



Indian and Northern Affairs Canada and Canadian Polar Commission

Performance Report

For the period ending
March 31, 2002

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

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Foreword

In the spring of 2000, the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the Government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Departments and agencies are encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on outcomes - benefits to Canadians and Canadian society - and describes the contribution the organisation has made toward those outcomes. It sets the department’s performance in context and discusses risks and challenges faced by the organisation in delivering its commitments. The report also associates performance with earlier commitments as well as achievements realised in partnership with other governmental and non-governmental organisations. Supporting the need for responsible spending, it links resources to results. Finally, the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments and agencies strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organisation according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:
<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to:

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Ottawa, Ontario K1A 0R5

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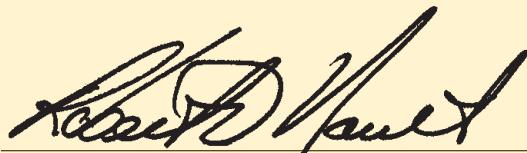
Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada



Indian and Northern Affairs Canada *and* Canadian Polar Commission

Performance Report
For the period ending March 31, 2002



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

Canada



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I am pleased to present the 2001–02 Performance Report for Indian and Northern Affairs Canada (INAC) and the Canadian Polar Commission.

This report outlines some of the major achievements from the past year and offers testimony to the hard work and dedication of the people at INAC. As Minister, I am proud of the work we have done over the year and of our goals and priorities for the future. Upholding our commitments to Aboriginal people, as stated in the Speech from the Throne, was the guiding principle behind our endeavours, as we took a number of important steps toward building a better quality of life for First Nations, Inuit and Northerners.

In pursuit of this goal, we have taken a practical, balanced and integrated approach that focusses on the day-to-day concerns of individuals and communities. To guide us in our work, we have adopted a series of key priorities designed to put the tools of self-sufficiency and opportunity into the hands of First Nations, Inuit and Northerners. While strengthened governance is the foundation, economic development, education and social programs, as well as claims resolution and self-government, are the building blocks that, when taken together, form a continuum leading to strong and healthy First Nations, Inuit and northern communities.

In the spring of 2001, we launched the *Communities First: First Nations Governance Initiative* with one of the most extensive consultations with First Nations people ever undertaken in Canada. This historic initiative began the long-awaited reform of the 126-year-old *Indian Act*, to modernize the governance components in the Act and provide First Nations people with the tools they need to build self-sustaining communities. Throughout the spring, summer, and fall of 2001, First Nations people across Canada participated in community meetings, information sessions and discussion groups, as part of the consultations, and provided their opinions and ideas through correspondence, the Internet, and a toll-free call centre. Overall, more than 10,000 individuals and leaders participated in the process which led to the tabling of Bill C-61, the proposed *First Nations Governance Act* in June 2002 to put the power to handle the affairs of community governance where it belongs, in the hands of First Nations people themselves.

Strengthened governance also includes giving First Nations communities greater authority over their reserve lands and resources. In March 2002, we extended the *First Nations Land Management Act* to more First Nations, giving them, along with the original 14 signatory First Nations, the authority to come out from under the land administration sections of the *Indian Act* and establish their own land and resource management systems. These examples of strengthened governance capacity are part of the foundation for more self-sufficient communities that are able to enjoy an improved quality of life.

With respect to developments in Canada's North, it should be noted that in March of 2002 the *Yukon Act* received Royal Assent. This historic Act represents a major step in the continued political evolution of the North and demonstrates our commitment to working in partnership with northern communities and governments to give them greater control over their own economic future.

While laying the foundation for self-sufficiency with strengthened governance, my department continued to make strategic investments in economic development as the building blocks for strong First Nations, Inuit and northern communities. In the past year, the department invested \$65.6 million in 324 First Nations and Inuit economic development projects across Canada, with contributions ranging from \$2,000 to \$3 million. These opportunity-driven investments leveraged more than \$400 million from other partners and created more than 2,000 jobs. This support has translated into real change and has made a positive difference in the quality of life for Aboriginal people.

We also recognize that the education of young people is fundamental to the health and well-being of the community. My department is working with First Nations and Inuit to ensure that their children have the same opportunities and quality of life that many Canadians enjoy. This partnership has resulted in great success across the country. Since First Nations have increasingly taken control over the management and administration of their educational programs, the number of First Nations and Inuit students funded by my department and enrolled in post-secondary schools has increased from 14,000 to approximately 26,000. While we can take great pride in this success, we know there is more to do. With a young and growing Aboriginal population, our commitment to the education of First Nations and Inuit youth remains steadfast and secure.



Strengthened governance and strategic investments in economic development and education, as well as other initiatives outlined in this report, are part of an integrated set of priorities that are beginning to bring forth positive results. I invite you to visit our website at <http://www.ainc-inac.gc.ca> for even more information. Improvements in all of these areas clearly show that the renewed partnership between the Government of Canada and Aboriginal communities is making a difference in the lives of countless people.

No one would say that the work is finished, but as you will see in the pages that follow, no one can deny the progress we have made together.



Speech from the Throne – Indian and Northern Affairs Canada

Consistent with the Government of Canada's goal of improving the quality of life for all Canadians and the commitments made in the January 2001 Speech from the Throne and Budget 2001, the key objective of Indian and Northern Affairs Canada (INAC) is to create a better quality of life for First Nations, Inuit and Northerners.

To achieve this objective, we are continuing to advance the four elements of *Gathering Strength — Canada's Aboriginal Action Plan* (http://www.ainc-inac.gc.ca/gs/index_e.html):

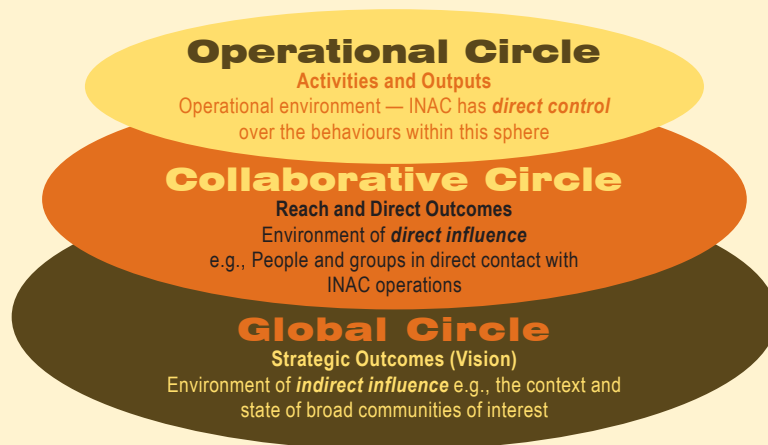
- Strong communities, people and economies;
- Strengthened Aboriginal governance;
- A new fiscal relationship; and
- Renewed partnerships.

As we move forward, we recognize the need for a balanced, integrated approach, in which economic and social development go hand in hand. Our efforts are focussed on achieving a better quality of life for First Nations, Inuit and Northerners, through economic participation built on strong foundations of governance, human capital and infrastructure.

Specifically, INAC is focussing its activities in areas that provide an integrated, coherent direction for the department and that will yield positive results in the short, medium, and long term. By providing a solid base for good governance, First Nations are well equipped to fully participate in Canada's social and economic development. In addition, investments in education and strong social programming ensure First Nations communities and individuals are healthy and competitive. Furthermore, activities such as resolving claims and investing in the vast resource potential of Canada's North are contributing to a climate of opportunity and growth for not only First Nations, Inuit and Northerners, but all Canadians.

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 operations 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.

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

Operational activities are intended to have a direct influence on immediate and intermediate outcomes. Collaborative-level results include the following:

- Adoption by target communities and sectors of practices that contribute to strategic outcomes;
- Capacity enhancement, 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 other intermediary and partner groups; 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; new fiscal relationship; and renewed partnerships.

Results Logic for Each Strategic Outcome

To set our performance in context, provide for an appropriate 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 influence collaborative outcomes with partners and client communities, such as the First Nations, Inuit and northern communities. These collaborative outcomes can then be associated with the strategic outcomes and priorities that make up the *raison d'être* of the department.

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

Reporting Structure

Indian and Northern Affairs Canada

Strategic Outcomes	Priorities	Achievements
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 discrepancies 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 Strengthened Aboriginal Governance New Fiscal Relationship Renewed Partnerships	Section III
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; safeguarding the environment, and promoting sustainable development in the North.	Effective Management of Federal Interests in the North	Section III

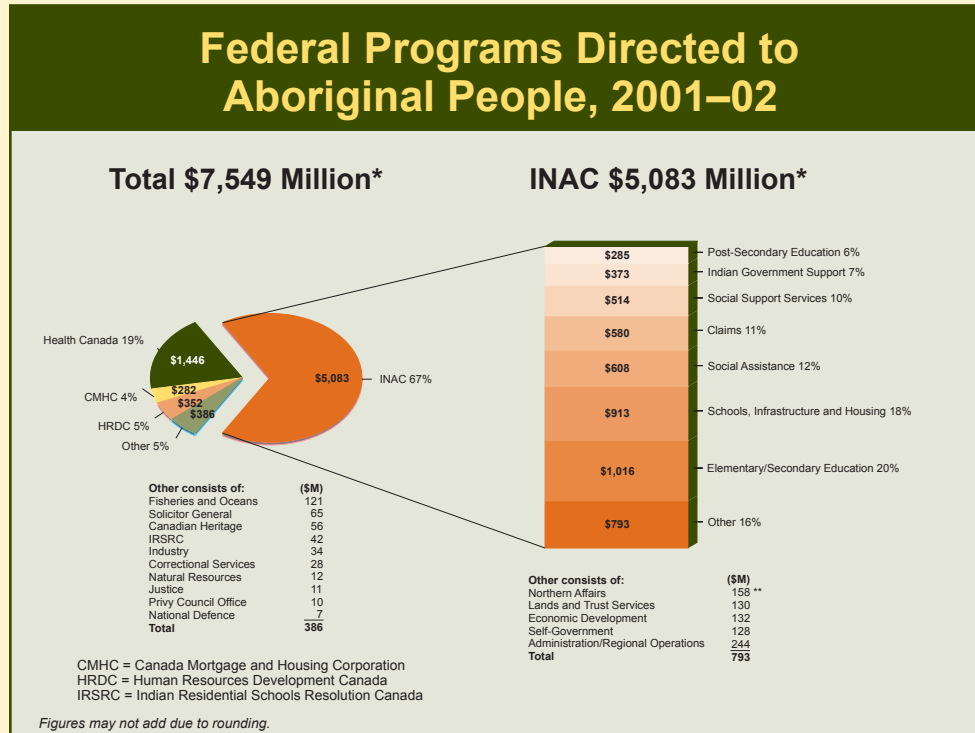
Canadian Polar Commission

Strategic Outcomes	Priorities	Achievements
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.	Development and Dissemination of Knowledge Concerning the Polar Regions	Section III

Key Co-delivery Partners

Fourteen federal departments and agencies, including INAC, offer programs for Aboriginal people, with total expenditures of approximately \$7.5 billion in 2001–02 (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.

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

Profile of Canada's Aboriginal Population

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*.

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*.

INAC's core responsibilities with respect to Aboriginal people are primarily related to Status Indians living on-reserve 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 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 60 percent of the Status Indian population. There are 432,500 on-reserve Status Indians and 284,800 who reside off-reserve.³ In total, there are 612 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, 34.7 percent of on-reserve Status Indians live in urban areas, while 44.6 percent live in rural areas; 16.9 percent, in special-access areas; and 3.8 percent, in remote zones.

The on-reserve Status Indian population is expected to increase by 31 percent from 2002 to 2021, compared with 12.8 percent for the Canadian population as a whole. About 40.8 percent of the Status Indian population is under the age of 19, compared with 24.8 percent for the Canadian population.

In Canada's North (occupying 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 95,000 residents are scattered across this area; Nunavut's population is 25,000, while there are 39,000 people in the Northwest Territories and 31,000 in the Yukon.

The population in the North is young, with 45 percent of the population under the age of 25. Just about half of the population is Aboriginal, varying from 85 percent in Nunavut to about 49 percent in the Northwest Territories and about 22.5 percent in the Yukon. There are few reserves.

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

³ 2000-based projections using the Indian Registration System for the year 2002.

Reliability of Performance Data

Demographic Statistics Supplied and Verified Through the Indian Registry System

The Indian Registry System (IRS) is maintained by INAC and has existed since 1951. The system is considered authoritative, since it contains the names of every individual registered under the terms of the *Indian Act*. It is updated at the end of every month via some 550 Indian Registry administrators, who supply the new information to INAC regions.

The system is an accurate source, except for one major limitation: the late reporting of life events, including births and deaths.

For more information on the IRS, please contact the Information Unit at the Indian Registration and Band Lists Directorate at 997-6296. For more information on the effects of late reporting of life events, contact the Information Analysis Section of the Corporate Information Management Directorate at 953-4142.

Demographic Statistics Supplied and Verified Through Population Projections

On-reserve Status Indian population

The department uses 2000-based 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 1996 Census of Canada

Statistics from the 1996 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. In 1996, an

estimated 44,000 individuals were not enumerated. While most of these people were registered Indians living on-reserve, incomplete enumeration 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 INAC's definition of Aboriginal. It takes into account those respondents who reported themselves as: 1) being registered under the *Indian Act*; 2) having band membership; 3) having Aboriginal identity; or 4) having Aboriginal ancestry, with one or more Aboriginal ethnic origins.

Improved Education-Programming Achievement Statistics

Education statistics are generated by First Nations reporting to INAC regions, which in turn report to INAC headquarters. The data are then included in the Nominal Roll and the Post-Secondary Education national databases.

The Nominal Roll System lists all students enrolled in elementary and secondary education funded by INAC. This system contains personal information, such as student name, birth date and Indian registry number. This information supports funding activities, policy and accountability.

The Post-Secondary Education database list all students enrolled in post-secondary education funded by INAC. This system contains personal information, such as student name, birth date and Indian registry member.

According to the Corporate Information Management Directorate (CIMD), data reliability is about 99 percent, as only three First Nations did not report in 2001–02, and the appropriate regions submitted estimates on their behalf.

Statistics on Housing Conditions and Water and Sewer Services

The source for housing and water and sewage statistics is the Housing and Infrastructure Assets (H&IA) website (http://www.ainc-inac.gc.ca/ps/hsg/index_e.html), which First Nations (or regions on behalf of First Nations) use to report annually. First Nations report the information required, as outlined in the First Nations National Reporting Guide. Definitions for each data element are found in the guide and on the H&IA website.

The information on the H&IA website is verified by the regions and further verified and finalized by INAC headquarters. Therefore, the data is very reliable.



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 discrepancies 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.

How much did it cost?

	Indian and Inuit Programming	Claims	Total
Planned Spending	\$4,321,843,000	\$567,278,000	\$4,889,121,000
<i>Total Authorities</i>	<i>\$4,281,997,547</i>	<i>\$583,045,917</i>	<i>\$4,865,043,464</i>
2001–02 Actuals	\$4,227,508,519	\$580,010,577	\$4,807,519,096

Explanation of Variance

Indian and Inuit Programming: The variance of approximately \$40 million between planned spending and total authorities primarily reflects resource transfers to other priority areas within the department and a transfer for the establishment of the Office of Indian Residential Schools Resolution of Canada. The variance of approximately \$54 million between total authorities and actual spending is primarily attributable to the carry forward to future years of operating resources (\$11 million) and resources to fund the payment of guaranteed loans issued out of the Indian Economic Development Account (\$33 million).

Claims: The variance of approximately \$16 million between planned spending and total authorities is primarily attributable to incremental funding made available for the settlement of specific claims with the Cold Lake First Nations (\$26 million) and the Fishing Lake First Nation (\$22 million) offset by reduced requirements for the implementation of comprehensive land claims settlements and treaty-related measures.

The following table outlines the 2001–02 resources associated with the Indian and Inuit Affairs Program (IIAP) priorities stemming from Gathering Strength.

	Priorities (\$ millions)				Total
	Strong Communities, People and Economies	Strengthened Aboriginal Governance	New Fiscal Relationship	Renewed Partnerships	
Elementary-Secondary Education	1,016	—	—	—	1,016
Capital	760	—	—	—	760
Social Assistance	608	—	—	—	608
Claims*	—	318	—	262	580
Social Support Services	514	—	—	—	514
Indian Government Support	—	367	1	5	373
Post-Secondary Education	285	—	—	—	285
First Nations Housing	153	—	—	—	153
Lands and Trust Services	30	101	—	—	130
Economic Development	132	—	—	—	132
Self-Government	—	122	6	—	128
Sub-total	3,499	908	7	266	4,681
Regional Operations					127
Total					4,808

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

* For more information on claims, see http://www.ainc-inac.gc.ca/ps/clm/index_e.html.



Results Logic

Global Circle	Canada and the world	<p>STRATEGIC (GLOBAL) OUTCOMES</p> <p>A (more) promising future for all First Nations and Inuit, as demonstrated by accomplishments in the following priority areas:</p> <ul style="list-style-type: none"> • Strong First Nations Communities, People and Economies • Strengthened Governance • New Fiscal Relationship • Renewed Partnerships 	
	Collaborative Circle	First Nations and Inuit people and communities	<p>COLLABORATIVE OUTCOMES WITH FIRST NATIONS AND INUIT</p> <ul style="list-style-type: none"> • Adoption of specific actions by communities that contribute to (priority) strategic outcomes (<i>Link to results: 2.2, 3.2, 3.3, 9.3</i>) • Communities gaining capacity to manage their own affairs (<i>Link to results: 1.8, 4.2, 5.2, 10.1</i>) • Communities improving their legal, regulatory and governance support climate (<i>Link to results: 4.3, 5.2, 6.1, 8.1, 9.2, 11.1</i>) • Constructive progress on disputes, claims and negotiations (<i>Link to results: 5.3, 11.1, 11.2, 13.3</i>) • Collaborative development, with INAC and other partners, of approaches, frameworks and plans (<i>Link to results: 1.2, 2.1, 2.4, 2.6, 2.7, 2.8, 11.2, 13.2, 14.1</i>) • Constructive participation and engagement in meetings, decision circles, negotiations and other forums for information exchange, decision-making and agreements. (<i>Link to results: 1.6, 2.6, 3.5, 5.2, 7.1, 7.2, 9.4, 11.1, 11.3, 12.7, 13.3, 14.2</i>)
Collaborative Circle		Federal, provincial and regional governments, not-for-profit and private sectors	<p>COLLABORATIVE OUTCOMES WITH DELIVERY PARTNERS</p> <ul style="list-style-type: none"> • Non-First Nations government and nongovernment partners and intermediaries acting to support strategic outcomes (<i>Link to results: 3.1, 5.2, 10.1, 11.3, 11.4, 12.4, 12.8, 12.9</i>) • Private sector financial and services support (access to services and capital) (<i>Link to results: 1.5, 1.6, 1.7, 1.9, 12.9</i>) • Harmonized and supportive federal and provincial laws, rules and regulations (<i>Link to results: 5.1, 11.3</i>) • Federal government departments appropriately supportive of strategic outcomes (above) in terms of policies, programming and funding (<i>Link to results: 1.2, 1.4, 1.5, 1.9, 3.1, 4.4, 7.1, 9.1</i>)
	Operational Circle	INAC	<p>ACTIVITIES</p> <ul style="list-style-type: none"> • Liaising with partners and First Nations • Policy and strategy development • Funding process • Specialized service support • Advisory and information services • Public education and awareness-building
<p>RESOURCES</p> <p>\$4.8 billion in 2001–02 and 2,263 full-time equivalents</p>			

Strong Communities, People and Economies
(\$3,499 million in 2001-02)**What is this priority about?**

Achieving strong communities, people and economies is about making a difference in the lives of individuals and communities — the core thrust of Gathering Strength — from improving health and public safety to strengthening economic development.

