with other federal departments, Aboriginal people and the territorial governments to help northern communities take advantage of these opportunities and participate actively in diversifying the northern economy.

Investments are also being made in mineral exploration and development, particularly in the Northwest Territories and Nunavut. Canada's first diamond mine has been operating for four years. A second diamond mine commenced production early in 2003. Two other diamond projects and two gold mines are seeking regulatory approvals. Conversely, persistently low base- and precious-metal prices since 1997 have resulted in a significant downturn in most other mining activities across the North. However, recent increases in the price of gold are driving a renewed interest in exploration of precious metals. Due to the combination of low metal prices and depleted ore reserves, several mines have ceased operations, exploration activity has slowed and new mines are on hold, waiting for stronger prices and market conditions. The failure of several large mining operations has resulted in a loss of jobs and heightened public interest in the ongoing management and reclamation of abandoned mines in the North, with accompanying environmental risks, and has increased the department's involvement in managing mine insolvencies.

World prices and resource potential are not the only determinants of economic development in the North. The following factors also influence the investment climate:

- status of land claims;
- choices that northern governments and people make with respect to policies, programs and specific projects;
- efficiency of regulatory frameworks; and
- assumption of new decision-making powers over land and resource management by tripartite boards and northern governments.

Industry has expressed concerns that uncertainty, instability and inefficiencies constrain investment and limit business opportunities.

Geographic and demographic conditions pose unique challenges to the delivery of programs and services and sustainable economic growth. Remoteness of communities, a severe climate and a unique environment, together with gaps in infrastructure (e.g., telecommunications, roads, ports), science and technology, and skills and capacities among governments, communities and individuals, all present challenges. Climate change is expected to have a significant impact on the Arctic region in years to come. Effective management of the northern environment requires both domestic and international efforts.

Strengthening northern governance will help prepare the North to face challenges and opportunities from increased exploration and development of natural resources, support a competitive investment climate and follow the principles of sustainable development. However, policy, legislative and regulatory gaps need to be closed, and other federal departments and northern partners also have roles to play.

Sufficient resources are required, not only to encourage sustainable economic development, but also to ensure appropriate delivery of programs and services, to protect human health and safety, and to meet environmental concerns stemming from abandoned mines and contaminated sites.

Climate change and other environmental and socio-economic influences require pan-northern solutions and cooperation among nations. Other federal departments and all northern partners must build stronger working relationships to collectively deal with these issues.

INAC can help improve the investment climate by reducing policy gaps and seeking to have out-dated legislation replaced. Policies on mine site reclamation have been introduced in the Northwest Territories and Nunavut. The development of a guide on impact and benefit agreements, along with options for a new mining regime for Nunavut, are priorities. INAC will also implement the legislation for Nunavut waters and surface rights, and seek Parliamentary approval for the *Yukon Environmental and Socio-economic Assessment Act* (Bill C-2) to meet the unfulfilled obligation to legislate a Yukon development assessment process. INAC will continue to play an overall role in coordinating pipeline preparedness across the federal system, by implementing the Infrastructure Canada Program, delivering knowledge and innovation funds for the territories, and promoting sustainable development in the North.

The department will continue to manage the Northern Contaminants Program, support Canada's engagement in circumpolar initiatives resulting from the Northern Dimension of Canada's Foreign Policy, and participate in international environmental and health conventions, such as the Stockholm Convention on Persistent Organic Pollutants.

INAC will also continue to support the evolution of northern governments through devolution of its province-like responsibilities and through land claims and self-government activities; to advocate on behalf of the North in such areas as economic development, food security, and human health and safety; and to encourage northern stakeholders and territorial governments to take advantage of opportunities emerging as a result of international northern cooperation.

All NAP operational activities follow the principles and practices of sustainable development.

Planned Results

Strengthening Northern Governance

2003-04

- Strengthen intergovernmental relationships, demonstrated by decisions for joint actions in inter-governmental forums in the Yukon and the Northwest Territories and the Nunavut Senior Officials Working Group.
- Make concrete progress in devolution and resource revenue-sharing negotiations in the Northwest Territories, demonstrated by conclusion of a Framework Agreement.
- Conference of INAC Minister and territorial Mines Ministers to identify stakeholder concerns and address issues concerning the mining industry in the North.

2004-06

- Continue to make progress in Northwest Territories devolution and resource revenue sharing negotiations, demonstrated by a Final Agreement.
- Develop mining legislation for Nunavut.
- Collaborate with federal, territorial and Aboriginal governments in the Northwest Territories to identify capacity needs to enhance the ability of territorial and Aboriginal governments to take on increased responsibilities through devolution and self-government initiatives.

Fostering Circumpolar Cooperation

2003–04

- Support the work of the Arctic Council by working to achieve the objectives of the Program for the Icelandic Chair of the Arctic Council 2002–2004 and the Inari Declaration, and by establishing a Secretariat for the Sustainable Development Working Group in Canada.
- Continue engagement of Russian stakeholders under the Canada-Russia Agreement on Cooperation in the Arctic and the North and, within the framework of the Northern Dimension of Canada's Foreign Policy, promote bilateral interests, North-to-North partnerships, business development and sustainable development.

2004–06

- Build on the Northern Dimension of Canada's Foreign Policy by supporting the Department of Foreign Affairs and International Trade (DFAIT) in a new round of federal, provincial and territorial consultations to determine strategic objectives for the Circumpolar North that recognize the growing geopolitical importance of resource development in the Arctic and the importance of the Arctic as a bellwether of the impacts of climate change.
- Support the work of the Arctic Council in promoting sustainable development and environmental protection within international fora, especially work focused on Russia and capacity building.

A Healthy Human and Natural Environment

2003–04

- Canadian Arctic Contaminants Assessment Symposium to be held in Ottawa March 4–7, 2003.
- Work with the Yukon government to co-manage Type II contaminated sites under the Devolution Transfer Agreement.
- In consultation with Aboriginal communities and Northerners, territorial governments, industry and other stakeholders, develop a departmental climate change action plan that responds to the challenges of climate change for Aboriginal peoples and northern communities.
- Improve food quality in isolated northern communities through the Food Mail Quality Assurance Initiative, and implement pilot projects to assess the impact of reductions in the cost of the most critical perishable foods in three isolated communities, combined with nutrition education and retail promotion of healthy foods.
- Implement and operationalize Northwest Territories Mine Reclamation Policy.
- Enhance and strengthen environmental management and northern development initiatives in the areas of cumulative impact assessment, protected areas and land use planning.

2004–06

- Revise Management Framework and Strategic Plan for follow-up to the Northern Contaminants Program II with blueprints for each component (2004).
- Develop a Canadian Implementation Plan for environmental monitoring of persistent organic pollutants (POPs) in the Arctic, as required under Article 16 of the Stockholm Convention on Persistent Organic Pollutants, to enable evaluation of the effectiveness of the convention (2004).

- Develop a Canadian Implementation Plan for monitoring and reporting, as required in the Protocol on POPs under the Convention on Long-range Transboundary Air Pollution, to ensure that emerging chemicals of concern can be addressed under the protocol.
- Continue to manage current and probable insolvent mines to minimize or eliminate Crown liability.
- Continue to work with the Yukon government to co-manage Type II contaminated sites under the Devolution Transfer Agreement.
- Implement departmental climate change action plan in partnership with Aboriginal communities and Northerners, territorial governments, industry and other stakeholders.
- Enhance and strengthen environmental management and northern development initiatives in the areas of cumulative impact assessment, protected areas and land use planning.

Sustainable Use of Northern Natural Resources

2003-04

- Work with resource management boards to improve the implementation and effectiveness of environmental assessment provisions included in land claims agreements and within governing legislation (e.g., *Mackenzie Valley Resource Management Act*).
- Modernize the administration of the oil and gas royalty system, including moving to electronic royalty submission and forecasting tools.
- Foster multi-stakeholder processes designed to improve the regulatory environment for northern oil and gas exploration and development.
- Act as a liaison to strengthen the relationships between northern Aboriginal groups and industry to assist with the sustainable development of oil and gas activities.

2004-06

- Introduce bills for a Northwest Territories Surface Rights Board, a Nunavut Planning Commission and Nunavut Impact Review Board.
- Continue to implement the Northern Operating Environment initiative, which seeks to clarify the varying federal responsibilities and processes in the North.
- Continue to provide overall strategic direction and coordination for federal government departments, to advance Canada's interests in Beaufort Sea exploration as well as in pipeline developments in Alaska, the Yukon and the Northwest Territories.
- Regularize access to oil and gas rights in the Beaufort Sea, Mackenzie Delta, Central Mackenzie Valley and High Arctic Islands areas.
- Revise oil and gas royalty regulations to modernize the regime.

How do these results contribute to the department's strategic outcomes?

INAC is committed to improving the quality of life of Northerners and to working in partnership with territorial governments, Aboriginal peoples and other Northerners to support the evolution of strong northern governments, economies and communities, with Northerners managing their own affairs.

Efforts to settle land claims, create an efficient and stable regulatory regime, and work with Northerners, territorial governments and the private sector are having a direct impact on jobs and growth throughout the North and building stronger partnerships among northern communities.

Ensuring that economic development provides employment and generates wealth without compromising the well-being of future generations is at the core of INAC's sustainable development efforts in the North.

The devolution of responsibilities for land and resource management will result in stronger, more self-reliant territories. Northern Aboriginal people have become full partners in the development and implementation of resource management boards and agencies. More generally, strengthened intergovernmental relationships permit better understanding of different interests and points of view among Northerners, create opportunities for building consensus for joint initiatives, and help present a common Northern perspective on national issues.

INAC's collaboration with Environment Canada and DFAIT has ensured that Canada promotes strong international Arctic relationships, is a leader in the Arctic Council, and meets its bilateral obligations (including the Canada-Russia Agreement on Cooperation in the Arctic and the North). Through Arctic Council working groups, INAC and other departments have promoted Arctic issues in various international fora and, with the support of Canada's circumpolar neighbours, have been instrumental in obtaining key international agreements and protocols to protect the Arctic environment; e.g., hazardous waste remediation through Arctic shoreline clean-up assessment technology with the United States, and the Russian National Program of Action, sponsored by Global Environment Facility, Russia and other donor countries.

As Northerners increase their participation in circumpolar affairs, they will have more direct say in transboundary issues of interest to Canada, and be able to develop and exchange best practices on sustainable development with residents of other Arctic states.

What are the risks associated with delivering – or not delivering – on this priority?

Northerners, both Aboriginal and non-Aboriginal, are receptive to development, provided they participate in decision making, share in the benefits, and are confident that activities are carried out in a sustainable manner. Reconciling diverse interests and perspectives remains an ongoing challenge, but collaboration with territorial governments, development of northern resource management boards, consultative processes and participation of northern stakeholders are all needed to ensure the health and well-being of Northerners and their environment.

Failure to meet targets or implement initiatives on abandoned mines, contaminated sites and environmental monitoring increases risks to the environment and human health, while failure to address transboundary concerns through circumpolar organizations will result in increased environmental degradation in Canada. In addition, failure to learn from best practices in sustainable development of other northern jurisdictions increases the human and financial costs of learning these lessons through experience. Finally, failing to provide a good basis for economic development could result in missing a window of opportunity to develop thriving economies in the North.

CANADIAN POLAR COMMISSION

STRATEGIC OUTCOME

To provide Canadians with an effective national and international presence in relation to polar science and technology that contributes to a broader understanding of polar issues.

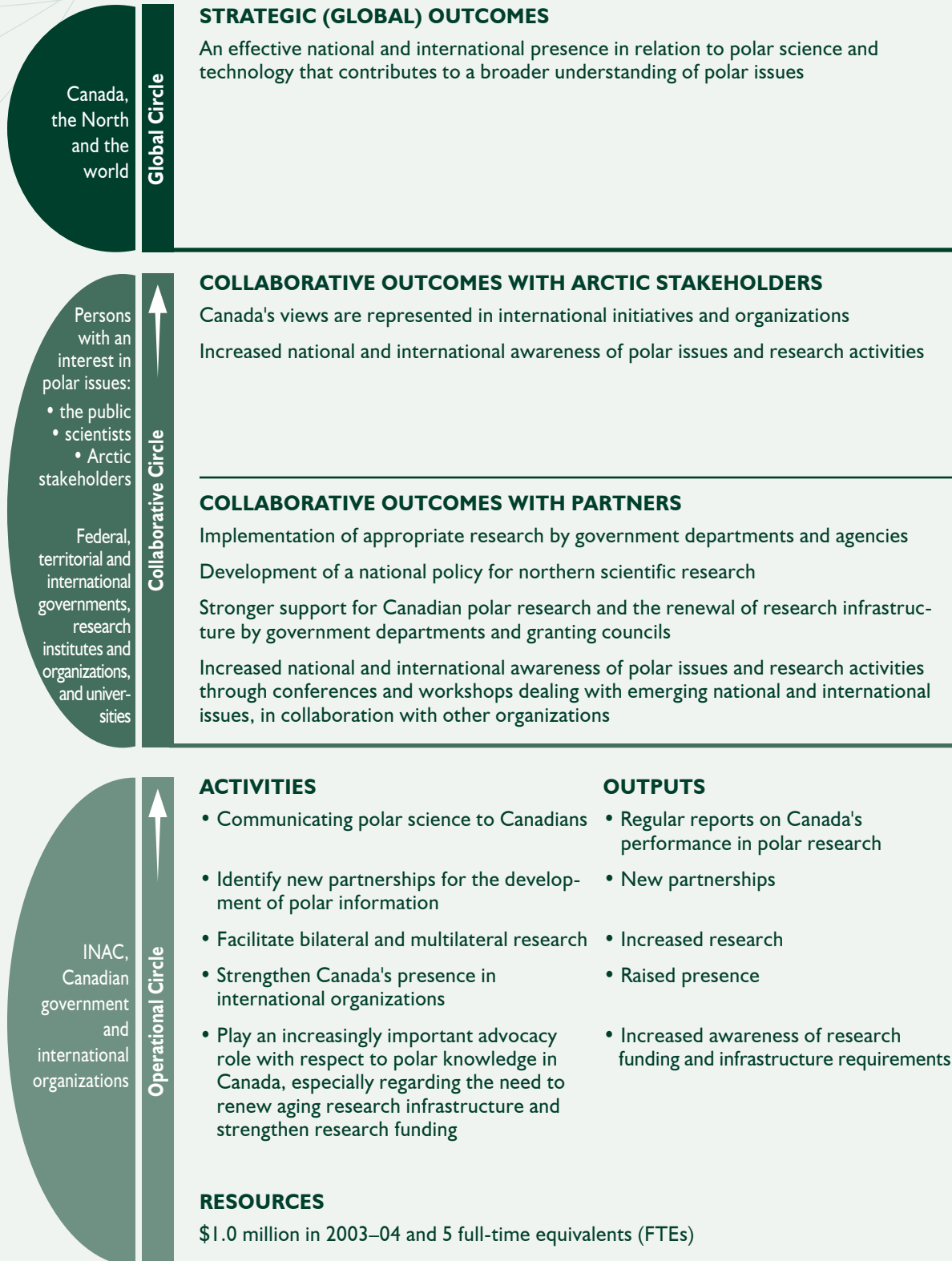
Results Logic for Each Strategic Outcome

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These results-logic maps build on the circles of influence described above and allow the reader to visibly link together INAC's use of resources to perform activities and produce outputs at the operational level, and to influence outcomes at the collaborative level with partners and client communities, such as First Nations, Inuit and Northerners. These collaborative outcomes can then be associated with the strategic outcomes and priorities that make up the raison d'être of the department.