What are the benefits and results for Canadians?

1. Strengthened and sustained economic development
2. Increased self-sufficiency
3. Improved health and safety

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

Collaborative Circle: First Nations and Inuit communities experience unique social, cultural and economic circumstances requiring a focussed approach to achieving the quality-of-life commitments in the Speech from the Throne and Budget 2001. A holistic approach is required to ensure that basic needs for jobs, health, education, housing and infrastructure are met. 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 and the provinces and territories.

The priorities for INAC and its partners are economic development, education, infrastructure support and social development. To effectively seize existing opportunities for economic growth and development, First Nations and Inuit need improved access to capital and markets and a more supportive investment climate. They require tools to build strong partnerships with the private sector, as well as with provinces, territories, other federal government departments and professional associations. In addition, proper economic infrastructure, coupled with measures to enhance workforce skills and experience are required to take advantage of economic opportunities.

Education is the key to the social and economic strength of a community, 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; and
- Ensuring opportunities for lifelong learning.

Strong communities are based on a sound infrastructure, and First Nations and Inuit communities face continuing challenges in ensuring there is adequate housing, safe water supply and sewer systems, environmentally sound energy sources, and effective modes of transportation and communication. These are needed to ensure the health and safety of communities and maintain links to the social and economic fabric of the country. The remote location of many communities requires 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 federal strategy for social programming, one that ensures federal actions and programs are coordinated to help build local solutions to local challenges. The challenges in First Nations communities are diverse, and in many they are acute. A holistic, community-based approach is required to overturn the long-term effects of poverty, dislocation, disaffection and social despair.

To ensure sustainable success in meeting these challenges, INAC will continue to support First Nations communities in strengthening governance, including more effective and transparent administrative practices. With an accountability regime that provides effective feedback to First Nations communities, as well as to other departments, we will be able to openly and jointly determine the progress being made.

Operational Circle: Previously, INAC's economic development programming was based on a perception that all First Nations and Inuit communities were at similar stages of development. It is increasingly clear that some communities are developing sophisticated and diversified economies, where needs may be more specialized, while others may still require assistance with basic planning, programs and services. INAC's key operational challenge is to support progress in all of these communities through maintenance of appropriate standards and strategies to help ensure satisfactory outcomes of programs. These will be enhanced through coordination of the efforts of federal, provincial and territorial government departments and other partners, as well as through direct investment in economic development programs promoting First Nations and Inuit participation in the Canadian economy. These initiatives must be supported by education and training programs that further empower First Nations and Inuit and by awareness-building and advocacy programs to 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 on-reserve populations.



What did we accomplish in 2001-02?

1. Strengthened and Sustained Economic Development

Expected Results 2001-02

Operational

- Support for business start-ups and expansions through direct equity gap funding.

Collaborative

- Increased access to direct federal contracting opportunities for Aboriginal businesses.
- Development of First Nations and Inuit economic capacity through strengthening institutions and providing mentoring support (i.e., for Aboriginal financial institutions, community economic development organizations and Aboriginal business/sector associations).
- Participation of First Nations and Inuit in regional development of forestry, mining, energy, and roads in partnership with the private sector, provinces and territories.
- Expand economic forums to engage Aboriginal peoples, the private sector, territories and other governments in partnerships.
- Increased access to private capital by First Nations business and communities through venture capital pilot projects and strengthening First Nations and Inuit institutions (e.g., Aboriginal Business Development Initiative).
- Increased access to contract bid bonding for Aboriginal businesses through the launch of a contract performance guarantee instrument.
- Improve physical infrastructure on reserves to support economic development. Key areas include telecommunications, roads and affordable energy.

Source: 2001-02 Report on Plans and Priorities

First Nations and Inuit achieved progress in accessing economic opportunities through INAC's economic development programs, both those programs providing direct financial support and those designed to "set the table" for economic development.

1.1 Direct investments

Direct investments through equity gap funding remain a significant component of economic development initiatives. In 2001-02, INAC contributed just more than \$26 million for 221 business start-ups and expansions, as compared with \$19.5 million in 2000-01.

1.2 Development of economic capacity

In June 2001, INAC and Natural Resources Canada (NRCan) sponsored a workshop on improving Aboriginal participation in the mining sector, which included representatives from provincial and territorial governments, the mining sector, and First Nations and Aboriginal business organizations. This workshop resulted in a series of recommendations, which were presented to the federal, provincial and territorial ministers responsible for mining in the North at their annual conference in September 2001. Following the directive from the ministers, an action plan was prepared, based on the concept of "local action groups," a national coordinating committee, and the initiation of a number of pilot projects.

1.3 First Nations Forestry Program

In 2001-02, the First Nations Forestry Program provided \$4.5 million to improve economic conditions in First Nations communities, taking into account the objectives of sustainable forest management and strengthened institutional capacity. An example is the Aboriginal Forest Industries Council, which received \$25,000 to create a strategic plan for an Aboriginal forestry council for British Columbia.

1.4 Resource Partnerships Program

INAC contributed almost \$12 million to 100 projects to help First Nations and Inuit communities strategically plan for major resource developments and undertake negotiations

in the energy, forestry and resource-based tourism sectors, as compared with \$8 million to 50 projects in 2000-01.

1.5 Resource Access Negotiations Program

The Resource Access Negotiations Program provided \$8.3 million to 200 negotiation projects, many of which led to commitments from industry and provincial and territorial governments. These agreements, in turn, will lead to business starts, training, contracts and hundreds of jobs. The continuing success of this program has been reflected in increasing financial commitments. In its first year, 1990–91, it used \$1.6 million to support 50 negotiation projects, and over the past decade it has used \$53 million to support 1,600 projects.

1.6 Expanded economic forums

Regional partnership forums include the Joint Economic Development Initiative in New Brunswick, the Economic Renewal Initiative in Ontario and the Corporate Circle in Saskatchewan. These forums have helped to develop awareness and further engage the private sector in strengthening First Nations economies, as well as providing an opportunity for INAC regions, other governments, First Nations leaders and the private sector to discuss economic opportunities, interests and needs. This activity increased in 2001–02, as the Ontario effort was expanded, and new forums were established in the Northwest Territories and Alberta.

1.7 Increased access to capital

Direct support for business and economic development requires increased access to mainstream sources of loan and investment capital. More than \$20 million has been raised from the private sector through the Aboriginal Business Development Initiative for lending to Aboriginal businesses by Aboriginal financial institutions (AFIs). Training and support assistance to AFIs and development of new financial products are helping to bring AFIs together in a self-regulated national Aboriginal business lending network.

A pilot project with the Société de capital de risque autochtone du Québec was developed to channel private sector investment into First Nation businesses. This is a \$7 million risk capital investment fund established as a joint venture between AFIs and private sector interests, which included a \$1 million seed contribution from INAC.

1.8 Economic infrastructure

Close to \$29 million was invested in 26 economic infrastructure projects in such key areas as energy, telecommunications and commercial business parks, compared with \$20 million invested in 7 projects in 2000–01. Economic infrastructure projects are used to ensure that First Nations and Inuit communities have the commercial inducements needed to attract investment capital.

1.9 The *Marshall*-decision strategy

In 2001–02, communities and businesses received \$12.4 million under the *Marshall*-decision strategy to fund 50 economic development and capacity-building projects, including fisheries-related economic development,

tourism, economic infrastructure, and culture and heritage centres. Of the total, 15 projects were funded with other partners (federal or provincial governments or private sector), and 11 were negotiated as part of interim fisheries agreements (as per the *Marshall*-decision mandate, which states that economic development and capacity-building measures are to be used to lever fishing agreements, where possible).

2. Increased Self-Sufficiency

Expected Results 2001-02

Operational

- Prepare and distribute an action plan to follow up on the response to the Auditor General's Report on Elementary and Secondary Education (April 2000) through partnership work with First Nations, continued research and policy development related to special needs education, and incorporation of the results of the Quebec pilot project on special needs education.
- Undertake a review of the Indian Government Support Program to identify opportunities to improve support to First Nations capacity for managing programs and services.
- Develop jointly with First Nations a redesigned social assistance policy framework based on demonstration project feedback.
- The National Child Benefit (NCB) Interim Evaluation Report will analyse short- and medium-term impacts on communities of the NCB reinvestment component through First Nations self-evaluations.
- Collaborative development of action plans with Headquarters, Regions and First Nations to design and implement concrete strategies to close the educational achievement gap that exists between First Nations and other Canadian students.

Collaborative

- First Nations engaged in over 330 Education Reform projects.
- Enhanced capacity in the areas of housing; infrastructure for local policy and program development; alternate forms of financing; water services; community planning for housing; and contract management of capital projects to support self-governance.
- Support to First Nations children and families through enhancement of the NCB reinvestment initiatives.
- 176 Income Security Reform demonstration projects in over 545 First Nations communities, to test innovative approaches to increase access to active measures in social programming and strengthened individual and community self-reliance.

Source: 2001-02 Report on Plans and Priorities

2.1 Elementary and secondary education

All regions prepared and submitted their regional education action plans, which provided updates on activities undertaken and planned up to May 2002. Regional offices developed strategies to engage First Nations communities and partners in education in making First Nations schools more effective. In addition to establishing priorities unique to each region, the education action plans addressed four key issues: clarification of roles, jurisdiction, accountability and capacity-building (Auditor General's recommendation 4.29). To pursue the direction from the Auditor General, that INAC should more clearly define its role in education, in April 2002 the department appointed an executive advisor to the Deputy Minister on education to coordinate and advance the policy work on this issue. A draft is expected early in 2003.

INAC headquarters is working collaboratively with regional offices and First Nations to develop implementation strategies to improve programming and services for high-needs students, under the new national Special Education Initiative. The Quebec special needs pilot project produced early performance indicators, and these have been further developed through consultations across the country and ultimately agreed to by First Nations special education committees in each region.

2.2 Improved education programming and achievement

In 2001–02, the number of on-reserve First Nations students attending elementary and secondary schools was about 119,368, 85.8 percent of the relevant population (see Figure 2). Of these, 60 percent attended band-managed schools on-reserve.

Investments in post-secondary education have increased from \$269 million in 1996–97 to \$285 million in 2001–02 (see Figure 3). Enrolment of First Nations students has risen from 250 in 1968–69 to about 26,000 in 2001–02. Employment-population ratios for on-reserve Status Indians are substantially higher for post-secondary graduates (64 percent) than for high-school graduates (45 percent).

2.3 A review of the Indian Government Support program

The department initiated the implementation of a ministerial commitment to increase Band Support Funding, the largest component of Indian Government Support (IGS) programming and the core of support to local First Nations administrations, over four years. In July 2001, an interpretation bulletin on Tribal Council Program directives and procedures was distributed to all tribal councils and First Nations, restating the purpose of funding under IGS program and affirming the need for measures to strengthen accountability and establish service standards. On September 25 and 26, 2001, a workshop was convened with representatives of tribal councils from across the country to examine advisory and program service delivery and explore measures to improve service standards. Since then, a Tribal Council Program reporting form has been developed and sent to tribal councils for completion by September 2002. It will be used to assess the overall results and impacts of the Tribal Council Program.

Figure 2

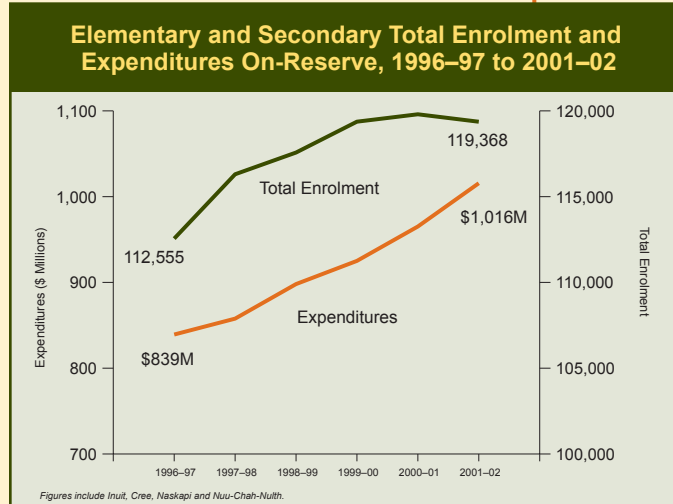
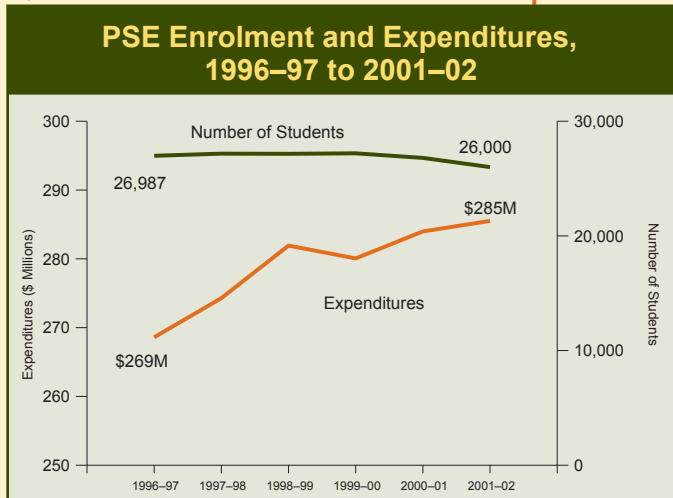


Figure 3



2.4 A redesigned social assistance policy framework, jointly developed with First Nations

In 2001–02, after more than three years of collaboration between INAC and First Nations technicians, the Income Security Reform initiative reached the major milestone of jointly conceiving a new proposed approach to social assistance on-reserve. The foundation for this work has been more than 270 community demonstration projects. INAC has contributed more than \$14 million to First Nations initiatives of this kind this year. Based on insights drawn from the demonstration projects, First Nations workshops, a joint Canada-First Nations policy coordinating committee, and research, INAC and the Assembly of First Nations (AFN) captured a new vision for income security in a major discussion paper. Through direct input from more than 50 First Nations and community-level experts, this document evolved into the first draft of a national policy framework for social assistance. The proposals in this framework are now ready for consideration by First Nations leaders and federal decision-makers.

2.5 Completion of the National Child Benefit interim evaluation report

The First Nations National Child Benefit (NCB) interim evaluation report has been completed. The report found that the implementation by First Nations communities of community reinvestment projects under the NCB has been effective, relevant and responsive and that projects under the NCB have made a valuable contribution to the well-being of children in First Nations communities. The Social Program Reform Directorate is working with First Nations communities, as well as INAC regional offices, to ensure the continued success of First Nations reinvestment projects under the NCB.

2.6 Collaborative development of regional education action plans

INAC is currently planning for the evaluation of band-operated and federal schools. It will focus on the relevance of educational programs and the degree of success in achieving their objectives, along with the cost and overall effectiveness of program delivery, and it will examine such issues as curriculum compliance, cultural relevancy of the curriculum, and the recruitment and retention of qualified teachers. The results of regional action plans and the evaluation will help identify ways to close the academic gap and achieve educational outcomes comparable to those of other Canadian students.

2.7 Engagement of First Nations in more than 600 education reform projects in 2001–02

Since 1998, an additional \$126 million has been invested through Gathering Strength in some 1,700 initiatives in education reform, supporting community-based projects to improve the quality of education and academic achievement in First Nations schools. Some of the various activities undertaken to achieve the goals set by the education communities were to improve classroom instruction and management, language and cultural curriculum adaptation,

and support for bringing new technologies into classrooms. The education reform projects are submitted to joint INAC-First Nations committees, which select proposals according to identified criteria. Narrative reports prepared by First Nations schools and communities describing the implementation and results of the projects are sent to regional offices and funding committees.

2.8 Enhanced capacity

Training courses were held, under the title of "Developing Effective Community Strategies for First Nations Housing." Several First Nations organizations are examining ways to attract more private sector financing for housing, including community land trusts and regional housing authorities.

3. Improved Health and Safety

3.1 A First Nations Water Management Strategy

In partnership with Health Canada and Environment Canada, INAC is finalizing a First Nations Water Management Strategy.

This strategy will address crucial elements of sound water-quality management, using a multibarrier approach. Elements in the strategy will include the following:

- A set of clearly defined and enforced standards;
- Appropriate infrastructure;
- Efficient and effective operations and maintenance, carried out by trained and certified operators; and
- A strong, transparent compliance regime, including regular inspections, monitoring and reporting.

More broadly, the strategy will require partnerships with, for example, federal and provincial agencies, to assist INAC in the protection of watershed and source water, as well as in taking advantage of advances in science and technology (S&T).

Although further consultation with First Nations and other stakeholders is required, INAC and Health Canada have already started to implement some elements of the strategy, such as the following:

- An on-site inspection of all First Nations water and wastewater facilities;
- Enhancement of operator training;
- A review of current operation and maintenance practices;
- An examination of North American water and wastewater standards; and
- A review of monitoring, reporting and communications protocols.

Expected Results 2001-02

Operational

- Develop a First Nations Water Management Strategy.
- Work in partnership with First Nations, Inuit and Northerners to develop a strategy to address climate change.
- Work in partnership with First Nations on the development of an environmental stewardship strategy for reserve lands.

Collaborative

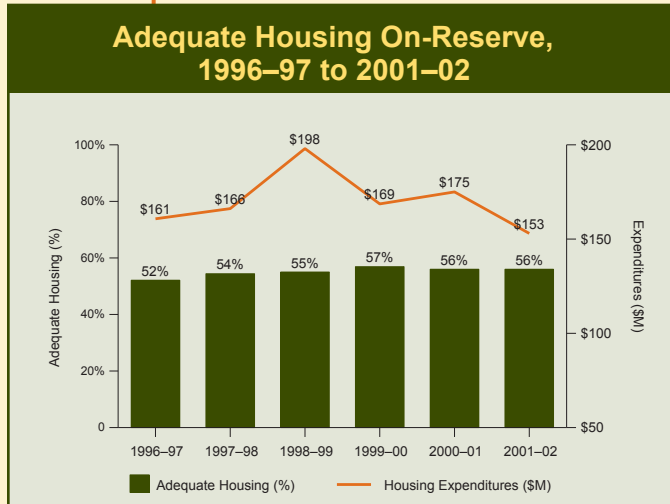
- One percent increase in the proportion of on-reserve houses with basic water delivery and sewage disposal systems (from 94 percent to 95 percent).
- Support for the construction of approximately 2,600 new housing units and the renovation of approximately 3,300 existing units by First Nations.
- Ensuring that a minimum of 50 percent of projects are undertaken by First Nations under the green infrastructure component of the Infrastructure Canada Program.