All plans outlined in Section IV can be traced to at least one summary statement in the appropriate results-logic map. Eventually these charts will serve as accomplishment report outlines, and will link achievements to the results-logic map. By consulting each map, a reader will then more easily see how specific accomplishments contribute to broader strategic outcomes.

Results Logic



PRIORITY

Develop and disseminate knowledge with respect to the polar regions

(\$1.0 million in 2003–04)

What is this priority about?

The Commission's focus is on providing Canadians with an effective national and international presence in polar science and technology to contribute to a broader understanding of polar issues.

What are the benefits and results for Canadians?

- Enhanced polar knowledge
- Increased public awareness of polar science
- International profile as a circumpolar nation
- Science and technology in polar regions

What challenges and opportunities do we face as we move forward with this priority?

The current environment includes a diverse and widely dispersed research community, with small research institutes supporting a broad range of research activities. Members of the research community participate in initiatives to various degrees, while governments give polar research differing priorities. As a result, the CPC is needed to coordinate federal and private sector research activities, and to generate greater exchanges of information.

The CPC plays a key role in implementing a range of initiatives, including the following:

- communicating polar science to Canadians;
- identifying new partnerships for the development of polar information;
- facilitating bilateral and multilateral research;
- strengthening Canada's presence in international organizations; and
- playing an increasingly important advocacy role with respect to polar science and technology in Canada, especially regarding the need to maintain or replace aging research infrastructure and increase research funding.

Planned Results

Enhanced Polar Knowledge

2003-04

- Increase national and international awareness of polar issues and research activities through continued publication of the CPC's *Meridian* newsletter and the newsletter of the Canadian Antarctic Research Network. Subscribers to these publications number approximately 1,400 and include university and government researchers, politicians, policy makers and other public servants, as well as university, college, school and community libraries.
- Continue to add new national and international polar research information resources (links to new research projects and institutes, related non-governmental organizations, etc.) to the evolving Canadian Polar Information Network (CPIN). CPIN is expected to keep abreast of new developments in polar knowledge and to provide Canadians with access to the most current information on polar research, helping to identify potential opportunities for new partnerships.

2004-06

- Contribute to Canadians' understanding of polar issues through a variety of activities, such as refining and expanding the Internet site on polar information for primary and secondary school students, facilitating conferences and workshops, and dealing with emerging issues of national and international concern, in collaboration with other organizations.

Increased Public Awareness of Polar Science

2003-04

- Continue to provide current information on Canadian polar research to national and international researchers through newsletters and to publicize newsletters through the CPC Web site, educational directories, and conferences and workshops in Canada and abroad.

2004-06

- Continue to provide access to information on research in support of polar knowledge through newsletters, the Web site, the on-line directory of researchers and on-line fora for discussion of issues.

International Profile as a Circumpolar Nation

2003-04

- Enhance Canada's profile as a circumpolar nation by ensuring Canadians have effective representation on international organizations and committees, as well as by participating in multinational research projects to increase international cooperation and joint initiatives.

2004–06

- Increase awareness and support for world-class polar research undertaken by Canadians in the Arctic and Antarctic, to promote greater participation by Canadian scientists in interdisciplinary and multidisciplinary research teams dealing with global issues.
- Continue collaboration with researchers to promote research and publicize international Arctic and Antarctic issues, to further raise the profile of Canada as a circumpolar nation both within Canada and outside of the country.

Science and Technology in Polar Regions

2003–04

- Report on the state of polar knowledge by means of the fourth Indicators Report (June 2003). The ongoing Indicators Project is expected to identify significant trends and to assist policy makers in making informed decisions.
- Continue to expand and update the on-line researchers' directory, which lists Canadian polar specialists by area of expertise and current research. The directory provides easy access to information on "who is doing what and where" in Canadian polar science. It is used by Canadian polar researchers and others to find experts in particular fields of endeavour.
- Collaborate with the Association of Canadian Universities for Northern Studies to offer scholarships to promising young researchers on topics related to circumpolar issues; advocate for stronger support of Canadian polar research by universities, governments and research institutes and for the renewal of aging research infrastructure; and promote better coordination of research efforts and sharing of information.

2004–06

- Continue to reflect the Commission's commitments to both Arctic and Antarctic polar research by supporting implementation of the Canadian Antarctic Research Strategy; and by facilitating and encouraging Canadian scientists in the development of research projects that benefit Northerners and address Canadian concerns.

How do these results contribute to the department's strategic outcomes?

The Commission's activities provide valuable input into the state of Canadian polar knowledge; help focus national attention on the need for world-class research, information and infrastructure; and improve domestic research. The CPC serves as an important source of information on polar research and for links between governments, the research sector, Aboriginal communities, industry, academics and the Canadian public.

The CPC is also Canada's primary point of contact with the circumpolar scientific community. It is Canada's adhering body to the International Arctic Science Committee and the Scientific Committee on Antarctic Research and provides liaison with research organizations throughout the circumpolar world. Its international efforts complement its domestic research activities and provide input into multilateral scientific projects of relevance to Canadians.

What are the risks associated with delivering – or not delivering – on this priority?

At present, other polar nations are actively funding and undertaking projects to address crucial gaps in the knowledge of Canada's Arctic regions. If Canadian polar research capacity does not increase, Canada will become dependent on foreign interests for its polar research. Consequently, at a time when polar research is steadily increasing in importance around the world, Canada could be perceived as a weak link among polar nations.

Without the Commission's efforts to promote the development of a national polar science strategy, Canadian polar research will continue to lack focus and direction, with the attendant risks of needlessly high costs, duplication of effort and other inefficiencies.

Finally, without the opportunities for communication provided by the CPC, researchers and Northerners would lose an important venue for raising issues and concerns.



Section V • Organization

Strategic Outcomes and Business Lines (2003–04)

Indian and Northern Affairs Canada (\$ millions)

Strategic Outcomes	Business Lines			Total
	Indian and Inuit Programming	Claims	Northern Affairs Programming	
To provide Canadians with an environment that fosters a more promising future for all First Nations and Inuit people by strengthening the relationship and addressing the disparities in living standards of First Nations and Inuit versus non-Aboriginal people; and to promote enhanced skills and expertise leading to more sustainable and accountable Aboriginal governments, increased self-sufficiency and economic independence.	4,558.8	750.2	—	5,309.0*
To provide Canadians with management of the federal Northern Agenda resulting in: strengthened territorial governance systems that are sensitive to Aboriginal rights and interests and the needs of all Northerners in general; exercising environmental stewardship, and promoting sustainable development in the North.	—	—	159.3	159.3
Sub-total	4,558.8	750.2	159.3	5,468.3
Administration				106.6
Total				5,574.9

Due to rounding, figures may not add to totals shown.