Source: 2001-02 Report on Plans and Priorities

3.2 Improvements in housing conditions

The number of adequate housing units (housing units that do not require any minor or major renovations or replacement) was 51,269, or 56 percent of the total (see Figure 4). The total number of housing units increased from 1,839 to 91,736, closer to the target number of 92,000 by 2003.

Figure 4



3.3 Improvements in water and sewer services

In 2001-02, 98 percent of houses had water delivery and 95 percent had sewage disposal systems, up from 96 and 90 percent, respectively, in 1996-97 (see Figure 5).

3.4 Infrastructure Canada Program

In 2001-02, green projects constituted 58 percent of those approved under the First Nations component of the Infrastructure Canada Program.

3.5 Environmental Stewardship Strategy

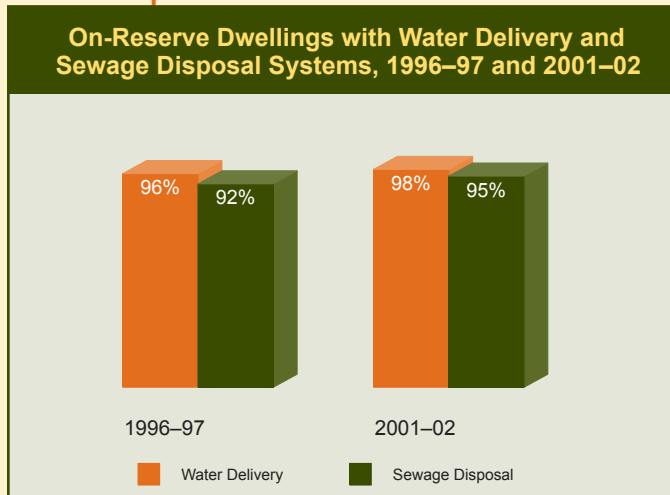
The Environmental Stewardship Strategy (ESS) is a proactive, intersectoral plan to ensure that on-reserve environmental concerns are addressed and good environmental management practices are integrated into Indian and Inuit Affairs Program (IIAP) operations.

To this end, an Environmental Stewardship Steering Committee (ESSC) was established to direct the development of an IIAP ESS action plan.

The ESSC membership consists of the four major IIAP directorates (Lands, Housing and Infrastructure, Economic Development, and Environment), the regional directors-general or their representatives, and Real Property Services for INAC, and it has representation from the AFN, the National Aboriginal Land Managers Association, the Centre for Indigenous Environmental Resources, and the Ontario First Nations Technical Corporation. The ESS action plan provides guidance on the following activities:

- Developing an IIAP environmental protection policy framework;
- Reviewing existing, and developing new, directives and procedures;

Figure 5



- Enhancing environmental awareness and capacity training for sound environmental management practices and decision-making; and
- Addressing INAC's environmental compliance under federal environmental obligations.

Finally, in the context of pollution prevention, IIAP, along with the Northern Affairs Program (NAP) and the Administration Program, has drafted a Contaminated Sites Management Policy, aiming at a safer, healthier, more sustainable environment for First Nations, Inuit and northern communities. It also aims to preserve and enhance the ecological integrity of the environment.

As a next step, the ESS will propose immediate solutions to address gaps in regulations governing operations on reserve lands. A number of partnerships related to pollution prevention are being developed, such as the INAC-Environment Canada interdepartmental working group (which addresses the legislative and regulatory gaps in environmental protection) and the Aboriginal Environmental Capacity Development working group.

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

We are committed to ensuring a quality of life in First Nations and Inuit communities comparable to that of neighbouring ones and to increasing the self-sufficiency of First Nations and Inuit by improving their access to economic opportunities. Partnerships between First Nations and Inuit and the private sector, nongovernmental organizations (NGOs), 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 tools for governance and management of financial, land and other resources. In addition, improved access to capital and a supportive investment climate will enhance the communities' potential for economic growth and development and will encourage regional, multiparty and other partnerships.

The continuing provision of support and investment in vigorous communities, people and economies will reduce health and other social costs and enhance the well-being of on-reserve populations. Strategic investment in First Nations and Inuit economic development will also serve to 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?

Areas for Improvement and Lessons Learned

Indian Government Support programs

These programs represent the core support for local First Nations governance and administration. They were introduced in the early and mid-1980s — a period of rapid change, as responsibility for the management of programs and services was being devolved to First Nations. The department has determined the need to review the policies and procedures governing these programs to better reflect today's reality and strengthen the capacity of First Nations administrative institutions in a manner that is responsive and accountable to their citizens and to the Government of Canada for the use of public funds.

Strong First Nations communities, people and economies are essential to building sustainable communities and reducing the significant disparities between First Nations, Inuit and other Canadians. Unacceptable housing and health conditions, social dependency and poor educational achievement are barriers that limit the ability of First Nations and Inuit to participate in all aspects of the broader Canadian society. Despairing and marginalized First Nations and Inuit people and communities weaken the social, political and economic fabric of Canada.



Strengthened Aboriginal Governance **(\$908 million in 2001-02)**

PRIORITY

What is this priority about?

To strengthen Aboriginal governance, we are focussing on programs with the basic elements needed to establish sustainable, accountable communities. Initiatives include encouraging professional development, undertaking statutory and institutional reforms, and settling and signing self-government and comprehensive claims agreements as quickly as possible. These initiatives are aimed at giving Aboriginal communities the resources, capabilities and regulatory support they need to ensure strong Aboriginal governance.

What are the benefits and results for Canadians?

4. Governance capacity-building initiatives
5. Self-government and claims agreements
6. Devolved federal responsibilities

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;
- Historical imbalance of power and dependency;
- Uncertainty about the ownership of lands and resources;
- Land management issues arising from regulatory gaps;
- Complexities of establishing new intergovernmental relationships and partnerships of federal, provincial, territorial and Aboriginal governments;
- Outstanding land claims and the complexity of issues involved in reaching self-government and claims agreements; and
- A lack of public understanding of the issues involved in self-government, governance and Aboriginal rights.

Operational Circle: Given the volume and diversity of self-government and land claims negotiations, it challenges available resources to make the measurable progress needed on many different fronts, including support for the various negotiation tables. Furthermore, as a result of the complexity and breadth of issues under governance initiatives, such activities require the support and participation of many different federal departments. To invest strategically in projects to promote capacity-building, professional

development and governance, we must also develop partnerships with Aboriginal people and federal, provincial and territorial governments, as well as with the academic community.

What did we accomplish in 2001-02?

4. Governance Capacity-Building Initiatives

4.1 Governance support

Funding under Reorientation of Self-Government was provided to 28 Aboriginal groups across the country to address communication and consultation needs, governance and constitution modelling, and capacity-building for the transition to self-government. Communications materials were developed in various communities, including Gwich'in-Inuvialuit and Deline. As part of the Governance Transition Centre work, the Council of Yukon First Nations was funded to establish a self-government secretariat to assist the Yukon First Nations in meeting their distinct needs as they implement their self-government agreements.

4.2 Lands and resources components of treaty negotiations

The Negotiations Preparedness Initiative (NPI) funded more than 80 proposals in 2001-02, enabling Aboriginal groups to enhance their capacities to negotiate the land and resources components of their comprehensive claims settlements. Of the funding allocated, 45 percent went to projects under the British Columbia Capacity Initiative. Among these were projects to compile traditional resource-use information, develop geographic information systems, plan for resource development and management, and promote skills training. NPI funding enabled the Aboriginal Land Stewardship Training Initiative to deliver some of its services locally and helped to introduce a forest business development component into the federal-, provincial- and industry-sponsored Forest Technician Training Program.

The NPI also received a positive evaluation from an independent consulting firm, which contributed to the program's being renewed until March 2004. One of the key findings of the evaluation was that "in every one of the cases examined, there was an increase in human resource, information, governance and/or land and resource management capacity which occurred in accordance with the expectations indicated in the program logic design."

Expected Results 2001-02

Operational

- Strategic allocation of Gathering Strength funding to support governance initiatives such as the reorientation of self-government, and the establishment of governance transition centres.
- Strategic allocation of funds to build the capacity of First Nations and Inuit to negotiate the land and resources components of treaty negotiations.

Collaborative

- Development of new governance models and processes to support aggregations and nation rebuilding, First Nations constitutions, and draft laws.
- Development of environmental regulatory regimes on-reserve.
- Increase the capacity for First Nations communities to implement and manage community-based programs that respond to the specific and unique needs of the community, and support children and families on-reserve through the National Child Benefit reinvestment component.

Source: 2001-02 Report on Plans and Priorities

4.3 New governance models and processes

The main goal of the department's governance initiatives is to put in place the basic elements to make First Nations governance sustainable and accountable to First Nations citizens. Our initiatives are making it easier for First Nations and their governance systems and structures to acquire the tools for long-term sustainability, legitimacy, effectiveness and accountability to constituents. The department is accomplishing these objectives by implementing the *First Nations Land Management Act* and the *First Nations Governance Act*.

First Nations Land Management Act (FNLMA)

The Framework Agreement on First Nations Land Management and the FNLMA constitute an important building block of self-governance. Originally open to 14 signatory First Nations, this government-to-government initiative enables participating First Nations to get beyond the land administration sections of the *Indian Act* to reserve land management, and then to managing their lands and resources with more local-level decision-making.

To date, an additional 50 resolutions of First Nations band councils have been received, requesting to opt into the framework under the FNLMA. In response to this demand, the Minister announced on March 20, 2002, that he is opening up the framework to a "rolling" 30 qualified First Nations every two years, or 15 each year. The department will continue to assist signatory First Nations and the Lands Advisory Board to bring the remaining First Nations under the FNLMA, including land codes, environmental assessments, and funding issues.

First Nations Governance Act (FNGA)

The objective of the proposed FNGA (Bill C-61) is to address the governance limitations of the *Indian Act* and thereby provide First Nations with the legislative foundations and enabling tools to run transparent, effective and stable governance regimes, including the following:

- Clear legal capacity and increased law-making and enforcement authorities for First Nations governments;
- More clearly defined roles and responsibilities for First Nations councils, administrations and citizens;
- A more balanced leadership selection system; and
- Increased political and financial accountability to First Nations members and a lesser role for the Minister in the day-to-day operations of First Nations communities.

This in turn should help to build human and institutional capacity, improve public administrations, facilitate economic growth and development, build stronger communities and enhance the relationship between First Nations leaders and their people. As such, the FNGA will create a solid bridge between governance under the *Indian Act* and governance

under Canada's Inherent Right policy, thereby supporting the federal government's efforts to implement the Inherent Right over the longer term. While providing a step forward for many first Nations on the self-government continuum, the FNGA will also be sufficiently robust to provide modern governance tools to those First Nations that remain under the *Indian Act* in the foreseeable future, as well as to those that choose not to enter self-government negotiations.

Over the past year, we held broad consultations on the proposed FNGA, an historic bill that will begin the long-awaited reform of the 126-year-old *Indian Act*. Bill C-61 is the result of one of the most extensive consultations with First Nations people ever undertaken in Canada. Throughout the spring, summer and fall of 2001, First Nations people across Canada participated in more than 470 community meetings, information sessions and regional discussion groups in more than 200 communities and provided their opinions and ideas through correspondence, the First Nations governance website and a toll-free call centre. More than 10,000 individuals and leaders expressed their views.

Also crucial to the development of the FNGA was the Joint Ministerial Advisory Committee (JMAC), established to advise the Minister by preparing options for draft legislation on First Nations governance. JMAC deliberated for four months, considering a full range of policy issues for purposes of drafting an effective legislative package. A stream of input came to the Minister from the information gathered during the first phase of consultation and from the reports of the discussion groups and the advice of JMAC. A major objective was to ensure that the proposed legislation would enable First Nations to build on effective governance models and tailor modern governance tools to their own unique customs and traditions.

Bill C-61, the proposed FNGA, was introduced in the House of Commons on June 14, 2002. More information is available on the dedicated website, at <http://www.fng-gpn.gc.ca>.

4.4 Environmental regulatory regimes

INAC continues to work in partnership with Environment Canada and our regional counterparts to develop both short- and long-term solutions to the regulatory gap in environmental protection on-reserve. Overlapping jurisdictions (federal-provincial), as well as the large number of stakeholders (federal, provincial, First Nations and private sector), add further complexity to an already complex process. However, despite these difficulties, we have mapped out legislative and regulatory options and have continued to work on a set of solutions for the lack of an effective environmental regulatory regime for First Nations under the *Indian Act*.

5. Self-Government and Claims Agreements

5.1 Guidelines and mandates

Guidelines for negotiations on specific subject matters are developed by federal departments for federal negotiators, and these guidelines have been developed and approved in the following areas:

- Firearms;
- Penitentiaries and parole; and
- Environmental management.

Negotiation mandates are an important step in the process of completing self-government and claims agreements. Cabinet direction is needed to advance negotiations in ratifying the achievement of key milestones and to set the parameters for conducting negotiations at the next stage. Mandates were approved for the following negotiations:

- Self-government final agreement negotiations with the Gwich'in-Inuvialuit (Beaufort Delta);
- Comprehensive land claims and self-government agreement-in-principle (AIP) negotiations with the Deh Cho and Akaitcho First Nations;
- Comprehensive land claims and self-government final agreement negotiations with the Labrador Inuit; and
- Yukon final agreement negotiations, with a revised comprehensive land claim and transboundary mandate.

5.2 British Columbia Treaty Commission process

The 2001 annual report of the British Columbia Treaty Commission (BCTC) included a comprehensive review of the British Columbia treaty process, as a separate document. It made many recommendations for change. Using these recommendations as context, the principals agreed at their meeting on October 27, 2001, that their senior officials would jointly explore ways to make the treaty process more effective. Additional issues could be raised by each party, and particular consideration would be given to process efficiencies and options for building treaties incrementally.

The resulting report, entitled *Improving the Treaty Process: Report of the Tripartite Working Group* (February 25, 2002), was endorsed by the principals at their meeting on March 15, 2002. This document has since appeared on the websites of the federal government, the British Columbia government and the First Nations Summit, with a cover note by BCTC Chief Commissioner Miles Richardson and a workplan for the identification of options for use at individual treaty tables.

Expected Results 2001-02

Operational

- Approved guidelines and mandates for self-government and claims negotiations.
- Public education materials on self-government and claims.
- Implementation of treaty-related measures to advance treaty negotiations under the British Columbia treaty process.

Collaborative

- Achievement of key milestones at self-government and claims tables, including framework agreements, agreements-in-principle, final agreements, implementation plans and fiscal agreements.

Source: 2001-02 Report on Plans and Priorities

Implementation of treaty-related measures

The objective of treaty-related measures (TRMs) is to expedite treaty negotiations in British Columbia. They meet this objective in the following ways:

- Protecting Crown land for treaties;
- Acquiring private land for treaties;
- Improving First Nations participation in land and resource planning before treaty;
- Increasing First Nations access to some anticipated treaty benefits before treaty; and
- Helping First Nations prepare for self-government.

TRMs are providing First Nations with a role in existing land and resource management processes and promoting economic development and governance studies. In fiscal year 2001–02, First Nations and the provincial government negotiated and implemented 20 TRMs.

Ten of these TRMs are strategic economic development studies. These studies assist in the following:

- Focusing land interests on areas of strategic economic importance;
- Providing information and advice to the First Nation across all economic sectors; and
- Envisioning a more diverse range of opportunities, in addition to primary resources.

Many of these studies are identifying and collecting information on potential economic development opportunities and how First Nations can use these opportunities to meet their land and resource interests. These studies are also helping First Nations identify cooperative management opportunities.

Six of the implemented TRMs are providing funds for First Nations to participate in existing resource management processes. These TRMs are enhancing the resource planning and management roles of First Nations on and off anticipated treaty settlement lands. They are also increasing the stakeholders' understanding of First Nations' potential role and possible uses of lands and resources, as well as increasing cooperation among process participants.

The final four TRMs are self-government studies in support of First Nations preparations for self-government. These TRMs are developing the self-government capacity of First Nations by the following means:

- Conducting internship programs in local municipalities and regional districts;
- Building relationships with regional districts and municipalities; and
- Conducting consultations on community visions for self-government.

While most of the TRMs are ongoing, preliminary indications of their effects on negotiations are highly positive. For example, through TRMs, and

for a fairly small amount of money, we have developed momentum and demonstrated our shared resolve to address issues at the treaty tables across the province. TRMs have served to boost the momentum at negotiation tables and increase community interest and engagement and have had spin-off effects on other aspects of negotiations. In the broader, strategic sense, TRMs are greatly contributing to the "behind the scenes" work necessary to support progress in AIP negotiations.

5.3 Self-Government and claims tables – key milestones

This was a productive year for comprehensive claims negotiations, with the hard work of past years coming to fruition. On May 23, 2001, Canada, the Deh Cho First Nations, and the Government of the Northwest Territories (GNWT) signed the Deh Cho First Nations Interim Measures Agreement and the Deh Cho First Nations Framework Agreement, in Fort Simpson, Northwest Territories. This was followed by the signing of the Labrador Inuit Land Claims Agreement-in-Principle on June 25, 2001, and initialling of the Makivik Offshore Agreement-in-Principle on March 26, 2002. Good progress was made on a Dogrib final agreement, with a deal expected before August 2002.

The year was also marked by considerable success in the Yukon Territory. It began with the January 13, 2002, signing of the Ta'an Kwach'an Council final and self-government agreements, implementation plans and ancillary agreements. After March 31, 2002, the federal government's negotiation mandate for the Yukon First Nations was to expire, and this placed considerable pressure on the government and the six remaining Yukon First Nations. The will to succeed was present on all sides, and on that day, Canada successfully concluded land claims negotiations with four of the six remaining Yukon First Nations. Memoranda of understanding were signed with the Carcross-Tagish, Kluane, Kwanlin Dun and White River First Nations to complete the technical and legal drafting of the four agreements and ratify them by March 2003. Six days of negotiations with the Ross River Dena Council and the Liard First Nation were deferred for compassionate reasons, concerning their chief negotiator.

In British Columbia, considerable progress was also achieved on a number of negotiations. AIPs were initialled by negotiators for the Sliammon and Nuuchahnulth First Nations. The Snuneymuxw First Nation reached substantive agreement on the main elements of an AIP, which led to a new consultation initiative with third parties. The Lheidli T'enneh and Tsay Keh Dene are also in the advanced stages of AIP negotiations.

Self-government agreements were initialled with the following groups:

- An AIP with the Gwich'in-Inuvialuit; and
- A final agreement with the United Anishnaabeg Councils.

6. Devolved Federal Responsibilities

Expected Results 2001-02

Operational

- Bringing the amendments under the *Modernization of Benefits and Obligations Act* affecting certain provisions of the *Indian Act* into force; and developing, in consultation, a new regulatory provision for resolving disputes in circumstances where more than one individual qualifies as a survivor of an intestate's estate.

Collaborative

- Development of a consultation framework for a First Nation governance initiative.

Source: 2001-02 Report on Plans and Priorities

6.1 Modernization of Benefits and Obligations Act

Effective September 4, 2001, Order-in-Council PC 2001-1505 brought into force amendments under the *Modernization of Benefits and Obligations Act*, affecting certain sections of the *Indian Act*, namely, the intestacy provisions. These amendments extended benefits and obligations to all partners (opposite and same sex) who have been cohabiting in a conjugal relationship for at least one year.

The amendments also consider and satisfy long-outstanding concerns raised by the Standing Joint Committee for the Scrutiny of Regulations on the former practice of requiring a ministerial decision to entitle common law spouses to inherit these assets.

In addition to extending benefits, the amendments provide authority for the Governor General in Council to make regulations to resolve disputes between survivors (e.g., a legally married but separated spouse and a common law partner). INAC, together with the Department of Justice (DOJ), will be working to develop this regulatory model.

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

We are committed to achieving strengthened Aboriginal governments that are stable, legitimate, culturally appropriate 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 First Nations Governance Initiative (FNGI), as well as self-government and claims agreements, contribute to this outcome.

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 effectively into self-government negotiations.

The department has a statutory responsibility to manage leases and other instruments on-reserve under the *Indian Act*. This responsibility is delegated to First Nations through 53/60 (a program named for the sections of the *Indian Act* that authorize the delegation) and the Regional Lands Administration Program, effectively establishing a full range of land options in the continuum to self-government. As an interim step to self-government for the many First Nations that still operate under the *Indian Act*, the proposed FNGA can provide a framework for effective First Nations governance and accountability.

Initiatives such as the implementation of the FNLMA, the Indian Oil and Gas Pilot Initiative and comprehensive claims negotiations enhance First Nations governance and accountability, as they create partnerships with other public or private sector interests and a suitable environment for long-term sustainable development. They also increase First Nations' involvement in the management of natural resources 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 socioeconomic 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?

The social and economic impact of failing to deliver on this priority would be significant. Nonachievement of comprehensive land claims settlements or modern treaties would result in increased legal costs to settle issues in court, as well as opportunity costs for sustainable development of land, resources and capacity, for potential investments, and for meaningful partnerships, with socioeconomic benefits, between First Nations and governments, the private sector, and other citizens of Canada.

The negotiation of modern treaties will greatly enhance sustainable economic and resource development. Certainty as to who owns or may use lands and resources provides a more secure climate for investment and sustainable growth.

Failure to improve the governance framework under the *Indian Act* will lead to continuation of the *status quo*, with its lack of First Nations control over decision-making, unstable political relationships, dependency and lack of incentives for economic development. It will also make the transition to self-government lengthier and more difficult for First Nations.

Treaties and self-government contribute to self-sufficiency, jobs and the capacity of Aboriginal people to attain a better quality of life and for Aboriginal communities to have pride in their accomplishments and hope for the future.

Areas for Improvement and Lessons Learned

Self-Government and Claims Agreements

- The work does not end with the signing of a final agreement; in fact, it is the beginning of a new relationship.
- The work of INAC implementation negotiators and managers and Aboriginal communities that have signed a claims or self-government agreement is constantly evolving.
- A feedback process for the implementation of claims and self-government agreements is essential to avoid pitfalls in future agreements.
- Commitment of all federal departments to the implementation of claims and self-government obligations is essential.

What is this priority about?

The objectives of a new fiscal relationship are the following:

- Effective intergovernmental links, including fiscal relationships with First Nations and Inuit governments, that have the needed institutional and human resource capacities;
- Transparent, stable and predictable fiscal arrangements geared to generating own-source revenues; and
- Fiscal and governance accountability of First Nations and Inuit governments to their people, as well as intergovernmental accountabilities needed to help remove barriers to greater participation of First Nations and Inuit in the Canadian economy.

What are the benefits and results for Canadians?

7. Effective fiscal relationships, including new fiscal arrangement models and practical examples
8. New fiscal and statistical institutions
9. Strengthened fiscal accountability
10. Financial skills and capacity in First Nations

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

Collaborative Circle: Conditions affecting the achievement of desired outcomes include the legacy of *Indian Act* administration and devolution, which has resulted in various levels of capacity to effectively manage fiscal and governance structures among the more than 600 First Nations and Inuit communities. Other factors include the small size and isolation of many communities, their degree of dependency on federal funding, their limited own-source revenues and economic development opportunities in an increasingly market-driven economy, and the limitations of the *Indian Act* specific to "Indian Monies." In addition, the lack of an appropriate legislative framework for fiscal accountability compounds the complexities of administering public funds and delivering programs and services. 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 the achievement of desired goals.

Many federal 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;
- Complexities involved in including fiscal arrangements in self-government and claims agreements; and
- The need for more public understanding of, and support for, new fiscal arrangements, institutions and accountability requirements, as effective and sustainable ways to improve the socioeconomic conditions of First Nations and Inuit.

The *Indian Act* is often perceived as being an inadequate framework for contemporary political and fiscal relationships:

- 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).

Additional challenges are the following:

- To gain wider acceptance from First Nations and Inuit governments and people on the economic and governance benefits of developing and using own-source revenues; and
- To increase the institutional capacity of First Nations and Inuit and develop human resources to generate own-source revenues and manage fiscal matters.

Competing political philosophies represent a key strategic risk to creating a new fiscal relationship with First Nations people. The pragmatic, evolutionary approach is contested by certain First Nations leaders, who favour negotiating a rights-based agenda. It is necessary to demonstrate the linkages between current activities and long-term impacts to build broad-based support for a pragmatic, phased process of change.

Operational Circle: It is an ongoing challenge to make strategic investments that result in good governance, strengthened accountability, increased institutional capacities and human resource development. Developing and maintaining effective partnerships with First Nations and Inuit governments, other governments, academic and professional communities, and other stakeholders also constitute an ongoing challenge.



Challenges specific to negotiating and implementing a new fiscal relationship include the following:

- Developing appropriate mandates and guidelines and fiscal accountability provisions for self-government negotiators;
- Providing effective support to facilitate complex fiscal negotiations, given current resource levels and authorities; and
- Developing new fiscal and statistical institutions.

What did we accomplish in 2001-02?

7. Effective Fiscal Relationships, Including New Fiscal Arrangement Models and Practical Examples

Expected Results 2001-02

Operational

- Approved guidelines and mandates for fiscal and related governance negotiations.

Collaborative

- Amending funding transfer agreements to reflect the principles of sustainable development.

Source: 2001-02 Report on Plans and Priorities

7.1 Funding transfer agreements

With respect to funding transfer agreements, this year was marked by ongoing efforts to create effective inter-governmental relations. These include fiscal relations with First Nations governments that have institutional and human resource capacities to manage the new fiscal arrangements available under the Canada-First Nations Funding Agreement. Workshops were undertaken with First Nations participation to support their development of Sustainable Community Planning, consistent with INAC's commitment under the Sustainable Development Strategy (SDS) to ensure that the principles of sustainable development are integral, not only to the agreements, but also to the overall business of the department. To provide First Nations with more results-based and streamlined reporting mechanisms, an interdepartmental working group was struck to undertake an ongoing review of reporting requirements, federal contribution agreements and a common accountability framework.

7.2 Guidelines for fiscal and related governance negotiations

The guidelines for fiscal and related governance negotiations have been amended to address comments and suggestions from other government departments and from First Nations communities. It is expected that the guidelines will be approved in 2002-03.

8. New Fiscal and Statistical Institutions

8.1 Progress toward creation of four institutions

As a result of the work of the National Table on Fiscal Relations, in July 2001, the AFN General Assembly passed a resolution to work with the federal government to develop legislation to create four fiscal institutions: a First Nations tax commission, First Nations finance authority, First Nations financial management board and First Nations statistical institute. Business plans were completed for each of the four institutions, and a detailed draft legislative outline was prepared. Predrafting of a bill was initiated to set out in law a strengthened real property tax regime, a debenture financing regime, and the institutional structure to support these First Nations financial and statistical management regimes.

9. Strengthened Fiscal Accountability

9.1 Financing and accountability mandates and guidelines

To support and to facilitate negotiation processes, the Federal Steering Committee on Self-Government and Comprehensive Claims developed financing and accountability mandates in line with the existing guidelines for federal self-government negotiators.

9.2 Accountability framework

INAC has improved its accountability framework by conducting regional compliance visits to review the management control framework for transfer payments. Further to those compliance visits, national policies have been developed. For instance, we have updated the intervention policy and credit and solvency policy, and we are updating the framework for the receipt and review of recipient financial information to ensure an effective, timely and consistent treatment of this information.

Following a recommendation from the Standing Committee on Public Accounts, INAC introduced a new financial reporting requirement for federal government funding. Beginning fiscal year 2001–02, a schedule must be submitted by all First Nations, which will provide a means of informing the Canadian public about the program and service areas where federal transfer payments have been made. Also, as an alternative, some First Nations will be making their entire financial statements publicly available.

Expected Results 2001–02

Collaborative

- Through the National Table on Fiscal Relations, in partnership with other federal departments and agencies, and the AFN, continue progress in sharing information, and to plan for a potential initiative to create an integrated suite of First Nations' fiscal institutions supportive of First Nation own-source revenue generation, and sound, transparent and accountable financial management practices comparable to those of other governments of comparable size and responsibilities.

Source: 2001–02 Report on Plans and Priorities

Expected Results 2001–02

Operational

- Update of financing and accountability mandates and guidelines, to support and to facilitate negotiation processes.
- More effective accountability framework in place.

Collaborative

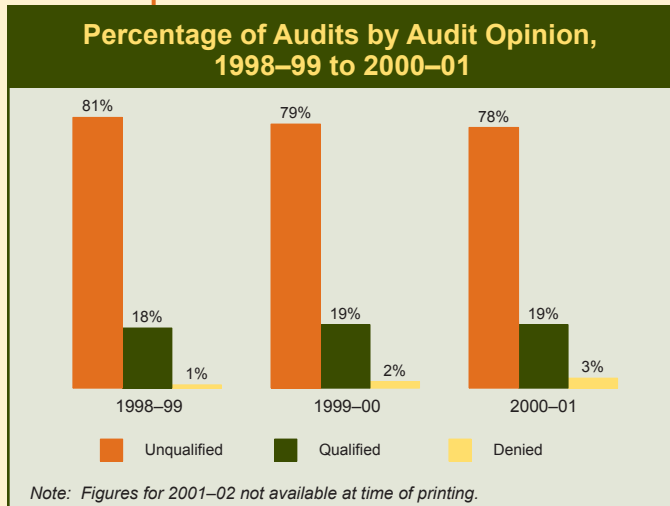
- Compliance with generally accepted financial control and reporting requirements as demonstrated by unqualified audits by certified independent auditors.
- Accountability to own members as demonstrated by a decrease in allegations and complaints of financial mismanagement.

Source: 2001–02 Report on Plans and Priorities

9.3 Consolidated financial statements

The number of recipients' annual consolidated financial statements that received clear (unqualified) opinions remains stable, at 78 percent (see Figure 6). Further, concerted efforts are being made to make these audited statements available to band members.

Figure 6



INAC reviews the audited financial statements of First Nations and their organizations to assess their financial health and their compliance with financial requirements of funding agreements. Where a financial statement indicates problems, such as excessive indebtedness (First Nations use debt essentially for housing and economic development purposes), an intervention is required. Based on the severity of the problem, INAC applies three levels of intervention, which progress from recipient-managed, co-managed and then third-party-managed intervention. As of March 31, 2002, 23 percent (158 out of 698) of First Nations and their organizations were under some form of intervention, as reflected in Figure 7.

Figure 7



9.4 Allegations and complaints

The department revised its allegations and complaints policy to clarify, and bring consistency to, its management processes. INAC received 100 allegations (of criminal wrongdoing) and 206 complaints

(without allegation of criminal wrongdoing) about the conduct of First Nations or Inuit government bodies or organizations. For allegations, INAC's policy requires informal consultation with, or referral to, the appropriate policing authorities, or both. For complaints, the department attempts to play a facilitating role, working with First Nations wherever possible, and maintaining confidentiality within the process. A national workshop of allegations and complaints coordinators was held on the use of the Record of Allegations and Complaints System (RACS). The interdepartmental working group on allegations and complaints met in December 2001 and had more than 40 participants from INAC, Health Canada, and the Royal Canadian Mounted Police.

10. Financial Skills and Capacity in First Nations

10.1 Financial management capacity

The Aboriginal Financial Officers Association (AFOA) of Canada, receives some funding from INAC. The AFOA granted the designation of Certified Aboriginal Financial Manager to 74 individuals who applied under the Special Arrangement Policy. It continues to work in close cooperation with the Certified General Accountants of Canada to enhance and adapt certification and examination requirements. You may wish to visit the AFOA website at <http://www.afoa.ca>.

In the Yukon, several First Nations were allocated funding to support their capacity development in the areas of legislation, administration, communications, finance and use of computers, enabling them to improve information-sharing within their communities. In Saskatchewan, funding was provided to Treaty 4 and File Hills Qu'Appelle Tribal Council for implementation of financial controls through a generic *Financial Management Act*, needs assessments of financial systems, guidelines for financial accountability, and the establishment of tribal council functions and services. In Ontario, the United Chiefs and Councils of Manitoulin and Matawa First Nations Management developed a document outlining a range of activities to strengthen administration and governance and held workshops, broadening and strengthening the Matawa Communities Network, and created a strategy to reach a vision of self-determination and sufficiency within each community.

By working with First Nations in their development of sustainable community planning and by advocating this new direction throughout government, INAC is supporting First Nations communities in developing human resource capacity.

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

A new fiscal relationship will take time to develop, but it will lead to more stable and predictable funding for First Nations and increase their self-reliance. This new fiscal relationship 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 strong accountability in First Nations communities will also increase investor confidence, support economic partnerships and improve living conditions, and this also supports INAC's SDS on sustainable community planning.

Expected Results 2001-02

Operational

- Strategic allocation of Gathering Strength funding for fiscal-specific undertakings and initiatives.

Collaborative

- Improved community financial management capacity as demonstrated by the development of Certified Financial Managers, with certification process developed and supported at community level.
- Improved engagement of First Nations in the development of financial management capacity as demonstrated by appropriately conducted block funding arrangements and by the number of agreements signed for collaborative efforts with First Nations regarding financial operations.

Source: 2001-02 Report on Plans and Priorities

We are committed to helping create, maintain and support effective inter-governmental relations, including fiscal relationships, by establishing our three objectives:

- First Nations and Inuit governments with the institutional and human resource capacity for managing new fiscal arrangements;
- Fiscal arrangement mechanisms that are transparent, stable and predictable and that support the generation of own-source revenues; and
- Accountability of First Nations and Inuit governments to their members, as well as the appropriate intergovernmental accountabilities.

A new fiscal relationship will support the effective use of existing financial resources for essential program delivery and remove barriers to greater participation of First Nations and Inuit in the Canadian economy.

Fostering good government and strong accountability in First Nations communities will increase the public confidence in First Nations governments, strengthen investor confidence, support economic partnerships, and improve living conditions by increasing investment and employment opportunities. As well, harmonization of the multitude of federal First Nations funding processes will result in a less complex, more streamlined administrative system 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 be essential to enhancing First Nations' financial management and governance capacities, realizing higher levels of economic activity, and negotiating and implementing self-government agreements. Without this fundamental infrastructure in place, Canada risks losing the trust and goodwill that have been built up with First Nations and professional communities. In addition, this infrastructure is required to support the generation of own-source revenues.

Without a new fiscal relationship, the difficulties some First Nations have experienced in managing increasingly complex operations, without sufficient capacity and with barriers to participation in the economy, will persist. Furthermore, public support may be eroded for First Nations' budgetary needs and the self-government policy agenda.

Areas for Improvement and Lessons Learned

When the financial statements of a First Nation indicate an indebtedness situation, the department assesses which form of intervention is required. It is important that the intervention plan be appropriate to the cause and scale of financial difficulty. The ultimate objective of effective intervention is that the First Nation has the capacity to manage its own affairs. Since the introduction of the INAC Intervention Policy, the department has identified opportunities to strengthen its intervention mechanisms. Cognizant of the need to build capacity, the department is introducing new policies on co-management and third-party management regimes.

What is this priority about?

In working toward renewed partnerships, we are focussing on programs and initiatives to help us deal with the problems of the past, so that together we can meet the challenges of the present and the opportunities of the future.

What are the benefits and results for Canadians?

11. Reconciliation and community healing
12. Increased public awareness of Aboriginal issues
13. Stronger working relationships with Aboriginal people and organizations
14. 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 culturally diverse and include both numerous small, isolated communities and a number of large, economically integrated communities. Some crucial challenges are the economic and social marginalization, as well as the geographic isolation, of many communities. At the same time, however, relationships are strongly influenced by a legacy of mistrust, stemming largely from historical interactions characterized by dispossession, control and dependency. Grievances range from *Indian Act* administration to implementation of treaties and protection for the rights of First Nations women. Additional challenges lie in reconciling divergent views on the meaning and implementation of treaties, in a contemporary context, in particular.

Resolving grievances is also complicated by differences in the approaches taken by provincial and territorial governments. However, a growing recognition is that the challenges can only be addressed if all levels of government work cooperatively to support partnerships and achieve practical results. All stakeholders must be actively engaged and have a solid understanding of both the cultural context and the nature of the 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. Conversely, lack of public understanding or support for treaties and the claims process can impede settlement of claims and the

enhancement of relations. Improving public awareness of issues is therefore a key challenge.

Finally, the rising tide of litigation presents its own set of challenges. Over the last decade, the number of general litigation cases has increased nearly eightfold, from 99 active cases in 1986–87 to 726 cases as of October 1, 2001. Issues addressed through general litigation are wide-ranging and include the following:

- Treaty rights and obligations;
- Nature and extent of Aboriginal rights and entitlements;
- Nature of the fiduciary relationship between the government and First Nations;
- Protection of the rights of First Nations women; and
- Day-to-day operations governed by the *Indian Act*.

Many court actions suggest that certain provisions of the *Indian Act* may not be compliant with the *Canadian Charter of Rights and Freedoms*. The adversarial nature of litigation puts significant pressure on initiatives and programs to renew partnerships.

Operational Circle: Ensuring the resolution of past grievances through specific claims settlements is critical to renewing partnerships. Increased litigation puts additional pressure on the department and deflects resources from policy development and day-to-day operations. The operational cost of managing litigation has more than tripled since 1996–97, increasing to about \$38.2 million in 2001–02.⁴ The department has developed environmental scanning to help identify significant legal and business risks early in the life cycle of a case.