** See additional details in table on following page.*

Canadian Polar Commission (\$ millions)

Strategic Outcome	Business Line
	Canadian Polar Commission
To provide Canadians with an effective national and international presence in relation to polar science and technology that contributes to a broader understanding of polar issues.	1.0

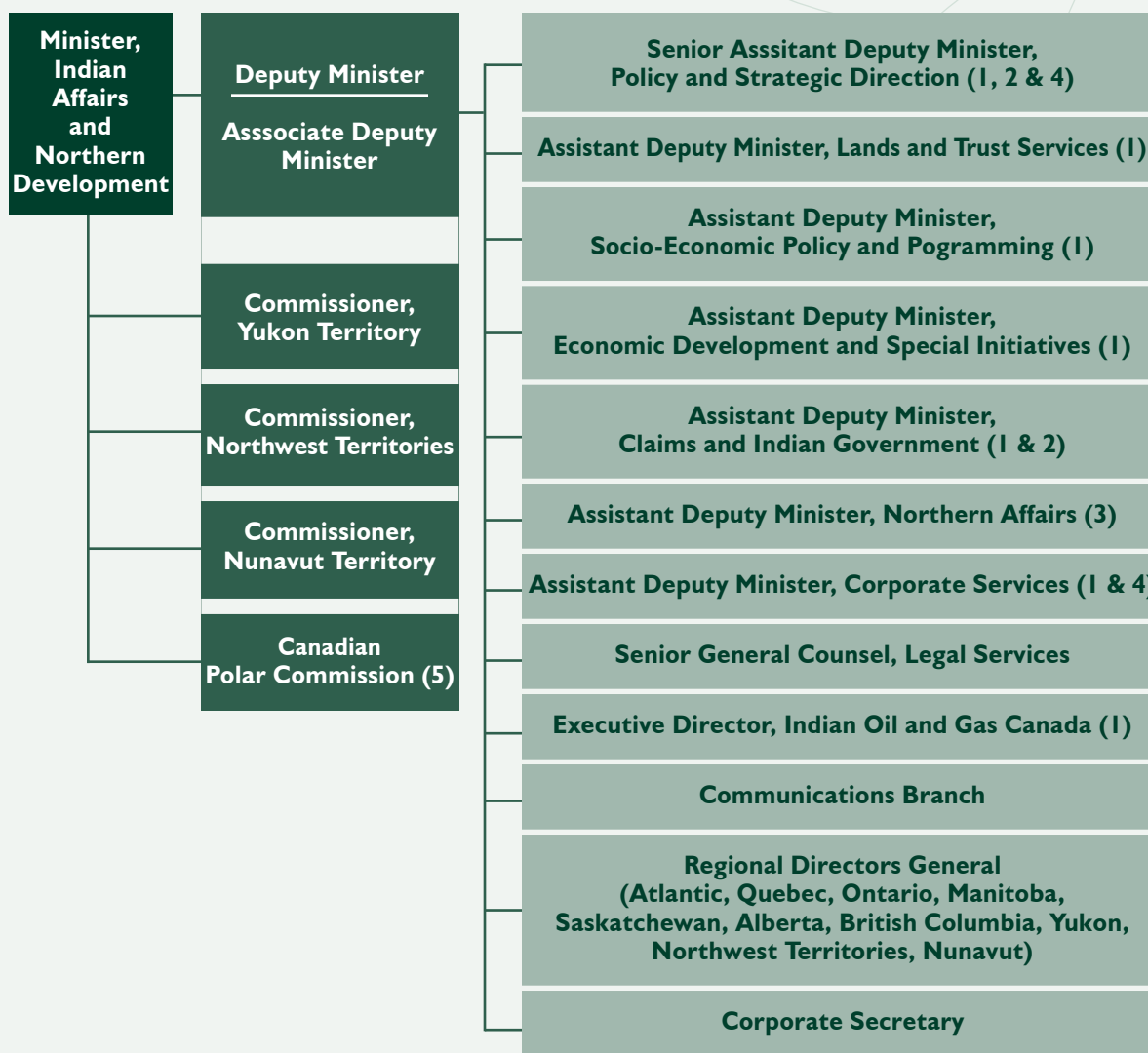
Expenditure details by Business Line and Priority

(\$ millions)	Priorities				Total
	Strong Communities, People and Economies	Strengthened Aboriginal Governance	New Fiscal Relationship	Renewed Partnerships	
Indian and Inuit Programming					
Elementary/Secondary Education	1,127	—	—	—	1,127
Capital	868	—	—	—	868
Social Assistance	624	—	—	—	624
Social Support Services	570	—	—	—	570
Indian Government Support	—	367	1	9	377
Post-Secondary Education	304	—	—	—	304
Housing	159	—	—	—	159
Economic Development	152	—	—	—	152
Self-Government	—	132	4	—	137
Lands and Trust Services	25	94	—	—	119
Sub-total	3,829	593	5	9	4,436
Regional Operations*					123
Sub-total (Indian and Inuit Programming)					4,559
Claims	—	427	—	324	750
Total	3,829	1,019	5	332	5,309

Due to rounding, figures may not add to totals shown.

* Regional Operations included in total only.

Accountability - Organization and Business Lines



Programs/Business Lines	Planned Spending 2003-04	
	(\$ millions)	FTEs
INDIAN AND NORTHERN AFFAIRS CANADA		
<i>Indian and Inuit Affairs Program</i>		
1. Indian and Inuit Programming	4,558.8	1,994
2. Claims	750.2	632
<i>Northern Affairs Program</i>		
3. Northern Affairs Programming	159.3	384
<i>Administration Program</i>		
4. Administration	106.6	807
Total INAC	5,574.9	3,817
CANADIAN POLAR COMMISSION		
5. Canadian Polar Commission	1.0	5

Planned Spending

(\$ millions)	Forecast Spending 2002–03*	Planned Spending 2003–04	Planned Spending 2004–05	Planned Spending 2005–06
Indian and Northern Affairs Canada				
Claims	530.4	622.8	425.2	401.7
Indian and Inuit Programming	4,332.3	4,386.0	4,417.8	4,500.9
Northern Affairs Programming	189.1	146.5	143.8	136.9
Administration	105.3	106.6	105.1	105.1
Budgetary Main Estimates	5,157.2	5,262.0	5,091.8	5,144.6
Non-Budgetary Main Estimates (Claims)	75.0	77.4	29.9	28.9
Less: Respendable Revenue	—	—	—	—
Total Main Estimates	5,232.1	5,339.4	5,121.7	5,173.5
Adjustments to Planned Spending**	209.7	235.5	233.3	208.1
Net Planned Spending	5,441.8*	5,574.9	5,355.0	5,381.6
Less: Non-Respendable Revenue	158.7	143.2	122.2	101.2
Plus: Costs of services received without charge	57.3	55.6	55.8	56.9
Net cost of Program	5,340.4	5,487.3	5,288.7	5,337.3
Full-Time Equivalents	3,988	3,817	3,620	3,608
Canadian Polar Commission				
Total Main Estimates (Budgetary)	1.0	1.0	1.0	1.0
Adjustments to Planned Spending**	—	—	—	—
Net cost of Program	1.0	1.0	1.0	1.0
Full-Time Equivalents	5	5	5	5

Due to rounding, figures may not add to totals shown.

* Reflects forecast of net planned spending to the end of the fiscal year.

** Adjustments reflect approvals not included in the Main Estimates (e.g. Supplementary Estimates, Budget 2003 initiatives including \$600 million for INAC and Health Canada over five years for safe water systems on reserves, and \$35 million over two years for First Nations education).

Net Planned Spending — Explanation of Trend

The net increase of approximately \$133 million from 2002–03 to 2003–04 primarily reflects the following major items: increases of \$83 million for ongoing programs and services, \$100 million for water and wastewater systems on reserve as announced in Budget 2003 (including funding for Health Canada) and \$113 million for various claims reflecting negotiations and settlement agreements; a reduction of \$44 million reflecting the transfer to the Department of Finance to implement the Yukon Northern Affairs Program Devolution Transfer Agreement; and reductions totalling \$121 million related to targeted funding provided in 2002–03 for various items (e.g. out-of-court settlements, urgent health and safety pressures, rust-out).

The net decrease of approximately \$220 million from 2003–04 to 2004–05 is comprised of the following major items: an increase of \$84 million for ongoing programs and services; reductions amounting to \$120 million for various claims reflecting the settlement agreements; reductions totalling \$160 million for various initiatives pending renewal of authorities (e.g. litigation management, specific claims, Innu Healing Strategy, British Columbia Treaty Commission process); and sunsetting of \$34 million in funding provided for various initiatives (e.g. Infrastructure Canada Program, Negotiation Preparedness).

The net increase of approximately \$27 million from 2004–05 to 2005–06 is comprised of the following major items: an increase of \$86 million for ongoing programs and services; reductions totalling \$17 million for various claims reflecting the settlement agreements; and sunsetting of \$44 million in funding for various initiatives (e.g. rust-out, northern energy development, Nunavik housing, Treaty-Related Measures).

Section VI • Annexes

Tables

Table 1 • Summary of Capital Spending by Program and Business Line

(\$ millions)	Forecast Spending 2002–03	Planned Spending 2003–04	Planned Spending 2004–05	Planned Spending 2005–06
Indian and Inuit Affairs Program				
Indian and Inuit Programming	665.4	735.3	715.7	734.1
Claims	8.6	7.9	2.5	—
Sub-total	674.0	743.2	718.2	734.1
Northern Affairs Program				
Northern Affairs Programming	34.7	0.7	0.4	0.3
Administration Program				
Administration	19.7	10.4	5.2	3.9
Total Capital Spending (Department)	728.5	754.3	723.8	738.3
Canadian Polar Commission	—	—	—	—

Due to rounding, figures may not add to totals shown.

Table 2 - Details on Major Capital Project Spending (projects valued at \$15 million and over)

(\$ millions)	Current Estimated Total Cost	Forecast Spending to March 31, 2003	Planned Spending 2003–04	Planned Spending 2004–05	Planned Spending 2005–06	Future Year Spending Requirement
Indian and Inuit Affairs Program*						
Claims						
Inuit Housing	25.0	15.0	5.0	5.0	—	—
Indian and Inuit Programming						
INFRASTRUCTURE						
<i>Quebec</i>						
Northern Quebec Marine Transportation Infrastructure Program — Docking Facilities	35.1	23.1	3.0	3.0	3.0	3.0
<i>Manitoba</i>						
Bunibonibee — Water/Sewer Upgrade	16.8	2.9	2.5	—	2.4	9.1
Garden Hill — Water/Sewer Upgrade	32.0	—	0.4	1.8	6.8	23.0
God's Lake — Water/Sewer System	16.7	0.5	1.8	2.7	2.1	9.5
Red Sucker Lake — Water/Sewer Upgrade	20.1	0.3	3.1	3.9	4.9	8.0
Wasagamack — Water/Sewer Phase II	15.2	—	0.3	5.0	4.3	5.5
Marcel Colomb — Community Development	18.3	6.6	6.5	4.3	0.9	—
Sub-total (Infrastructure)	179.2	48.4	22.6	25.7	24.4	58.1
EDUCATION FACILITIES						
<i>Manitoba</i>						
Chemawawin School	18.2	4.4	8.8	5.0	—	—
Norway House School	36.4	10.2	4.4	11.5	8.3	2.0
Sub-total (Education Facilities)	54.5	14.7	13.1	16.5	8.3	2.0
Total	233.7	63.1	35.8	42.1	32.6	60.1

Due to rounding, rows and columns may not add to totals shown.

* There are no major capital projects in other programs.

Table 3 - Summary of Transfer Payments

(\$ millions)	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
GRANTS				
Indian and Inuit Affairs Program				
Indian and Inuit Programming	331.0	343.7	354.8	367.9
Claims	409.0	485.5	313.3	301.2
Sub-total	740.1	829.2	668.1	669.1
Northern Affairs Program				
Northern Affairs Programming	5.7	0.8	0.7	0.7
Administration Program				
Administration	—	—	—	—
Total Grants	745.8	830.0	668.8	669.8
CONTRIBUTIONS				
Indian and Inuit Affairs Program				
Indian and Inuit Programming	3,766.9	3,966.0	4,025.2	4,071.6
Claims	63.2	73.8	45.6	38.0
Sub-total	3,830.0	4,039.8	4,070.8	4,109.6
Northern Affairs Program				
Northern Affairs Programming	74.3	62.9	57.9	54.3
Administration Program				
Administration	0.5	0.5	0.5	0.5
Total Contributions	3,904.8	4,103.1	4,129.1	4,164.4
TOTAL (GRANTS + CONTRIBUTIONS)				
Indian and Inuit Affairs Program				
Indian and Inuit Programming	4,097.9	4,309.7	4,379.9	4,439.5
Claims	472.2	559.3	358.9	339.2
Sub-total	4,570.1	4,868.9	4,738.8	4,778.8
Northern Affairs Program				
Northern Affairs Programming	80.0	63.7	58.7	55.0
Administration Program				
Administration	0.5	0.5	0.5	0.5
Total Transfer Payments (Department)	4,650.6	4,933.1	4,797.9	4,834.2
Canadian Polar Commission	—	—	—	—

Due to rounding, figures may not add to totals shown.