Resolving current conflicts and reconciling differing approaches is also needed to renew partnerships. Some of our existing statutory authorities are not well suited for building and sustaining effective partnerships. This is particularly true in matters falling under the *Indian Act*, which does not provide the kind of governance structures and other basic tools to enable First Nations to take advantage of economic development opportunities. As well, it may not meet Charter tests. Other legislation (e.g., *Indian Oil and Gas Act*) also requires modernization.

In a broader sense, policies, guidelines and legislation developed in the past, without the participation of First Nations and Inuit, can act as an impediment to building a modern relationship.

⁴ This amount includes personnel costs, accommodation and other operating costs, DOJ costs and test-case funding. In addition, it should be noted that \$4.1 million of the above-mentioned amount covers costs for residential schools for the period of April 1 to June 4, 2001 only. As of June 5, 2001, the Indian Residential Schools Resolution of Canada Office was created, and residential schools no longer fall within INAC's area of responsibility.

What did we accomplish in 2001-02?

11. Reconciliation and Community Healing

11.1 Specific claims

This year was marked by a more efficient review of specific claims submissions. Various processes have been developed by the Specific Claims Branch to help foster efficiency:

- Grouping or bundling of claims by typology;
- Grouping of claims by band under joint research initiatives; and
- Ongoing efforts to work closely with First Nations and First Nations organizations in processing their specific claims.

Currently, the Special Claims Branch is reviewing more than 90 out of 488 claims, representing First Nations nationwide, in this manner.

Stronger partnerships with First Nations and First Nations organizations have helped build trust, improve communications, and ensure good quality and adequacy of research in support of First Nations' specific claims submissions.

Seven specific claims were settled in 2001-02 across Canada, totalling more than \$175 million. Six additional settlements were initialled pending ratification, and three AIPs were reached.

In 2001-02, work was undertaken to develop legislation that would establish the Canadian Centre for the Independent Resolution of First Nations Specific Claims (Claims Resolution Centre). The bill was tabled in the House of Commons. The purpose of the Claims Resolution Centre is to assist parties in concluding negotiated settlements of specific claims of any value through a facilitative commission division and to make binding, last-recourse decisions regarding the validity and compensation of specific claims, to a maximum prescribed limit, through a tribunal division.

The proposed Claims Resolution Centre offers significant improvements to the current specific claims process. Once created, the centre will replace the current Indian Specific Claims Commission (ISCC), which was set up in 1991 as an interim measure to inquire into, and issue nonbinding recommendations on, specific claims rejected for negotiation by Canada. Safeguards will be in place to ensure the smooth transfer of these responsibilities and files from both Canada and the ISCC to the new centre.

Expected Results 2001-02

Operational

- More efficient review of specific claims submissions (bundling of similar claims, joint research, closer working relationship with First Nations).
- Effective management of the litigation inventory through the comprehensive assessment of risk; settling litigation out-of-court wherever claims are substantiated and liability is clear; developing policy alternatives to litigation; and implementing proactive prevention strategies.

Collaborative

- Settlement of 15 specific claims.
- The adoption of alternative dispute resolution options by key parties as demonstrated by attempts at alternative resolution, involvement of First Nations, and out-of-court settlements.

Source: 2001-02 Report on Plans and Priorities

It is anticipated that the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources will commence hearings on Bill C-60 in the fall of 2002. Legislation could receive Royal Assent in 2003, and following a suitable period for transition and implementation, the Claims Resolution Centre could open its doors for business in 2004.

1 1.2 Alternative dispute resolution

In 2001–02, the comprehensive claims process continued to explore and implement alternative dispute resolution mechanisms to facilitate and expedite the claims negotiation process. Beginning in the summer of 2001, a pilot project was introduced to provide pre-mediation and mediation support for Aboriginal groups in the comprehensive land claims process with overlapping claims. This fund will provide a practical alternative to litigation for the resolution of overlapping issues and will contribute to the review of the federal approach to the resolution of overlaps. In addition, in April 2001, agreements were signed that put four separate Kaska court actions into abeyance. As a result, final and self-government negotiations resumed with the Ross River Dena Council, the Liard First Nation and the British Columbia-based Kaska Dena Council negotiating at a single Kaska table.

1 1.3 Federal strategy on the *Marshall* decision

The first year of implementing Canada's strategy on *R. v. Marshall* has been successful and has provided valuable lessons (for more information on the *Marshall* decision see http://www.dfo-mpo.gc.ca/COMMUNIC/Marshall/marshall_e.htm). We have been able to engage most of our Aboriginal and provincial partners in processes to find long-term solutions to issues of Aboriginal and treaty rights while addressing key elements of the quality-of-life agenda. Our goal is to continue building on our progress to assist First Nations communities in becoming strong, economically stable and ready to address their Aboriginal and treaty rights issues.

1 1.4 Litigation management

INAC has developed a framework for obtaining fair, balanced and managed outcomes from its Aboriginal litigation. The framework also allows for a systematic, coherent and consistent approach to managing and resolving INAC litigation and associated risks by managing it at the case, portfolio and inventory levels:

- **Case management** is the process by which DOJ and INAC collaborate in developing and carrying out Canada's position in a given case;
- **Portfolio management** examines clusters of cases with similar legal issues. It allows for an in-depth analysis of these cases to identify underlying causes of litigation, so as to prevent further litigation and develop alternatives to it, where possible and strategically advisable; and
- **Inventory management** consists of the efforts of INAC and DOJ to address INAC litigation at the most strategic level, to ensure a clear understanding of the current challenges and opportunities presented by INAC litigation, today and in the foreseeable future.

12. Increased Public Awareness of Aboriginal Issues

The public-education activities of the department are designed to promote awareness of Aboriginal issues among Aboriginal and non-Aboriginal peoples and to foster a more positive public environment, based on understanding and mutual respect.

12.1 Using the Internet as a communications tool for public education

INAC continues to use the Internet to raise awareness of Aboriginal issues among Canadian and international audiences, using three websites. The department's website (<http://www.ainc-inac.gc.ca>) averages more than 155,000 hits a month. From the department's website, visitors can access the Kids' Stop website, which is targeted to youth and educators. At the Kids' Stop site, visitors can learn about Aboriginal history and culture, and teachers can find ideas and information to bring to their classrooms. The Kids' Stop site continues to grow in popularity and now averages more than 15,000 visitors each month. The Aboriginal Canada Portal (<http://www.aboriginalcanada.gc.ca>), which was built and is managed in partnership with six national Aboriginal organizations, improved the breadth, depth and functionality of the service it offers by increasing the number of links from 6,000 to 16,000; adding new subapplications, such as daily news and a national and regional Aboriginal events calendar, and new multimedia functions, such as an interactive online help desk and a real-time end-user survey form and report; and initiating the use of webcasting of national Aboriginal conferences and events. It averages some 19,000 visitors a month. And finally, INAC offers a website (<http://www.fng-gpn.gc.ca>) dedicated to ensuring that First Nations, and Canadians in general, have access to information on the FNGI, as well as an opportunity to express their views on this important topic through the Internet.

12.2 School visits programs

School visits allow exchanges between Aboriginal and non-Aboriginal teachers and youth, to promote mutual understanding and cultural awareness. Through this type of program, Aboriginal teachers within the National Capital Region were able to reach 20,000 students and teachers. As a result of the positive feedback, many of the department's regional offices are either developing or expanding school visits programs.

12.3 Fairs and exhibits

To bring information on Aboriginal issues directly to Canadians, INAC participated in nine events in the Government of Canada's *Canada Pavilion Tour 2001–2002*, such as the Red River Exhibition in Winnipeg, Manitoba,

Expected Results 2001–02

Operational

- Using the Internet to effectively communicate to younger audiences.

Collaborative

- Development and promotion of communications products that focus on basic Aboriginal issues and culture, targeted to younger audiences.
- Development and promotion of public education material that will increase general understanding of the continuing significance of historical treaties.
- Partnership activities to support public awareness programs.

Source: 2001–02 Report on Plans and Priorities

and the Annual Farm Field Day in St. John's Newfoundland. These events were held across Canada, and more than 500,000 visitors to the Canada Pavilion enjoyed live performances in celebration of Aboriginal traditions and were able to receive information and public-education material on Aboriginal culture.



12.4 National Aboriginal Day – June 21

To increase public awareness of Aboriginal history and culture among Canadians, INAC continues to promote National Aboriginal Day to both Aboriginal and non-Aboriginal audiences. The department has responded to increased demand from individuals and organizations (especially

schools and libraries) for National Aboriginal Day publications, such as storybooks and activity guides (a 15 percent increase over the previous year).

12.5 National survey of First Nations opinion

In August 2001, the Government of Canada undertook the first nationally representative survey of First Nations opinion. In all, 1,427 First Nations people on-reserve were surveyed to gauge their opinions on their future, their priorities, and the government's performance overall. The survey also solicited input on how the government can better communicate with First Nations audiences. The results of the survey were released on October 30, 2001, and they constitute a valuable tool in building public awareness on Aboriginal issues. The results can be found at <http://www.inac-ainc.gc.ca>.

12.6 Outreach activities

The department has also undertaken outreach activities to provide information on government priorities and progress on Aboriginal issues. In February, the department organized an information session with about 70 key business stakeholders in the Western provinces, federal and provincial representatives, and academics. INAC also publishes and distributes a quarterly newsletter to some 5,000 private sector organizations and individuals. A similar quarterly newsletter provides program information to every First Nations household on-reserve and in Inuit communities.

12.7 Consultations support

A public awareness campaign on the FNGI resulted in more than 10,000 people expressing their views on proposed changes to the *Indian Act*.

12.8 Public education on historical and modern treaties

Awareness of treaties is a priority. Over the year, INAC regional offices took part in, and helped to organize, Treaty Day events in many parts of the country, to heighten awareness and understanding of treaties among Aboriginal and non-Aboriginal people. Thousands of Aboriginal and non-Aboriginal people participated in these events, to receive information and gain awareness on the significance of treaties.

In Saskatchewan, for example, the Office of the Treaty Commissioner created curriculum materials and videos and helped develop a Treaty Awareness Workshop to promote public awareness of treaties.

In British Columbia, INAC's regional office has responded to the desire for information on treaties with a quarterly newsletter called *Treaty News*, which informs business media, local government, First Nations, and the general public about modern treaty negotiations in the province.

12.9 Public-education partnerships

To broaden public-awareness outreach efforts, INAC continued key partnerships with TV Ontario (TVO), Télévision française de l'Ontario (TFO, TVO's French language network), Aboriginal Peoples Television Network (APTN), and the Inuit Tapiriit Kanatami (ITK). Collaborative projects last year included the following:

- Development of an interactive totem pole website with TVO (<http://www.tvokids.com/framesets/play.html?game=32>), where visitors can learn about Haida traditions and culture;
- An on-air profile with TFO of two Aboriginal youths from communities in Quebec;
- Development of 30 Aboriginal video vignettes with APTN for broadcast and online distribution; and
- Publication of the anniversary issue of *Inuktitut* magazine with the ITK.



13. Stronger Working Relationships with Aboriginal People and Organizations

Expected Results 2001-02

Operational

- Follow-up to the report from the Special Representative on the Protection of First Nations Women's Rights.

Collaborative

- Find mechanisms for First Nations, Inuit and Northerners to participate effectively in departmental and interdepartmental discussions related to sustainable development.
- Implement tangible improvements in horizontal policy development that meets needs of First Nations, Inuit, and the federal government (through joint efforts such as the AFN-INAC Joint Initiative on LTS Policy Development, and the Gathering Strength Professional Development Program, which focuses on strengthening First Nations and Inuit governance systems, and public administrations).
- The joint creation of First Nations- and Inuit-administered institutions, professional associations and public administration training programs (in collaboration with other federal departments and public sector interests, the private sector, and First Nations and Inuit communities).
- Enhanced treaty relationship through continuing exploratory treaty discussions in the west and the implementation of the post-*Marshall* strategy in the Maritimes, which may include the establishment of a Treaty Commission.

Source: 2001-02 Report on Plans and Priorities

13.1 Protection of First Nations women's rights

INAC has commissioned a discussion paper to outline a number of policy options on the division of matrimonial real property on-reserve after a marital breakdown. The discussion paper will also include recommendations on preventative activities. The research will be completed in the fall of 2002.

13.2 Horizontal policy development

INAC has been operationalizing the principles of the AFN-INAC Joint Initiative for Policy Development since the beginning of fiscal year 2001-02, and it has been doing so on a continuing, business-line-by-business-line basis, directly with relevant First Nations and First Nations organizations. Examples of this implementation include the following:

- Additions to reserve process, involving the First Nations Land Managers Association and the AFN, with the goal of simplifying and streamlining the process of adding so-called fee simple lands to existing reserves;
- Treaty 7 Status Card project, which piloted a new, secure and valid form of identification in a partnership that will become the model for cooperation in the use of efficient new technologies; and
- Ongoing discussions regarding contemplated Indian Monies legislation, which would allow First Nations to opt into a regime that gives them control over monies currently held in trust.

13.3 Enhanced treaty relationship

In Saskatchewan, Exploratory Treaty Table meetings have continued to take place with the Federation of Saskatchewan Indian Nations (FSIN) and the Government of Canada.

The meetings are facilitated by the Office of the Treaty Commissioner in Saskatchewan, with the Government of Saskatchewan participating as an observer. Meetings have occurred on a monthly basis throughout the year. Subjects

under discussion are health, shelter, justice, hunting and fishing. Reports have been finalized from the Health, Shelter, and Treaty and Related Historic Sites working groups. The Treaty and Related Historic Sites report was sent on to the Minister of INAC, the Chief of FSIN and to Parks Canada. Two sessions were held with elders concerning hunting, fishing,

trapping and gathering. A justice symposium, the first of two planned, was held, and a report was produced.

Canada and the Confederacy of Treaty 6 in Alberta have agreed that the parties will discuss justice as the first topic undertaken in Phase II of the Exploratory Treaty Table process. The Confederacy and Canada are establishing terms of reference to guide the initial exploratory paper. The Confederacy has completed a report on existing models of treaty commissions, which has assisted its internal deliberations on a potential treaty commission for Alberta. The paper was developed to inform the main Treaty Table of the various models of treaty commissions already in existence. The Confederacy is using the information contained in it to develop its position on the Alberta Treaty Commission initiative.

Preliminary planning meetings and consultations to establish an exploratory treaty discussion process began with member tribal councils of the Nishnawbe-Aski Nation (comprising Treaty 5 and Treaty 9 First Nations) in Ontario.

Canada and Alberta Treaty 8 First Nations have concluded an agreement to enter into discussions and are setting up a table, its procedures, policies, research and support mechanisms. It will be selecting specific topics for discussion and continuing debates over the next several months. The parties are developing models for a potential treaty commission, along the lines of that in Saskatchewan.

INAC has provided support for the collection of oral histories from Treaty 8 elders in Alberta on their understandings of the treaty. About 140 interviews have been conducted and transcribed, and Treaty 8 is entering the interviews into a data bank for its use in the exploratory treaty discussions.



13.4 Web partnerships

The Aboriginal Canada Portal (<http://www.aboriginalcanada.gc.ca>) was built and is managed in partnership with six national Aboriginal organizations. In 2001–02, the portal was made more useful by increasing the number of links from 6,000 to 16,000; adding new functions, such as daily news and a national and regional Aboriginal events calendar; and initiating the use of webcasting of national Aboriginal conferences and events.

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

Expected Results 2001-02

Collaborative

- Expansion of partnership approaches with provinces, territories, and First Nations and Inuit communities in all regions through identification of common priorities.
- Federal, provincial and territorial Aboriginal Affairs Ministers and national Aboriginal leaders to meet on an annual basis to discuss issues of mutual interest.

Source: 2001-02 Report on Plans and Priorities

14.1 Partnership approaches

Throughout this year, the department worked with provinces, territories, and First Nations and Inuit communities to identify common priorities and then to develop initiatives that support those priorities. This has been accomplished through such initiatives as the Alberta-Canada Partnership Forum and the Canada-Saskatchewan Northern Development Accord.

The department also entered into new partnerships with the National Aboriginal Women's Association and the Congress of Aboriginal Peoples (CAP) on the First Nations Governance initiative.

INAC provided continued financial support to the First Nations Land Managers Association in addition to the financial support to the First Nations Land Managers Conference during the last quarter of the 2001-02 fiscal year.

14.2 Meeting of Aboriginal leaders and government ministers

A successful meeting of federal, provincial and territorial ministers responsible for Aboriginal Affairs and national Aboriginal leaders was held in December 2001. The ministers and leaders confirmed their support for stronger participation of women and youth in the economy, greater private sector involvement in this area, and the idea of having a national business summit in 2003.

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

The government is committed to addressing the legacies of the past and moving beyond grievances, so that together we can renew partnerships, meet the challenges of the present, and take advantage of opportunities for the future.

Renewed partnerships are essential to providing the foundation for strengthened Aboriginal governance, a new fiscal relationship and, ultimately, strong communities, people and economies. Addressing relationship issues in conjunction with quality-of-life ones provides the greatest chance of success.

First Nations women have raised concerns about the protection of their rights. The department is committed to actions to resolve gender equality issues, which are linked to protection of the rights of First Nations women. We will address issues of specific concern to First Nations women. We will also continue to implement the departmental Gender Equality Analysis Policy by assessing the differential impact on women and men of proposed and existing policies, programs and legislation.

Improved relationships with First Nations and Inuit communities, together with the active engagement of other partners, will help create a climate favourable to investment and help reduce disparities in social and economic conditions. Enhanced relationships and partnerships with First Nations and Inuit will also support the negotiation of agreements, the settlement of specific claims, and the transition to self-government. This will lead to the nonlitigious and mutually respectful resolution of longstanding grievances. Settlements will also provide a more stable environment for investment and economic development.

We can build a better future and quality of life for all Canadians with the help of partnerships with First Nations, Inuit and northern communities, in cooperation with other federal departments, provincial and territorial governments, and the private sector.

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

Renewed partnerships are essential to delivering INAC's mandate. Involving those who are directly affected by decisions improves the probability of successful results, including an improved quality of life. Addressing issues related to renewed partnerships — such as reconciliation and community, administration of assets, individual claims and breaches of fiduciary duty — helps to avoid litigation and find a more timely, constructive and less adversarial resolution of issues.



Increased public awareness of Aboriginal issues is key to creating a supportive environment for policy and program initiatives. In some instances, lack of understanding can impede the settlement of claims and the resolution of past grievances.

Reconciliation of historic grievances between Canada and First Nations through the specific claims process is an important part of the healing process. Failure to settle claims may undermine efforts to build future

arrangements between Canada and First Nations, based on a strengthened relationship. Failure to resolve outstanding claims results in continuing liability or costly litigation, or both.

The development of updated legislative and regulatory tools is essential to facilitating partnerships to meet current and future First Nation needs and priorities.

Finally, ensuring that our policies and programs effectively respond to these needs and priorities will require stronger working relationships with key partners, including First Nations and Inuit, Aboriginal organizations, other federal departments, and provinces and territories.