Table 4 - Details on Transfer Payments Programs

Objectives of Transfer Payment Programs by Business Line	Benefits/Results for Canadians
<p>Indian and Inuit Programming <i>(2003–04 Planned Spending: Grants \$343.7 million; Contributions \$3,966.0 million)</i> To assist First Nations and Inuit communities in achieving their self-government, economic, educational, cultural, social and community development needs and aspirations. The Indian and Inuit Programming assists First Nations in building healthy, sustainable communities through provision of services and programs similar to levels provided to other Canadian residents by provincial, territorial and municipal governments (including education, social services and community infrastructure). It also fulfils many of Canada's constitutional and statutory obligations and responsibilities to First Nations and Inuit people.</p> <p>Claims <i>(2003–04 Planned Spending: Grants \$485.5 million; Contributions \$73.8 million)</i> To achieve negotiated settlements of Aboriginal land claims. Such settlements resolve outstanding grievances, establish certainty to land title and access to lands and resources, create a climate that promotes economic development, and avoid time-consuming litigation. The settlement of a claim is not viewed as an end in itself, but rather as a beginning in which the Aboriginal people start to regain control of their destiny. Claims settlements provide a land base and financial package which establish a solid basis, and provide support for the department's Gathering Strength priorities of renewing the partnerships, strengthening Aboriginal governance, developing a new fiscal relationship and supporting strong communities, people and economies.</p>	<p>Strong Communities, People and Economies — strengthened and sustained economic development; increased self-sufficiency; improved health and safety.</p> <p>Strengthened Aboriginal Governance — governance capacity-building initiatives; self-government and claims agreements.</p> <p>New Fiscal Relationship — effective governance and fiscal relationships including new fiscal arrangements models and practical examples; new fiscal and statistical institutions; financial management skills and capacity in First Nations; strengthened governance and fiscal accountability.</p> <p>Renewed Partnerships — reconciliation and community healing; increased public awareness of Aboriginal issues; stronger working relationships with Aboriginal people and organizations; new approaches to federal, provincial and territorial relations with First Nations and Inuit communities.</p>
<p>Northern Affairs Programming <i>(2003–04 Planned Spending: Grants \$0.8 million; Contributions \$62.9 million)</i> To promote the political, economic, scientific and social development of Canada's North; to assist Northerners, including Aboriginal groups, to develop political and economic institutions which will enable them to assume increasing responsibility within the Canadian federation; to effectively manage and regulate the sustainable development of the North's natural resources in preparation for devolution to the territorial governments; to preserve, maintain, protect and rehabilitate the northern environment; and to manage ongoing federal interests in the North, including federal northern policy, federal-territorial relations and claims and self-government implementation, and federal circumpolar activities.</p>	<p>Effective Management of Federal Interests in the North — strengthened northern governance; fostering circumpolar co-operation; a healthy human and natural environment; sustainable use of northern natural resources.</p>
<p>Milestone Monitoring The department has in place the appropriate systems to monitor and ensure the integrity of its transfer payment programs. Specifically, the department has developed various performance frameworks (e.g. Gathering Strength) and reporting vehicles (e.g.; annual reports on comprehensive claims and progress on Gathering Strength), which provide information on departmental performance to Canadians. The department also utilizes its internal audit and evaluation function to review programs and activities on an ongoing basis.</p>	

Table 5 • Foundation

Aboriginal Healing Foundation

Under Gathering Strength, the federal government committed \$350 million to support community-based healing initiatives for Métis, Inuit and First Nations people on and off-reserve who were affected by the legacy of physical and sexual abuse in the residential school system or its intergenerational impacts. This funding was provided as a one-time grant in 1998–99 to the Aboriginal Healing Foundation (AHF), an Aboriginal-operated, not-for-profit corporation that is independent of both government and Aboriginal political organizations.

The AHF uses the monies received to support community-based healing projects. Eligible projects complement existing programs and meet healing needs not currently being supported.

For additional information, including annual reports, see the AHF website at <http://www.ahf.ca>.

Table 6 - Non-Respendable Revenues

(\$ millions)	Forecast Revenue 2002-03	Planned Revenue 2003-04	Planned Revenue 2004-05	Planned Revenue 2005-06
INDIAN AND INUIT AFFAIRS PROGRAM				
Indian and Inuit Programming				
Goods and services tax	0.3	0.3	0.3	0.3
Return on investments:				
• Indian economic development fund	0.5	0.5	0.5	0.5
Recovery from guaranteed loans	0.4	0.4	0.4	0.4
Refunds of previous years' expenditures	13.5	13.5	13.5	13.5
Adjustment of prior year's payables at year end	0.9	0.9	0.9	0.9
Privileges, licences and permits	0.1	0.1	0.1	0.1
Proceeds from:				
• Disposal of surplus Crown assets	0.1	0.1	0.1	0.1
Other non-tax revenues	0.4	0.4	0.4	0.4
Sub-total (Indian and Inuit Programming)	16.2	16.2	16.2	16.2
Claims				
Return on investments:				
• Native claimants	10.2	10.2	10.2	10.2
Other non-tax revenues	5.5	5.5	6.3	6.3
Sub-total (Claims)	15.7	15.7	16.5	16.5
Sub-total (Indian and Inuit Affairs Program)	31.9	31.9	32.7	32.7
NORTHERN AFFAIRS PROGRAM				
Northern Affairs Programming				
Goods and services tax	0.1	0.1	0.1	0.1
Return on investments:				
• Norman Wells Project profits	42.0	38.0	32.0	28.0
• Other	0.8	0.8	0.8	0.8
Refunds of previous years' expenditures	0.9	0.9	0.9	0.9
Adjustments of prior year's payables at year end	1.0	1.0	1.0	1.0
Canada mining	56.0	51.6	38.6	22.6
Yukon quartz mining	0.5	—	—	—
Placer mining fees	0.2	—	—	—
Quarrying royalties	0.3	0.3	0.3	0.3
Coal leases	—	—	—	—
Metallic and non-metallic	—	—	—	—
Oil and gas royalties	19.9	15.8	13.0	12.0
Forestry	2.0	—	—	—
Land, building and machinery rentals	0.8	0.7	0.7	0.7
Land use fees	0.5	0.4	0.4	0.4
Other fees, rentals, licences	0.2	0.2	0.2	0.2
Proceeds from:				
• Sales	0.1	—	—	—
• Disposal of surplus Crown assets	—	—	—	—
Other non-tax revenues	1.2	1.2	1.2	1.2
Sub-total (Northern Affairs Program)	126.5	111.0	89.3	68.3

Table 6 - Non-Respendable Revenues (continued)

(\$ millions)	Forecast Revenue 2002-03	Planned Revenue 2003-04	Planned Revenue 2004-05	Planned Revenue 2005-06
ADMINISTRATION PROGRAM				
Administration				
Refunds of previous years' expenditures	0.1	0.1	0.1	0.1
Adjustments of prior year's payables at year end	0.1	0.1	0.1	0.1
Service and service fees	—	—	—	—
Proceeds from disposal of surplus Crown assets	—	—	—	—
Other non-tax revenues	—	—	—	—
Sub-total (Administration Program)	0.2	0.2	0.2	0.2
Total Non-Respendable Revenues (Department)	158.7	143.2	122.2	101.2
Canadian Polar Commission	—	—	—	—

Due to rounding, figures may not add to totals shown.

Table 7 - Net Cost of Programs for the Estimates Year

(\$ millions)	Programs			Total
	Administration	Indian and Inuit Affairs	Northern Affairs	
Net Planned Spending (Total Main Estimates plus adjustments as per the Planned Spending table)	106.6	5,309.0	159.3	5,574.9
Plus: Services Received without Charge				
Accommodation provided by Public Works and Government Services Canada (PWGSC)				22.6
Contributions covering employees' share of employees' insurance premiums and expenditures paid by TBS				17.7
Worker's compensation coverage provided by Human Resources Canada				0.7
Salary and associated expenditures of legal services provided by Justice Canada				14.5
Sub-total				55.6
Less: Non-respendable revenue				143.2
2003-04 Net Cost of Program				5,487.3

Due to rounding, figures may not add to totals shown.

Table 8 - Loans

(\$ millions)	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
INDIAN AND INUIT AFFAIRS PROGRAM				
Claims				
Loans to native claimants	31.9	29.9	29.9	28.9
Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission process	26.8	47.5	—	—
Total (Department)	58.7	77.4	29.9	28.9
Canadian Polar Commission	—	—	—	—

Due to rounding, figures may not add to totals shown.

Table 9 - Regulatory Initiatives

INAC is responsible for two separate yet equally important mandates: **Indian and Inuit Affairs** and **Northern Affairs**. This broad mandate is derived largely from the *Department of Indian Affairs and Northern Development Act*, the *Indian Act*, territorial acts and legal obligations arising from section 91(24) of the *Constitution Act, 1867*; however, the department is responsible for administering over 50 statutes in total. Consequently, INAC's mandate is complex and its responsibilities encompass a broad range of services.

For a complete list of legislation administered by INAC please refer to:

http://www.inac-ainc.gc.ca/pr/leg/index_e.html

For a list of regulations currently in force and Planned Regulatory Initiatives for 2003-04 please refer to:

http://www.inac-ainc.gc.ca/pr/leg/reg/index_e.html

You may also obtain this information by calling (819) 997-0380

Other Initiatives Contributing to Results for Canadians

Planned Results

Exemplary Workplace

Aboriginal Representation Within a Dynamic and Skilled Work Force

2003–04

- Increase external recruitment of Aboriginal peoples, particularly post-secondary graduates, in a variety of fields, based on expected vacancies and targeted growth areas.
- Improve technology and tools to facilitate identification, recruitment and assessment of Aboriginal candidates for employment.
- Increased Aboriginal participation in federal government employment and development initiatives.
- Establish new partnerships to increase participation and representation of Aboriginal peoples throughout the public service.

Modern Comptrollership

Sound Management Practices

2003–04

- Each sector and region will be asked to prepare a progress report on their existing 2002–03 Human Resources (HR) plans. The methodologies and tools available to regions and sectors are being updated to enhance their HR planning capacities.
- Foster continuous learning by developing and promoting strategic use of effective people management programs and practices, mentoring, e-learning, learning plans, Aboriginal awareness training, second official language training and career services across the department, and by supporting the development of strong communities of practice within INAC.
- Continue to improve and modernize the overall state of comptrollership relative to the department's baseline position and to accepted policies and standards, through operation and monitoring of the Modern Management Practices Action Plan.
- Strengthen risk management through development and implementation of a Corporate Risk Profile, which will enable the department to identify, evaluate and proactively manage high-risk initiatives/areas.
- Maintain commitment to sustained dialogue on departmental Core Values and public service values and ethics.
- Strengthen the department's Capital Management Regime to ensure that effective planning processes and controls are in place, risks are identified, and the use of capital assets is maximized and managed on a life-cycle basis.

2004–06

- Develop a three-year strategic HR plan for fall 2004.
- Promote the development of strong communities of practice within INAC by developing competency profiles for the department's main communities of practice.
- Continue to improve the state of management practices within the department, to achieve a more advanced and integrated level of comptrollership.

- Continue to implement recruitment, retention and development strategies to address demographic challenges identified through HR planning exercises.

Government On-Line

Government On-Line (GOL) is a key component in the department's strategy to improve service delivery by providing better access to a full range of government information and services. Service transformation, re-engineering of business systems and change management are activities critical to the success of GOL. The department is committed to the GOL initiative and will endeavour to undertake these activities within the constraints of available resources.

2003-04

- An on-line employment application and inventory system for identifying and recruiting Aboriginal Canadians for job vacancies in the department.
- Re-engineer the Indian Registry System, which will enable on-line applications for registration as a Status Indian, renewals of Certificates of Indian Status (status cards) and reporting of life events.
- Streamline reporting requirements for Funding Agreement program and deployment of on-line reporting systems for certain key programs on a pilot basis. This is one of the deliverables of the larger multi-phased First Nations and Inuit Transfer Payment project, which seeks to transform the current transfer payment management system and replace it with a re-engineered, single window, on-line venue for transferring federal funds and reporting results.
- On-line systems and facilities for improved information sharing and communication, including a catalogue for departmental library holdings, registries of fuel storage tanks and environmental assessments, and various fora for collaboration and discussion.
- Continue enhancing Internet presence with increased availability of information, programs and services to be provided on-line (<http://www.ainc-inac.gc.ca>).
- Complete rollout of the Comprehensive Integrated Document Management (CIDM) system to every employee in the department.

2004-06

- Continue implementation of the departmental GOL plan (http://www.ainc-inac.gc.ca/gol-ged/index_e.html) to transform business processes for on-line delivery of programs and services.
- Continue enhancing Internet presence with increased availability of information, programs and services to be provided on-line (<http://www.ainc-inac.gc.ca>).
- Ongoing CIDM training and support, and integration with other departmental document management systems.

Sustainable Development Strategy

As in previous years, commitments from the departmental Sustainable Development Strategy (SDS) 2001-03 are incorporated throughout this report. The entire SDS, as well as the 2001-02 annual report, can be found at http://www.ainc-inac.gc.ca/sd/index_e.html

For fiscal year 2003-04, efforts will be concentrated on renewing the SDS, for tabling in Parliament in December 2003. The renewed SDS will focus on key commitments that complement the overall strategic direction of the department. Developing these commitments will involve extensive work

and cooperation with the senior management team, all INAC regional offices, and representatives from First Nations, Inuit and northern communities.

Since 2000, INAC has played a significant role in developing the Federal SDS (FSDS). In 2003–04, INAC will continue to play an important role as the FSDS is elaborated. The department's efforts will focus on furthering an SDS for the North and on coordinating interdepartmental approaches to sustainable First Nations communities.


Significant progress is anticipated in several high-profile commitments in the current SDS in the current planning period. In particular, comprehensive community planning has received significant exposure and support within the department, interdepartmentally and from First Nations and Inuit, over the past 18 months. In 2003–04, the department will continue to develop capacity-building tools and models, including printing and distributing results of First Nations and Inuit community planning experiences.

A second commitment wherein significant progress is anticipated in the current planning period relates to climate change. The department's work on climate change takes place via a department-wide program called the Aboriginal and Northern Climate Change Program (ANCCP). This three-year program was initiated under Action Plan 2000 and started in 2001–02. It focuses on raising awareness and capacity building with respect to energy efficiency and renewable energy at the community level. Over the next years, INAC will develop a departmental climate change action plan to include, not only energy efficiency and alternative energy sources to reduce the emission of greenhouse gases, but also an investigation of the adaptations that may be required by Aboriginal and Northern communities due to impacts of climate change.

Sound environmental management of reserve lands is a key element of the current SDS. To address this issue, the department's Indian and Inuit Affairs Program (IIAP) has committed to development of an Environmental Stewardship Strategy (ESS). In 2003–04, the first steps of the ESS Action Plan will be implemented, on approval by senior management. These steps include development of an Environmental Management Framework, an Environment Policy and two operational directives, along with accompanying procedures, based on the department's federally legislated obligations related to environmental protection and environmental assessment.

Future plans to implement the ESS include: advancing additional departmental operational directives and procedures related to environmental conservation and emergency response; promoting and enhancing awareness, training and compliance; and capacity building for IIAP staff and First Nations. In the longer term, the ESS proposes a joint approach with Environment Canada to address environmental legislative and regulatory gaps on First Nations and reserve lands.

Complementing work on the ESS, implementation of the *First Nations Land Management Act* (FNLMA) is a key initiative for the current planning period. INAC, with input from First Nations, the Lands Advisory Board and Environment Canada, will put in place Model Environmental Management Agreements and Environmental Assessment Agreements with First Nations communities involved in the FNLMA. It is expected that the FNLMA will expand to include 30 First Nations at any given time; as a result, environmental management capacity will expand correspondingly.



Operational activities in the North will continue to follow the principles and practices of sustainable use of natural resources, with attention being paid to integrating environmental considerations with socio-economic factors.