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; safeguarding the environment; and promoting sustainable development in the North.

How much did it cost?

Planned Spending	\$167,899,900
<i>Total Authorities</i>	\$225,815,716
2001–02 Actuals	\$219,373,861

Explanation of Variance

The variance of approximately \$58 million between planned spending and total authorities is related to incremental funding to address core operational and capital requirements (\$30 million), for contributions for promoting safe development, use, conservation and protection of the North's natural resources (\$18 million), and to support the Northern Air Stage Parcel Service (\$9 million).

The variance of approximately \$6 million between total authorities and actual spending is primarily attributable to the carry forward to future years of funding for operating resources.



Results Logic

Global Circle	Canada, the North and the world	<p>STRATEGIC (GLOBAL) OUTCOMES</p> <p>Strengthened territorial governance systems that are sensitive to Aboriginal rights and interests and the needs of all Northerners, environmental protection and sustainable development in the North, as demonstrated by accomplishments in the following priority areas:</p> <ul style="list-style-type: none"> • Governance • A healthy human and natural environment • Sustainable use of northern natural resources • Circumpolar cooperation 	
Collaborative Circle	Northerners, governments, private sector and other stakeholders	<p>COLLABORATIVE OUTCOMES WITH NORTHERNERS, GOVERNMENTS, PRIVATE SECTOR AND OTHER STAKEHOLDERS</p> <ul style="list-style-type: none"> • Adoption of specific actions by communities, non-Canadian governments and nongovernmental partners, and other northern stakeholders to contribute to (priority) strategic outcomes (<i>Link to results: 3.4., 4.2</i>) • Communities and governments gaining capacity to manage their own affairs (e.g., taking on an additional responsibility through devolution) (<i>Link to results: 1.2, 4.3</i>) • Communities and governments improving their legislative, regulatory and program support framework (<i>Link to results: 1.2, 1.4, 3.1</i>) • Collaborative development of approaches, frameworks and plans with INAC and other partners (including non-Canadian governments with an interest in the North) (<i>Link to results: 1.1, 3.4, 4.2, 4.3</i>) • Constructive participation and engagement in meetings, decision circles, negotiations and other forums for information exchange, decision-making and agreements (<i>Link to results: 1.3, 1.4, 3.3</i>) • Regulatory and legislative frameworks modernized and integrated to advance sustainable development, nationally and internationally (<i>Link to results: 2.1, 3.4, 4.1</i>) 	
Operational Circle	INAC	<p>ACTIVITIES</p> <ul style="list-style-type: none"> • Liaising and negotiating with partners and northern communities • Policy and strategy development • Program delivery • Resource and environmental management <p>RESOURCES</p> <p>\$219 million in 2001–02 and 689 full-time equivalents</p>	<p>OUTPUTS</p> <ul style="list-style-type: none"> • Meetings, forums for information exchange, and agreement proposals (<i>Link to results: 1.4</i>) • Policy outputs (<i>Link to results: 1.4, 3.2</i>) • Program outputs • Regulations, legislation, information, and rights to access and use resources

Effective Management of Federal Interests in the North, (\$219 million in 2001-02)

PRIORITY

What is this priority about?

The focus of the 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, safeguarding the environment, and promoting sustainable development in the North.

What are the benefits and results for Canadians?

1. Strengthened northern governance
2. A healthy human and natural environment
3. Sustainable use of northern natural resources
4. Support for circumpolar cooperation

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

Collaborative Circle: 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 in the oil and gas industry, such related industries as construction and petrochemicals, and the 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 the devolution of land and resource management responsibilities 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.

Investments are also being made in diamond mine exploration and development in both the Northwest Territories and Nunavut. Canada's first diamond mine has been operating for two years, and another three diamond mines are preparing to open or are seeking regulatory approvals. Conversely, persistently low base-metal prices since 1997 have resulted in a significant downturn in most other mining activities across the North. 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 the loss of jobs and heightened public interest in the ongoing management and reclamation of abandoned mines, with the accompanying environmental risks in the North.

World prices are not the only determinants of economic growth 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 are constraining investment and limiting business opportunities.

Geographic and demographic conditions also pose unique challenges to the delivery of programs and services and increased economic growth: remoteness of communities, a severe climate and a fragile environment, together with gaps in infrastructure (e.g., telecommunications, roads, ports) and in science and technology (S&T). Variability in skills and capacities among governments, communities and individuals also reduces the ability of Northerners to take advantage of opportunities. Furthermore, climate change in the Arctic region is expected to have a significant impact on many aspects of northern life in the years to come. Effective management of the northern environment requires both domestic and international efforts.

Strengthening northern governance will help prepare the North to meet the challenges and opportunities that will result from increased resource exploration and development, and it will provide a competitive investment climate that is effective and efficient, has clarity and consistency, and follows the principles of sustainable development. Policy, legislative and regulatory gaps need to be closed. Other federal departments and northern partners have a role to play.

Moreover, sufficient resources are required, not only to encourage economic development, but also to ensure adequate 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 socioeconomic 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.

Operational Circle: To make the investment climate more stable and attractive, INAC can fill key policy gaps and help to replace outdated legislation. Policies on mine site reclamation and impact and benefit agreements, along with options for a new mining regime for Nunavut, are priorities. INAC will also address legislative needs by implementing the legislation for Nunavut waters and surface rights and finalizing the proposed Yukon environmental and socioeconomic assessment bill 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, implementing the Infrastructure Canada Program and knowledge and innovation funds for the territories, coordinating a federal northern SDS, and promoting sustainable development in the circumpolar North. The department will enhance federal engagement in circumpolar initiatives resulting from the new Northern Dimension of Canada's Foreign Policy and will manage the Northern Contaminants Program. INAC will also continue to support the evolution of northern governments through devolution of its province-like activities and through its land claims and self-government activities; advocate on behalf of the North in such areas as economic development, food security, and human health and safety; and 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.

What did we accomplish in 2001-02?

1. Strengthened Northern Governance

1.1 Health care – Nunavut

The transfer of responsibility to fund hospital and physician services for Inuit residents of Nunavut is strongly supported by INAC, Health Canada and Finance Canada because it will lead to greater efficiencies for both the federal and territorial governments. In 2001-02, a failure to incorporate this funding into the formula financing agreement for Nunavut resulted from questions raised by Nunavut Tunngavik Inc. The department will continue to work with the Government of Nunavut under the existing contribution agreement, while emphasizing the benefits that new arrangements may hold for the citizens of Nunavut.

1.2 Devolution – Yukon

After several years of negotiations, the Yukon's Northern Affairs Program Devolution Transfer Agreement was concluded between the Minister and the Yukon Government leader on October 29, 2001. The new *Yukon Act* (Bill C-39), which is required to give effect to devolution, received Royal Assent on March 27, 2002.

The transfer of administration and control of most public lands and rights in respect of water in the Yukon to the Yukon Government is targeted to take effect on April 1, 2003. The new *Yukon Act* also modernizes language and names of public institutions and recognizes the existence of responsible government in the Yukon.

Expected Results 2001-02

Collaborative

- Transfer responsibility to fund hospital and physician services for Indian and Inuit residents of Nunavut to the Government of Nunavut by integrating INAC contribution funds into the Canada–Nunavut Formula Financing Agreement.
- Finalize transfer (devolution) of land and resource management responsibilities to the Government of Yukon.
- Federal, provincial and territorial Ministers responsible for northern development to hold a national meeting to discuss areas of mutual interest and methods to advance shared priorities.

Source: 2001-02 Report on Plans and Priorities

1.3 Intergovernmental Cooperation

In the Northwest Territories, intergovernmental forum meetings (GNWT, Aboriginal Summit and INAC), held in May 2001 and January 2002, showed progress on a range of common priorities, including the establishment of an Economic Development Advisory Forum, focussed on strengthening and coordinating the approach to economic development in the territory. Aboriginal leaders and the GNWT also endorsed a memorandum of intent on devolution and resource revenue-sharing, setting out principles, process and time lines for formal devolution and resource revenue-sharing negotiations. All three parties will be appointing chief negotiators, and it is expected that formal negotiating sessions will start in the fall of 2002. In the Yukon, plans were laid for the establishment of an intergovernmental forum for this year. In Nunavut, the Nunavut Senior Officials Working Group (Government of Nunavut, Nunavut Tunngavik Inc. and INAC) continued to identify common priorities and work jointly on matters of territory-wide importance.

On a national scale, federal, provincial and territorial ministers responsible for northern development held a conference in September 2001 to advance the common and diverse interests of people in northern parts of the provinces and the territories. Plans are under way for the 2002 conference to be held in Alberta in the fall.

1.4 Development assessment process

In November 2001, the public consultation process was completed respecting the detailing of the development assessment process required by Chapter 12 of the Umbrella Final Agreement with the Council of Yukon First Nations (CFN). A final draft of the resulting legislation, the proposed Yukon environmental and socioeconomic assessment bill, was completed with the hands-on involvement of the CFN and the Yukon Government.

2. A Healthy Human and Natural Environment

Expected Results 2001-02

Operational

- Creation of a prioritized system for all northern contaminants sites, and a contaminated sites management plan, including waste management guidelines.

Source: 2001-02 Report on Plans and Priorities

2.1 Prioritized system for contaminated sites

A prioritized system for all northern contaminated sites was completed. It assigns scores to sites in accordance with the Canadian Council of Ministers of the Environment National Classification System (NCS), with the highest priority sites further classified using the INAC Northern Environmental Risk Assessment Strategy. The contaminated sites management plan currently encompasses all NCS priority-1 sites. We completed a draft policy for the management of northern contaminated sites, which identifies the approach to be taken to remediation or risk management. This should be approved in 2002. Throughout all of the contaminated site work, INAC has made efforts to consult, and develop partnerships and work with, the communities near the contaminated sites.

3. Sustainable Use of Northern Natural Resources

Throughout the year, efforts continued to ensure the sustainable development of northern resources, through activities such as water-quality studies, environmental screenings, training sessions on permafrost and oil and gas pipeline preparedness, and work on best practices in mining.

3.1 Impact and benefit agreements policy

While the development of an impact and benefit agreements policy commenced, the need for such a policy for the department is now being reassessed. Work on the policy continues but has not yet been approved for public consultations.

3.2 Mine Site Reclamation Policy

The department completed its policies on mine site reclamation for both the Northwest Territories and Nunavut and they were released on July 29, 2002. The policies are designed to provide resource management tools to ensure that mining operations in the Northwest Territories and Nunavut do not leave a legacy of environmental and human health hazards and a financial burden on the Canadian taxpayer.

3.3 Government-industry relations

The first Northern Mines Ministers' Conference was held in Yellowknife, Northwest Territories, on April 4, 2002, and had about 85 delegates. The conference provided the opportunity for the federal and territorial governments to meet directly with the mining industry and Aboriginal organizations to identify issues concerning mining in the North. They also openly discussed strategies to cooperatively resolve these issues and improve the northern operating environment. They discussed such major issues as the state of the northern mining industry, the need for increased infrastructure and geoscience, the regulatory process in the North, and Aboriginal participation in mining. At this conference, Minister Nault announced that INAC was in the process of developing new policies on mine site reclamation for the Northwest Territories and Nunavut and that they were expected to be released in the summer, following final consultations.

3.4 Oil and gas activities

In partnership with the Canadian Association of Petroleum Producers, the NAP sponsored the development of a series of regulatory road map guides for oil and gas activities in the Northwest Territories and Beaufort Sea. Development of the guides received the cooperation of many agencies throughout the Northwest Territories, including new boards, Inuvialuit agencies and the private sector. All five guides for the Northwest Territories and Beaufort Sea are complete and have been made available to the public. The program also initiated a cooperative effort with other federal departments and agencies to prepare for renewed oil and gas exploration in the Beaufort Sea.

Expected Results 2001-02

Operational

- Develop an Impact Benefit Agreement policy and a Mine Site Reclamation policy for the N.W.T.

Collaborative

- Ensure federal government preparedness to respond to one or more pipeline developments in the North, as well as to related oil and gas exploration and development activities.

Source: 2001-02 Report on Plans and Priorities

The NAP, in cooperation with other federal departments, identified the federal capacity required to prepare and respond to the increasing level of northern oil and gas activity. The chairs of the boards and agencies responsible for assessing and regulating energy developments in the Northwest Territories released a draft cooperation plan in January 2002 for public comment. The cooperation plan outlined, in principle, how the parties would coordinate their response to any proposal to build a major natural gas pipeline through the Northwest Territories. The public, including industry, provided comments by March 2002 in order to finalize the plan by early summer. Federal science experts began the process of identifying the science gaps relating to northern oil and gas exploration and development and potential pipeline construction. Environmental Studies Research Funds and the NAP held a workshop in Inuvik to identify the biophysical gaps related to natural gas exploration and development and potential gathering pipelines in the Mackenzie Delta and nearshore Beaufort Sea. INAC, together with Human Resources Development Canada, continues to work with the GNWT and Yukon Government, First Nation governments, Aboriginal organizations and industry to identify training requirements, with a view to developing a human resource strategy to respond to growing pressure for skilled labour, particularly in the energy sector.

4. Support for Circumpolar Cooperation

Expected Results 2001-02

Collaborative

- Signing of a global Convention on Persistent Organic Pollutants.

Source: 2001-02 Report on Plans and Priorities

4.1 Contaminants in the Arctic

In many international forums, INAC continued its active role of promoting the reduction or elimination of the long-range transport of contaminants in the Arctic. Key activities included promoting, as part of the Canadian team, the ratification of the global Stockholm Convention on

Persistent Organic Pollutants (SCPOP). At least 90 countries have now signed it, including all Arctic Council countries. Canada is the only Arctic Council country to ratify it. In addition, ratification is proceeding well in many countries, in anticipation of the World Summit on Sustainable Development (WSSD) in Johannesburg in September 2002. At least 34 countries have signed the 1998 Aarhus protocols on Persistent Organic Pollutants (POPs) and Heavy Metals under the United Nations Economic Commission for Europe's Convention on Long-Range Transboundary Air Pollution. Canada and four Arctic Council states are among the nine countries ratifying the POPs. Canada and three Arctic Council states are among the 10 countries in the process of ratifying the Heavy Metals protocol.

As part of the Canadian team, INAC successfully promoted an Arctic voice in several official statements for the WSSD and the draft Action Plan for Johannesburg, and INAC coordinated and cosponsored an Arctic Connections side event for the Arctic Council at PrepCom-2 in New York in February 2002.

4.2 Canada-Russia cooperation

INAC continued to play a key role in Canada-Russia cooperation on the Arctic. In 2001–02, INAC organized the Canada-Russia Symposium, a high level dialogue to strengthen northern cooperation between Canada and the Federation of Russia (December 2001), and led the development of a new framework to facilitate northern cooperation between the two countries and improve governance practices in the Russian North (June 2001).

4.3 Sustainable development in the Arctic

The following of INAC's activities contributed to the sustainable development of the circumpolar Arctic:

- Leading a mission to the Russian North to share best practices in co-management regimes with the Federation of Russia;
- Lobbying internationally to facilitate the Advisory Committee on Protection of the Sea and the Federation of Russia's successful Global Environment Facility project funding application (December 2001) for the Russian Program of Action for the Protection of the Arctic Marine Environment (as a result of these efforts, Canada is a key actor in the protection of the Arctic marine environment); and
- Organizing a capacity-building conference for Arctic nations and northern Aboriginal organizations, with a view to enhancing the Arctic Council's role and increasing the capacity of northerners to benefit from the work of the Arctic Council.

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

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

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.

INAC's collaboration with Environment Canada and the Department of Foreign Affairs and International Trade has ensured that Canada promotes strong international Arctic relationships, is a leader in the Arctic Council, and meets its bilateral obligations (including the Russia-Canada Agreement on Cooperation in the Arctic and the North). Through participation in all five of the Arctic Council working groups, INAC has been instrumental in obtaining key international agreements and protocols for the following purposes:

- To monitor and enforce the reduction of transboundary Arctic contaminants, such as through the SCPOP;
- To expedite hazardous waste remediation, such as through the Arctic shoreline cleanup assessment technology, with the United States; and
- To protect the Arctic environment.

As well, Northerners will increase their participation in circumpolar affairs, have a direct impact on transboundary issues, and develop and exchange best practices with residents of other Arctic states on sustainable development.

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. Without concerted efforts in the North, we risk missing opportunities for economic development, including large-scale oil and gas development, thereby compromising the territories' ability to control their own destinies and develop the potential of the North for the benefit of Northerners and all Canadians. As exemplified by the lack of success in incorporating funding for health care in Nunavut into the formula, reconciling diverse inter-

ests and perspectives will remain an ongoing challenge as we continue to strengthen relationships and build new partnerships, both among Northerners and between northern and southern organizations.

Collaboration with territorial governments, development of northern resource boards, consultative processes, and participation of northern stakeholders are all needed to ensure the health and well-being of the Northerners and their environment. Failure to meet our targets or implement initiatives on abandoned mines, contaminated sites, and environmental monitoring may increase the risk to the environment and human health. Failure to meet circumpolar objectives will result in increased Arctic environmental degradation and a decrease in the quality of life, in both the North and Canada overall. In addition, failure to learn from best practices in the sustainable development of other northern jurisdictions will increase the human and financial costs of learning these lessons independently.

Areas for Improvement and Lessons Learned

Effective circumpolar collaboration on sustainable development and international relations requires enhanced research and senior-level interdepartmental and federal-territorial strategic discussion.

Canadian Polar Commission

Strategic Outcome

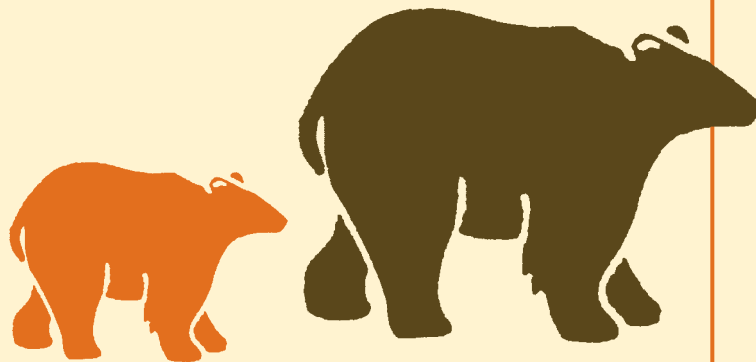
To provide Canadians with an effective national and international presence in relation to polar science and technology that contributes to a broader understanding of polar issues.

How much did it cost?

Planned Spending	\$953,000
<i>Total Authorities</i>	<i>\$1,000,642</i>
2001–02 Actuals	\$992,316

Explanation of Variance

The variance of \$47,642 between planned spending and total authorities is primarily attributable to the carry forward from 2000–01 of funding for operating resources. The variance of \$8,326 between actual spending and total authorities is mainly attributable to the carry forward to future years of funding for operating resources.



Results Logic

Global Circle Canada, the North and the world	STRATEGIC (GLOBAL) OUTCOMES An effective international presence in relation to polar S&T contributing to a broader understanding of polar issues.	
Collaborative Circle Persons with an interest in polar issues: <ul style="list-style-type: none"> • The public • Scientists • Arctic stakeholders Federal, territorial and international governments and the not-for-profit and private sectors	COLLABORATIVE OUTCOMES WITH ARCTIC STAKEHOLDERS <ul style="list-style-type: none"> • Adoption of specific S&T actions by interested parties to contribute to (priority) strategic outcomes. • Interested parties improving their knowledge of the polar regions, allowing them to make informed policy decisions. • Collaborative development of research approaches, frameworks and plans with INAC and other partners (including other, non-Canadian governments with an interest in polar issues). • Constructive participation, engagement and cooperation in meetings, joint research projects, negotiations and other forums for information exchange, decision-making and agreements. (<i>Link to results: 1.5, 3.1</i>) COLLABORATIVE OUTCOMES WITH PARTNERS <ul style="list-style-type: none"> • Various partners and intermediaries (e.g., the International Arctic Science Committee) acting to support strategic outcomes. (<i>Link to results: 3.1</i>) • Federal government departments appropriately supporting strategic outcomes (above) in terms of policies, programming and funding. 	
Operational Circle INAC and Canadian government	ACTIVITIES <ul style="list-style-type: none"> • Liaising and negotiating with partners • Policy and strategy development • Advisory and information services • Public education and awareness-building RESOURCES \$1.0 million in 2001–02 and 5 full-time equivalents	OUTPUTS <ul style="list-style-type: none"> • Meetings, forums for information exchange, and agreement proposals (<i>Link to results: 1.5, 2.1</i>) • Policy outputs (<i>Link to results: 2.2</i>) • Communication outputs (advocacy re: polar knowledge) (<i>Link to results: 1.4, 2.1, 2.2</i>) • Mass communication outputs/publications (<i>Link to results: 1.1, 1.2, 1.3, 2.2</i>)

Development and Dissemination of Knowledge Concerning the Polar Regions (\$1.0 million in 2001-02)

PRIORITY

What is this priority about?

The focus of the CPC is to provide Canadians with an effective national and international presence in polar science and technology (S&T) to contribute to a broader understanding of polar issues.

What are the benefits and results for Canadians?

1. Enhanced polar knowledge and S&T in polar regions
2. Public awareness of polar science
3. International profile as a circumpolar nation

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

Collaborative Circle: The current environment includes a diverse and dispersed research community, with small research institutes supporting a broad range of research activities. Members of the research community support and participate in initiatives to various degrees, and governments assign differing priorities to polar research. The CPC needs to coordinate federal and private sector research activities and to generate greater exchange of information.

Operational Circle: 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 knowledge in Canada.

What did we accomplish in 2001-02?

1. Enhanced Polar Knowledge and S&T in Polar Regions

Expected Results 2001-02

Operational

- Increase national and international awareness of polar issues and research activities through publication of the CPC's *Meridian* newsletter and the newsletter of the Canadian Antarctic Research Network.
- Second year of Indicators Report will bring us closer to the goal of reporting systematically and regularly on Canada's performance in polar research.
- Report on the state of polar knowledge.

Collaborative

- Expand Canadian polar information network by providing links to national and international polar research resources and by introducing the Polar Science Forum, an interactive tool for discussion of issues affecting the conduct of polar science and the development of policy, including a directory of Canadian polar researchers and real-time video feed for polar research conferences, seminars and workshops.
- Increased focus on polar research by universities.

Source: 2001-02 Report on Plans and Priorities

1.1 Publications and research

The CPC worked toward increasing national and international awareness of polar issues and research activities through two issues of *Meridian*, featuring articles on Canadian polar science and highlighting the work of Canadian researchers. We also published two issues of the *Newsletter for the Canadian Antarctic Research Network* with articles of interest to the Canadian Antarctic research community and featuring the work of Canadian scientists active in Antarctic and bipolar science. Both these newsletters are available at: <http://www.polarcom.gc.ca/publications.htm>.

1.2 Internet connectivity

The CPC produced a report on the state of Internet connectivity in the North. It is available at <http://www.polarcom.gc.ca/publications.htm>.

1.3 Indicators Project

The Indicators Project reports systematically and regularly on Canada's performance in polar research, using a series of 15 indicators, developed in consultation with Canadian Arctic stakeholders to identify emerging trends in Canadian polar science. This year, the CPC published the second annual Indicators Project report. It is available online at <http://www.polarcom.gc.ca/publications.htm>.

1.4 Canadian Polar Information Network

In 2001-02, the CPC expanded the Canadian Polar Information Network (CPIN) by introducing the Polar Science Forum, an interactive tool for discussion of issues affecting the conduct of polar science and the development of policy. This resource is available at <http://www.polarcom.gc.ca/cpin/index.html>.

1.5 Climate change

The CPC cohosted a joint two-day workshop, focussing on climate change, at the Liu Centre for the Study of Global Issues, at the University of British Columbia.

The CPC cosponsored On Thinning Ice, an international conference on Arctic sovereignty and security, in Ottawa, on January 25-26, 2002. The conference brought together about 150 leading Canadian and international experts, policy-makers, northern representatives, and nongovernmental organizations (NGOs) to examine the ramifications of climate change on Canadian Arctic sovereignty and security. For more information, see http://www.carc.org/pubs/spring2002/CARC_news_spring_02.pdf.

2. Public Awareness of Polar Science

2.1 Canadian Polar Information Network

The CPC increased access to polar information by providing new and updated links to national and international polar research resources and introducing the Researcher's Directory, an online searchable database of Canadian polar researchers. These resources are available at <http://www.polarcom.gc.ca/cpin/index.html>.

2.2 Emerging Polar Issues

The Commission also produced several Special Notes documents, which aim to keep parliamentarians and senior federal officials informed of important emerging polar S&T issues. They outline key issues brought to the attention of the CPC during meetings at northern S&T research institutes and organizations, seminars, conferences, workshops and community meetings.

Expected Results 2001-02

Operational

- Increase access to polar research information through the Canadian Polar Information Network (CPIN), which is an evolving resource to provide information and data on polar research.

Collaborative

- Prepare blueprint for cooperation among federal departments and agencies with significant involvement in the North.

Source: 2001-02 Report on Plans and Priorities

3. International Profile as a Circumpolar Nation

3.1 International representation

This year, the CPC worked to ensure Canadians have effective representation internationally, through its involvement in the following organizations:

- *International Arctic Science Committee* (<http://www.iasc.no>) — The CPC is Canada's adhering body to the International Arctic Science Committee, an NGO that promotes international cooperation on arctic research. The CPC helped bring the Arctic Science Summit Week to Iqaluit and held a joint meeting there with the United States Polar Research Commission.
- *Arctic Council* (<http://www.arctic-council.org>) — The Arctic Council is a high-level intergovernmental forum that provides a mechanism to address the common concerns and challenges faced by Arctic governments and people. The CPC is part of the core working group that meets regularly to determine Canada's agenda for the Council meetings.
- *Northern Research Forum* (<http://www.nrf.is/>) — The CPC sits on the steering committee of the Northern Research Forum, which promotes dialogue among northern researchers and other northern stakeholders. This dialogue concerns the critical issues, problems and opportunities facing circumpolar peoples in the context of social and environmental changes and economic globalization.

Expected Results 2001-02

Operational

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

Collaborative

- Increase cooperation among international initiatives and organizations such as the Northern Dimension, University of the Arctic, the Arctic Council, the Arctic Science Committee and the Scientific Committee on Antarctic Research.

Source: 2001-02 Report on Plans and Priorities

- *Scientific Committee on Antarctic Research* (<http://www.scar.org/>) — The CPC is Canada's adhering body to the Scientific Committee on Antarctic Research (SCAR). The SCAR is an interdisciplinary committee of the International Council for Science that initiates, promotes, and coordinates scientific research in Antarctica and provides scientific advice to the Antarctic Treaty System. This year, the CPC continued its work with the Canadian Committee for Antarctic Research to invigorate the Canadian Antarctic research community, and they produced together a draft Canadian Antarctic Strategy.

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

The CPC'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 as a link between governments, the research sector, Aboriginal communities, industry, academics and the Canadian public.

The CPC is 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 SCAR and liaison with research organizations throughout the circumpolar world. The CPC's 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?

Areas for Improvement and Lessons Learned

The web-based CPIN has the potential to offer much more polar information to Canadians than it is currently able to. An example is the real-time video feed for polar research conferences, seminars and workshops; funding constraints meant this was not possible. The CPC's increased profile over the past few years has raised expectations in the polar research community in the form of requests for conference and other support, scholarships, etc. While expectations are now greater, the CPC's funding has remained static since its creation in 1991.

Without the cooperation and coordination of research that the CPC promotes, research costs would be higher, and efficiency would be lower.

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 to undertake the polar research needed to solve global problems. Consequently, at a time when polar research is steadily increasing in importance around the world, Canada would be perceived as a weak link among polar nations.

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



Alternative Service Delivery

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>.

Procurement and Contracting

1. Role played by procurement and contracting in delivering programs

The procurement and contracting activity supports the delivery of programs within INAC's headquarters and its 11 regional offices. Besides enabling all departmental personnel to acquire the office furniture, furnishings, desktop computers, stationery, supplies and equipment they need, this activity allows INAC to obtain professional and consulting services, from the private sector, in pursuit of its responsibilities to First Nations and Inuit. It provides a wide range of services, from forest-fire fighting, diamond valuation and mine management to auditing, program evaluation and specific claims and litigation research.

2. Overview of the contract management processes and strategy within the department

While the departmental contract management process is decentralized, it remains mostly under the responsibility of the procurement community, save for low-value goods and services purchased by departmental employees with acquisition cards (MasterCard and Visa).

All purchase orders, call-ups against Public Works and Government Services Canada (PWGSC) standing offers, and requisitions to PWGSC are activated by dedicated purchasing specialists. Service contracts less than \$25,000 are prepared by responsibility centre managers (RCMs) and

reviewed by dedicated contracting specialists before being awarded. All competitive and noncompetitive service contracts in excess of \$25,000 in value are managed exclusively by contracting specialists at headquarters and in the regions.

All departmental RCMs have been delegated a signing authority of \$25,000 to award noncompetitive contracts, \$400,000 for a contract following an invitational competitive process and \$2,000,000 for a contract resulting from a bid solicitation on the Government Electronic Tendering Service, or MERX.

3. Progress and new initiatives enabling effective and efficient procurement practices

- Development and implementation of a new policy and procedures on contracting for communications services;
- Development of guidelines and best practices on public access to tendering and contracting information;
- Increase in the number of acquisition cards (MasterCard and Visa) by five percent, the number of transactions by 35 percent, and the value of transactions by 20 percent, by comparison with those in fiscal year 2000–01;
- Decrease in the number of Government Purchase Orders issued by INAC by 40 percent, by comparison with that in fiscal year 2000–01;
- Setup of departmental performance objectives for goods and service contracts to Aboriginal suppliers for calendar years 2002, 2003 and 2004, in accordance with the Procurement Strategy for Aboriginal Business;
- Memberships on the Treasury Board Advisory Committee on Contracts, the Business Development Coordination Team, the ADM Steering Committee of the PWGSC Electronic Supply Chain project, and the Treasury Board Professional Development Advisory Committee; and
- Establishment of a Corporate Procurement Support Officer's position, located in mid-Canada, dedicated exclusively to providing contracting advice, support and training to INAC's 11 regional offices to ensure continuity of contracting services and maintenance of expected contracting standards and integrity.

Service Improvement Initiative

Results for Canadians: A Management Framework for the Government of Canada commits the Government of Canada to measurable improvements in client satisfaction with departmental programs and services by 2005. In this context, the department's Modern Comptrollership Action Plan has an ongoing focus on improving service, which also drives its Government On-Line (GOL) effort.

Indian and Inuit Affairs Program

The department has initiated business process re-engineering and system development work, as part of its GOL initiative, to modernize the new First Nations and Inuit Transfer Payment System and the IRS. In addition, the department launched a pilot project in Alberta, in partnership with the Treaty 7 First Nations, to issue enhanced Indian Status cards, which provide more secure access to a variety of government services and programs.

Web-based online access has been provided to more than 800 clients of the Indian Lands Registry System (ILRS). This is an eightfold increase over last year, and our clients now include regional offices, First Nations, and public users. The electronic imagery system, which provides access to copies of registered documents and plans, can be accessed through the ILRS.

Atlantic Region established the Community Service Delivery Model. The Service Circle, a multidirectorate work group, uses a team approach in managing the INAC business lines, and it strengthens the front line service to First Nations through the following activities:

- Ensuring that service delivery is reflective of First Nations community needs and priorities;
- Maximizing communications and information-sharing of First Nations issues within INAC; and
- Supporting First Nations in their efforts to identify and address community issues.

Various processes to foster efficiency have been developed by the Specific Claims Branch: grouping or bundling of claims by typology and grouping of claims by band under joint research initiatives and ongoing efforts to work closely with First Nations and First Nations' organizations in the processing of their specific claims. Currently, more than 90 claims, representing First Nations in every region nationwide, are being addressed in this way.

The department has piloted a case-study-based learning forum for front-line staff in all regions to encourage better service to clients through enhanced internal communications and teamwork.

Northern Affairs Program

To enhance the grants and contributions accountability framework within the Northwest Territories Region, the NAP held training sessions and focus groups for managers in the administration and preparation of funding arrangements, which have resulted in a more streamlined funding arrangement payment process for clients.



Administration Program

The Access to Information and Privacy (ATIP) unit has a legislated requirement to respond to all requests within 30 calendar days. Complaints about delays and exemptions dropped from 17 in 2000–01 to 13 in 2001–02. As a result of the priority given this service, the ATIP unit delivered roughly 54 awareness sessions to employees. Consequently, it has improved its timeliness in responding to requests: 84.4 percent of requests are now given a response within the 30-day time frame, compared with 60 percent in 1999–2000.

Sustainable Development Strategy

In fiscal year 2001–02, INAC made significant progress in strengthening the management and implementation of its Sustainable Development Strategy (SDS). During this year, the Associate Deputy Minister assumed the role of champion of sustainable development while a new operational lead on the file at the Assistant Deputy Minister level was assigned. These two key senior managers kept the entire senior management team informed of issues

in SDS management and implementation through quarterly reporting to the departmental operations committee, chaired by the Associate Deputy Minister.

A two-person SDS national coordination unit was established and given clear responsibilities for the development and implementation of an SDS accountability, management and reporting regime. An electronic SDS reporting system is currently under refinement.

Significant efforts were made in 2001–02 to raise awareness of sustainability issues within the department. Two awareness-raising sessions were held, including a one-day workshop to discuss the implications of sustainable development for Aboriginal communities, which brought together the INAC

senior management team and sustainable development experts from the private sector, academia and Aboriginal communities and the Commissioner of the Environment and Sustainable Development. As well, INAC produced a number of awareness-raising products for distribution to its employees.

The integration of the concept of sustainable development into policies, programs and processes progressed significantly in 2001–02. A sustainable development checklist for program managers was developed and piloted in the Infrastructure and Housing Directorate of the Socio-Economic Policy and Programming and Program Redesign Sector of the department. This directorate now includes a section in all briefing material on the impact of the issue in question on sustainability.



A major commitment in the SDS relates to INAC's consolidating its approach to comprehensive community planning for First Nations and Inuit communities. Work on this file progressed significantly in 2001–02, which saw the establishment of a national working group with First Nations and Inuit representatives and the development of a work plan for the next two years.

In fiscal year 2001–02, INAC worked extensively with other federal departments on sustainable development issues of mutual interest. The department continued to lead the work to prepare a sustainable development strategy for the North, in which 20 departments have participated. A document entitled *Progress Toward Sustainable Development in the North* has been written and is ready for distribution. In partnership with NRCan, INAC administered the Aboriginal and Northern Climate Change Program to facilitate the involvement of First Nations, Inuit and Northerners in climate change and energy management issues. In December 2001, a Food Mail Pilot Project was launched in Kugaaruk, Nunavut, in collaboration with Health Canada and the Government of Nunavut, to reduce the cost of the most important perishable foods and provide complementary education on nutrition.

INAC also worked extensively with other federal departments to develop a draft federal sustainable development strategy and prepare Canada's contribution to the WSSD. This work took place via the interdepartmental network on sustainable development strategies and its subcommittees.

A full summary of progress toward implementing the departmental SDS can be found at http://www.ainc-inac.gc.ca/pr/sus/index_e.html.

Status of Fuel Storage Tanks on Land Owned by Indian and Northern Affairs Canada

Annual Report for April 30, 2002

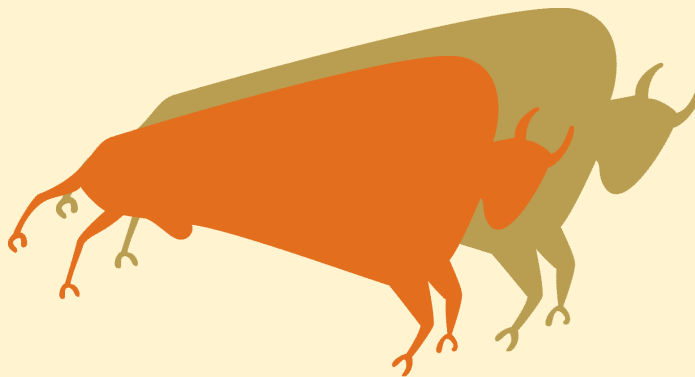
As required under the *Canadian Environmental Protection Act*, Part IV, *Registration of Storage Tank Systems for Petroleum Products and Allied Petroleum Products on Federal Lands Regulations*, this report provides the information set out in Schedule II of the aforementioned regulation, updated to December 31, 2001.

1. The following number of aboveground storage tank systems:

Are registered with INAC:	1,938
Comply with the Federal Aboveground Storage Tank Technical Guidelines:	68
Do not comply with the Federal Aboveground Storage Tank Technical Guidelines:	1,870

2. The following number of underground storage tank systems:

Are registered with INAC:	631
Comply with the Federal Underground Storage Tank Technical Guidelines:	9
Do not comply with the Federal Underground Storage Tank Technical Guidelines:	622



Other Achievements Contributing to Results for Canadians

Exemplary Workplace

Aboriginal Representation Within a Dynamic and Skilled Workforce

Recruitment, Retention and Advancement of Aboriginal Employees

The department has essentially maintained the *status quo* in Aboriginal representation, recruitment and retention. In terms of representation, Aboriginal employment has moved negligibly from 29.8 to 30 percent. Of the 705 new hires at INAC in 2001–02, Aboriginal employees constituted 250, or 35.5 percent.

The department is focussed on hiring Aboriginal students almost exclusively, with 224 obtaining student employment this year.

More than 300 university graduates have been registered for employment through our participation in the Public Service of Canada's Post-Secondary Recruitment Program. Graduates were referred both within the department nationally and to other departments for their recruitment needs. Improved systems and technology will allow us to determine the success of this effort.