The devolution of certain responsibilities for land and resource management is resulting in a different focus of the federal government in the Yukon. Further strengthening of intergovernmental relations through increased information sharing, an increased focus on northern issues by Ministers, areas of shared management with the governments of the Northwest Territories and Nunavut, and the development of common political development agendas will assist Northerners to meet the challenges of resource development. A guide on impact and benefit agreements, and the identification of options for a new mining regime for Nunavut are two planned outputs to assist in furthering responsible northern development. Other efforts towards this end include work on improving the efficiency of the regulatory regime for the northern oil and gas sector and the ongoing engagement of other federal government departments to ensure the federal government is fully prepared for future hydrocarbon activity in the Beaufort Sea.

Publication of the *Canadian Arctic Contaminants Assessment Report II* in 2003 will inform the public of the outcome of the latest research into contaminants that enter the food chain and consequently have the potential to affect traditional northern diets. This report is a precursor to a revised Management Framework and Strategic Plans to assist northern communities to make informed decisions about their diets.

Canada will continue participating in the work of the Arctic Council to promote sustainable development and environmental protection within international fora. In 2003, Canada will establish a Secretariat for the Council's Sustainable Development Working Group. One of its key tasks will be to help draft an action plan for the Council's sustainable development program. Bilateral initiatives will be pursued with Russia in the areas of environmental clean-up, sustainable development indicators, and governance and capacity building, and with the European Union in drafting a circumpolar component for its Northern Dimension Action Plan.

Finally, over the next 18 months, INAC will continue efforts to "green" its internal operations. Specifically, INAC will enhance communications to its employees about reducing the environmental impact of the department's operations, and further development of an environmental management system (EMS).

Service Improvement

In the year 2003–04 and beyond, INAC will continue to develop and implement tools to support continuous learning and delivery of front-line services provided directly to First Nations and northern communities. Competency profiles, case study learning tools and the orientation of new senior managers to front-line realities will continue to foster greater dialogue between service providers, policy makers and senior management.

Co-delivery Partner Contacts – Federal Department or Agency

Health Canada — Call (613) 954-8815 or see the website at <http://www.hc-sc.gc.ca>

Non-Insured Health Benefits; Community health services; Environmental health and surveillance; Hospital services; National Native Alcohol and Drug Abuse Program; Brighter Futures Program — Community Mental Health and Child Development; Aboriginal Head Start; National Children's Agenda; Aboriginal Diabetes Strategy; First Nations and Inuit Home and Community Care Program; First Nations and Inuit Health Information Systems; Food Safety and Nutrition Program; Organization for the Advancement of Aboriginal People's Health; Federal Tobacco Control Strategy; Labrador Innu Comprehensive Healing Strategy; Collection and Analysis of Health Information of First Nations; Capital Rust-Out; Public Security and Anti-Terrorism; Early Childhood Development for First Nations and Other Aboriginal Children; First Nations and Inuit Primary Care Electronic Health Record; and the Provincial-Federal First Nations Telehealth Project.

Human Resources Development Canada — Call (819) 997-8677 or see the website at <http://www.hrdc-drhc.gc.ca>

Aboriginal Human Resources Development Strategy; Aboriginal Skills and Employment Partnership.

Canada Mortgage and Housing Corporation — Call (613) 748-2586 or see the website at <http://www.cmhc-schl.gc.ca>

On-reserve: Non-Profit Housing Program; Residential Rehabilitation Assistance Program; Home Adaptations for Senior's Independence; and Youth Internship for First Nations and Inuit Youth.

Off-reserve: Rural and Native Housing Program; Urban Native Housing Program; Residential Rehabilitation Assistance Program; Emergency Repair Program; agreement respecting the implementation of the James Bay and Northern Quebec agreement related to housing in Nunavik.

Solicitor General of Canada — Contact the Aboriginal Policing Directorate at (613) 991-0241 or see the website at <http://www.sgc.gc.ca>

First Nations Policing Policy — Implementation, maintenance and development of the First Nations Policing Program, mainly on-reserve, through tripartite policing agreements between First Nations communities, provincial and territorial governments and the federal government, to provide First Nations with access to professional, effective, culturally sensitive police services that are accountable to the communities they serve.

Canadian Heritage — Contact the Aboriginal Affairs Branch at (819) 994-3835

Aboriginal Friendship Centres Program; Northern Native Broadcast Access Program; Aboriginal Representative Organizations Program; Aboriginal Women's Program; Aboriginal Language Initiative; Aboriginal Languages Program; Urban Multipurpose Aboriginal Youth Centres Initiative; and Young Canada Works for Urban Aboriginal Youth.

Industry Canada — Call (613) 954-4064 or see the website at <http://www.abc-eac.ic.gc.ca>

Aboriginal Business Canada — Promotes the development, competitiveness and success of Aboriginal business in Canadian and world markets.

Fisheries and Oceans Canada — Contact the Aboriginal Affairs at (613) 993-1917
Aboriginal Fisheries Strategy and the *Marshall* Long-Term Response Program (Fisheries Access and Co-Management Program) — To increase Aboriginal involvement in all aspects of fisheries, fish habitat management and commercial fishing opportunities; Aquatic Resources Management.

Natural Resources Canada — Contact the Financial Management Branch at (613) 996-6865

Aboriginal Model Forest; First Nation Forestry Program; *Canada Lands Surveys Act*; CANMET Energy Technology Centre; Enhanced Aboriginal Involvement Strategic Initiative; and capacity-building grants and initiatives in resource management.

Justice Canada — Contact the Aboriginal Justice Directorate at (613) 941-9298 or the Programs Branch at (613) 957-3180 or visit the website at <http://www.canada.justice.gc.ca>

Aboriginal Justice Strategy; Legal Studies for Aboriginal People Program (LSAP); and the Native Courtworker Program.

Privy Council Office — Contact the Federal Interlocutor for Métis and Non-Status Indians at (613) 947-1848 (Privy Council Office)

Gathering Strength — *Canada's Aboriginal Action Plan*; Urban Aboriginal Strategy.

National Defence — Contact Corporate Services at (613) 992-6033

Bold Eagle Program; Canadian Forces Aboriginal Entry Program; Canadian Rangers Program; Junior Canadian Ranger Program; Headstart Program.

Correctional Service of Canada (CSC) — Contact CSC at (613) 943-0493 or visit the website at <http://www.csc-scc.gc.ca>

Aboriginal Treatment and Healing Programs; Aboriginal-specific health strategies; Research projects on Aboriginal Reintegration; Aboriginal Healing Lodges; Halfway Houses for Aboriginal offenders; National Aboriginal Employment-Recruitment Strategy; Elders working in institutions and in the community; Aboriginal Liaison Services in federal institutions; support to Native Brotherhood and Sisterhood Groups; Aboriginal Offender Employment and Job Placement; and Aboriginal Gangs Reintegration Project.

Indian Residential Schools Resolution Canada (IRSRC) — Residents of British Columbia, Alberta or the North may contact IRSRC at (604) 775-6400; all other residents may call (613) 996-2686 or visit the website at <http://www.irsr-rqpi.gc.ca>

Indian Residential Schools Resolution program — Management and resolution of Indian residential school claims.

Contacts for Further Information

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TTY: (866) 553-0554
E-mail: Reference@ainc-inac.gc.ca

Media Enquiries — Communications

Phone: (819) 994-8404

Statistical Enquiries (Sociodemographic)

Phone: (819) 953-9999
E-mail: Instat@ainc-inac.gc.ca
Sociodemographic statistical publications available at http://www.ainc-inac.gc.ca/pr/sts/index_e.html.

Northern Affairs Program

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CANADIAN POLAR COMMISSION

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