The department's efforts to support and advertise the Public Service's Career Assignment Program (CAP) provided the opportunity to support four Aboriginal employees of the six CAP participants (67 percent) recruited in this developmental program. At the same time, recruitment and development for the Aboriginal Master's Program (AMP) saw the graduation of five participants this year and the recruitment of four new participants, giving us nine Aboriginal Master's Program employees on assignments in and outside the department, nationally.

Of the 388 promotions in the department this year, 125 (32.2 percent) were Aboriginal employees, 86 of whom were in the Administrative and Foreign Services category.

Evaluation of Aboriginal and Other Designated Group Representation

INAC completed the development and approval process of a three-year employment equity action plan, which contains clear goals and objectives with respect to representation rates, recruitment objectives, and retention strategies for Aboriginal and designated group representation. The plan was widely shared throughout the department and is monitored and evaluated for reporting and planning purposes. Please note that the department's Employment Equity Action Plan does not include recruitment objectives or retention strategies for Aboriginal people, but only for visible minorities and persons with disabilities.

Modern Comptrollership

Sound Management Practices

Audit and Evaluation Reports

The Departmental Audit and Evaluation Branch provides senior management with independent professional advice and assurances on the performance of management frameworks, departmental programs, policies and operations, and risk management. See the departmental website at http://www.ainc-inac.gc.ca/pr/pub/ae/index_e.html for various audit, evaluation, review and special study reports.

Human Resource Planning

In 2001–02, INAC was able to complete a human resource outlook report that identified a number of human resource issues. This information was gathered in response to the human resource planning cycle within the department. The planning information was instrumental in identifying longer range needs. The process of alignment of human resource plans with business and work plans remains an ongoing objective, and the department is closer to realizing the type of strategic human resource planning needed to ensure a sustainable workforce and achieve the deliverables identified in the departmental performance report.

Targeted Learning and Development Tools

This year was marked by the creation of learning and development tools for employees, including the following:

- The redesign of the competency profile for funding service officers, with input from community members, their managers and First Nations, as recipients of these services;
- The design of human resource competency profiles for categories of professionals;
- Two modules entitled *Greeting Skills* and *Handling Difficult Interactions* have been offered to administrative professionals this year to train employees across the country (more offerings are scheduled for this fiscal year; in addition, the department developed an e-learning module entitled *Aboriginal Elder Protocol*, the third in the Service Excellence Series);
- The establishment of an online facilitators' inventory, as part of the department's continued effort to develop its leadership competencies;
- A self-assessment tool to support funding services officers; and
- The release of an orientation CD-Rom, entitled *Welcome to Indian and Northern Affairs Canada*.

Supportive Workplace

In response to the 1999 Public Service Employee Survey, departmental initiatives were developed in an effort to create a supportive workplace. Throughout this reporting period and as part of an ongoing plan, employees were actively accessing career-counselling services, attending harassment

awareness and prevention sessions, and being surveyed on their communications needs and desires.

Continuous Learning Environment

INAC demonstrated a continuous-learning environment, with the preparation of ongoing learning activities and guides in areas of risk management, competency profiles, career services, e-learning, and mentoring.

Multidisciplinary project teams, such as Bridging the Gap, Supporting Front Line Operations, and the Leadership and Learning Support Team, developed learning tools aimed at promoting the transfer of knowledge between groups and developing teamwork.

More than 51 percent of INAC's workforce submitted learning plans.

The Learning Centre, a shared services initiative for employees in Les Terrasses de la Chaudière, expanded their menu of learning activities. The Career Centre developed additional workshops to support employee development and focused on building regional capacity.

Modern Management Practices Action Plan

The year was marked by the implementation of the department's modern management practices action plan. This plan is designed to address opportunities for further development, as a follow-up to the findings of an assessment of its management practices, using recognized common standards. The plan outlines conditions for a sustained management commitment to continuously improving INAC's modern comptrollership agenda.

Integrated Risk Management Framework

During the course of the year INAC developed its integrated risk management framework. This framework is intended to strengthen the management of risk in the department by providing guidance on structures, processes and policy requirements for a more corporate, systematic approach to risk management. This methodology contributes to building a "risk-smart" INAC workforce and an environment that allows for innovation and responsible risk-taking while assuring legitimate precautions to protect the public interest, maintain public trust, and ensure due diligence. The year also saw the department establish a set of risk management practices and tools relevant to its specific circumstances and mandate.

Senior Management — Performance Agreements

In 2001–02, the department continued to provide leadership in improving its management practices. In this regard, INAC has now included the achievement of comptrollership objectives to its performance agreements with senior managers.



Information Services

Access to Government Information and Services by First Nations, Inuit and Northerners

Website Improvements

The department met its goal of improving the navigability and accessibility of the departmental website for the visually impaired. The results of accessibility-testing indicate that the departmental website complies with relevant Common Look and Feel guidelines for government websites.

Working through established partnerships, the department enhanced both the breadth and functionality of the Aboriginal Canada Portal site (<http://www.aboriginalcanada.gc.ca>). These enhancements include increasing the number of links from 6,000 to 16,000, adding new applications, such as daily news and a national and regional Aboriginal events calendar, and introducing multimedia functions, such as an online help desk, real-time end-user survey and reporting, and webcasting of national Aboriginal conferences and events.

The department also participated in the interdepartmental Youth Subject Cluster Project and worked collaboratively to integrate departmental youth information into the Youth Path website (e.g., <http://www.youthpath.ca/yolist.jsp?&lang=en&flash=1>).

Online Information

To make more information on INAC programs and services readily accessible to the public, the department has continuously expanded and added to the inventory of documents and publications available online through its website.

The department also continues to improve the functionality of, and access to, its online systems for information exchange and business transactions with First Nations. To add to the existing Indian Land Registry System, Housing and Infrastructure Assets System, and Non-Registered On-Reserve Population System, the department has recently developed the National Post-Secondary Education System, with full roll out expected in 2002–03. When complete, the system will allow First Nations to exchange Post-Secondary Education Program data with the department over the Internet.

As part of a broader corporate information strategy, the department has implemented Comprehensive Integrated Document Management (CIDM), a corporate standard for electronic records and document management. Over the last two years, more than 2,000 employees have been trained, and a corresponding number of licenses for CIDM have been installed, including 600 seats trained and installed in 2001–02. CIDM is also used to manage unstructured data in an authoritative repository that serves as the source for information on the department's website.

Internet Use in Aboriginal Communities

To promote the use of Internet technologies, the department organized the National Connecting Aboriginal Canadians Forum on March 11–13, 2002 (<http://www.aboriginalcanada.gc.ca>), which brought together national, provincial and territorial Aboriginal organizations and communities to share connectivity best practices.



Summary of Voted Appropriations

Financial Requirements by Authority (millions of dollars)

Vote	2001-02		
	Planned Spending	Total Authorities	Actual
Indian and Northern Affairs Canada			
Administration Program			
1	72.9	109.9	109.0
(S)	8.1	8.5	8.5
	81.0	118.4	117.5
Indian and Inuit Affairs Program			
5	277.7	313.2	291.8
10	42.6	6.6	5.5
15	4,394.1	4,336.8	4,334.6
(S)	174.7	208.4	175.7
	4,889.1	4,865.0	4,807.5
L20	—	48.0	—
L20	32.9	38.9	34.6
L25	37.8	37.8	28.5
L30	0.4	0.4	0.3
	71.1	125.1	63.5
	4,960.2	4,990.1	4,871.0
Northern Affairs Program			
35	91.0	116.3	110.0
40	53.1	71.7	71.6
45	15.6	25.0	25.0
(S)	8.2	12.8	12.8
	167.9	225.8	219.4
L40	—	0.3	—
L55	—	6.6	—
L81	—	5.0	—
	—	11.9	—
	167.9	237.7	219.4
Total Department	5,209.1	5,346.2	5,207.9
Canadian Polar Commission			
50	0.9	0.9	0.9
(S)	0.1	0.1	0.1
Total Agency	1.0	1.0	1.0

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.
Due to rounding, figures may not add to totals shown.

TABLE 1

Section V — Financial Tables

TABLE 2

Comparison of Total Planned to Actual Spending

Departmental Planned versus Actual Spending by Business Line (millions of dollars)

Business Line	FTEs*	Operating	Capital	Grants and Contributions	Total Gross Expenditures	Less: Respendable Revenue	Total Net Expenditures
Indian and Northern Affairs Canada							
Claims							
(planned spending)	329	89.1	13.4	464.9	567.3	—	567.3
(total authorities)	426	92.4	2.6	488.1	583.0	—	583.0
(Actuals)	426	91.5	2.6	485.9	581.0	—	580.0
Indian and Inuit Programming							
(planned spending)	1,879	207.9	35.3	4,078.7	4,321.8	—	4,321.8
(total authorities)	1,837	264.9	17.6	3,999.5	4,282.0	—	4,282.0
(Actuals)	1,837	210.4	17.6	3,999.5	4,227.5	—	4,227.5
Northern Affairs Programming							
(planned spending)	563	111.8	3.0	53.1	167.9	—	167.9
(total authorities)	689	150.1	4.0	71.7	225.8	—	225.8
(Actuals)	689	143.8	4.0	71.6	219.4	—	219.4
Administration							
(planned spending)	728	78.6	2.0	0.5	81.0	—	81.0
(total authorities)	917	109.6	8.4	0.5	118.4	—	118.4
(Actuals)	917	108.7	8.4	0.5	117.5	—	117.5
Total							
(planned spending)	3,499	487.3	53.6	4,597.2	5,138.0	—	5,138.0
(total authorities)	3,869	616.9	32.5	4,559.8	5,209.2	—	5,209.2
(Actuals)	3,869	554.5	32.5	4,557.4	5,144.4	—	5,144.4
Other Revenues and Expenditures							
Non-Respendable Revenues							
(planned revenues)							(156.2)
(total authorities)							(162.8)
(Actuals)							(162.8)
Cost of services provided by other departments							
(planned spending)							57.6
(total authorities)							55.8
(Actuals)							55.8
Net Cost of the Department							
(planned spending)							5,039.5
(total authorities)							5,102.2
(Actuals)							5,037.4
Canadian Polar Commission							
(planned spending)	5	0.9	—	—	1.0	—	1.0
(total authorities)	5	1.0	—	—	1.0	—	1.0
(Actuals)	5	1.0	—	—	1.0	—	1.0

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.

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

*FTE, full-time equivalent.

TABLE 3**Historical Comparison of Total Planned Spending to Actual Spending****Historical Comparison of Departmental Planned Spending versus Actual Spending by Business Line (millions of dollars)**

Business Line	Actual 1999-00	Actual 2000-01	2001-02		Actual
			Planned Spending	Total Authorities	
Indian and Northern Affairs Canada					
Budgetary					
Claims	444.2	624.8	567.3	583.0	580.0
Indian and Inuit Programming	3,946.3	4,173.9	4,321.8	4,282.0	4,227.5
Northern Affairs Programming	216.8	198.9	167.9	225.8	219.4
Administration	89.9	108.5	81.0	118.4	117.5
Total Budgetary	4,697.2	5,106.0	5,138.0	5,209.2	5,144.4
Non-Budgetary					
Claims	51.4	57.5	71.1	77.1	63.5
Indian and Inuit Programming	(1.2)	—	—	48.0	—
Northern Affairs Programming	—	—	—	11.9	—
Administration	—	—	—	—	—
Total Non-Budgetary	50.2	57.5	71.1	136.9	63.5
Total					
Claims	495.5	682.3	638.4	660.1	643.5
Indian and Inuit Programming	3,945.2	4,173.9	4,321.8	4,330.0	4,227.5
Northern Affairs Programming	216.8	198.9	167.9	237.7	219.4
Administration	89.9	108.5	81.0	118.4	117.5
Total Department	4,747.4	5,163.5	5,209.1	5,346.2	5,207.9
Canadian Polar Commission	1.0	1.0	1.0	1.0	1.0

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.
Due to rounding, figures may not add to totals shown.

TABLE 4**Non-Respendable Revenues****Non-Respendable Revenues by Business Line (millions of dollars)**

Business Line	Actual 1999-00	Actual 2000-01	2001-02		Actual
			Planned Revenues	Total Authorities	
Indian and Northern Affairs Canada					
Claims	11.7	11.7	11.7	15.7	15.7
Indian and Inuit Programming	16.4	17.4	17.0	13.9	13.9
Northern Affairs Programming	89.2	138.5	127.2	133.0	133.0
Administration	0.2	0.2	0.2	0.3	0.3
Total Non-Respendable Revenues (Department)	117.5	167.7	156.2	162.8	162.8
Canadian Polar Commission	—	—	—	—	—

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

TABLE 5

Statutory Payments

Statutory Payments by Business Line (millions of dollars)

Business Line	Actual 1999-00	Actual 2000-01	2001-02		Actual
			Planned Spending	Total Authorities	
Indian and Northern Affairs Canada					
Claims					
Grants to Aboriginal organizations designated to receive claim settlement payments pursuant to comprehensive land claim settlement Acts	127.8	164.8	148.1	149.1	149.1
Grassy Narrow and Islington Bands Mercury Disability Board (<i>Grassy Narrows and Islington Indian Bands Mercury Pollution Claims Settlement Act</i>)	—	—	—	—	—
Court awards	0.3	0.3	—	0.4	0.4
Contributions to employee benefit plans	6.0	3.6	3.6	4.1	4.1
Sub-total (Claims)	134.2	168.6	151.8	153.6	153.6
Indian and Inuit Programming					
Liabilities in respect of loan guarantees made to Indians for housing and economic development (<i>Indian Act</i>)	0.3	—	2.0	0.1	0.1
Indian annuities (<i>Indian Act</i>)	1.8	1.6	1.4	1.6	1.6
Payment from the Consolidated Revenue Fund of guaranteed loans issued out of the Indian Economic Development Account	—	0.2	—	32.6	—
Contributions to employee benefit plans	16.9	19.4	19.6	20.0	20.0
Refunds of amounts credited to revenues in previous years	0.3	—	—	0.2	0.2
Spending of proceeds from the disposal of surplus Crown assets	0.1	—	—	0.3	0.1
Sub-total (Indian and Inuit Programming)	19.4	21.3	23.0	54.8	22.1
Northern Affairs Programming					
Payments to comprehensive claim beneficiaries in compensation for resource royalties	1.8	2.0	1.5	2.1	2.1
Contributions to employee benefit plans	7.9	7.3	6.7	7.0	7.0
Refunds of amounts credited to revenues in previous years	0.6	1.0	—	3.7	3.7
Spending of proceeds from the disposal of surplus Crown assets	—	—	—	—	—
Sub-total (Northern Affairs Programming)	10.3	10.3	8.2	12.8	12.8
Administration					
Minister of Indian Affairs and Northern Development — Salary and motor car allowance	0.1	0.1	0.1	0.1	0.1
Contributions to employee benefit plans	8.5	8.8	8.1	8.4	8.4
Spending of proceeds from the disposal of surplus Crown assets	—	—	—	—	—
Sub-total (Administration)	8.5	8.9	8.1	8.5	8.5
Total Statutory Payments (Department)	172.4	209.1	191.0	229.7	197.0
Canadian Polar Commission					
Contributions to employee benefit plans	0.1	0.1	0.1	0.1	0.1

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.
Due to rounding, figures may not add to totals shown.

TABLE 6**Transfer Payments****Transfer Payments by Business Line (millions of dollars)**

Business Line	Actual 1999-00	Actual 2000-01	2001-02		Actual
			Planned Spending	Total Authorities	
Indian and Northern Affairs Canada					
Grants					
Claims	314.5	366.8	399.5	428.7	428.7
Indian and Inuit Programming	206.5	239.7	313.9	237.2	237.2
Northern Affairs Programming	0.7	0.7	0.7	2.7	2.7
Administration	—	—	—	—	—
Total Grants	521.7	607.2	714.1	668.6	668.6
Contributions					
Claims	53.8	54.5	65.4	59.4	57.1
Indian and Inuit Programming	3,532.5	3,723.9	3,764.8	3,762.3	3,762.3
Northern Affairs Programming	76.4	62.0	52.4	69.0	68.9
Administration	0.5	0.5	0.5	0.5	0.5
Total Contributions	3,663.2	3,840.9	3,883.1	3,891.1	3,888.8
Total					
Claims	368.3	421.3	464.9	488.1	485.9
Indian and Inuit Programming	3,738.9	3,963.6	4,078.7	3,999.5	3,999.5
Northern Affairs Programming	77.1	62.7	53.1	71.7	71.6
Administration	0.5	0.5	0.5	0.5	0.5
Total Transfer Payments (Department)	4,184.8	4,448.1	4,597.2	4,559.8	4,557.4
Canadian Polar Commission	—	—	—	—	—

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.
Due to rounding, figures may not add to totals shown.

Details on Transfer Payments Programs

Objectives of Transfer Payment Programs by Business Line

Benefits and Results for Canadians

Indian and Inuit Programming

(2001–02 Actual Expenditures: Grants \$237.2 million; Contributions \$3,762.3 million)

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.

Claims

(2001–02 Actual Expenditures: Grants \$428.7 million; Contributions \$57.1 million)

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 for 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. Claim settlements provide a land base and financial package establishing 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.

Strong Communities, People and Economies — Strengthened and sustained economic development; increased self-sufficiency; improved health and safety.

Strengthened Aboriginal Governance — Governance capacity-building initiatives; self-government and claims agreements; devolved federal responsibilities.

New Fiscal Relationship — Effective fiscal relationships including new fiscal arrangements models and practical examples; new fiscal and statistical institutions; strengthened fiscal accountability; financial skills and capacity in First Nations.

Renewed Partnerships — Reconciliation and community healing and specific claims settlements; 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.

Northern Affairs Programming

(2001–02 Actual Expenditures: Grants \$2.7 million; Contributions \$68.9 million)

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 to enable them to assume increasing responsibility within the Canadian federation; to effectively manage and regulate the sustainable development of the North's natural resources to prepare 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.

Managing Federal Interests and Promoting Northern Sustainable Development — Strengthened northern governance; a healthy human and natural environment; sustainable use of northern natural resources; greater circumpolar co-operation.

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 uses its internal audit and evaluation function to review programs and activities on an ongoing basis.

TABLE 8

Capital Projects (Projects valued at \$15 million or more)

Capital Spending by Business Line (millions of dollars)

Business Line	Current Estimated Total Cost	Actual 1999-00	Actual 2000-01	2001-02		
				Planned Spending	Total Authorities	Actual
Indian and Northern Affairs Canada*						
Claims						
Inuit Housing	25.0	—	5.0	—	5.0	5.0
Indian and Inuit Programming						
Infrastructure						
<i>Atlantic</i>						
Davis Inlet Relocation	143.1	18.0	21.1	33.4	37.0	37.0
<i>Quebec</i>						
Northern Quebec Marine Transportation Infrastructure Program — Docking Facilities	35.1	7.6	3.5	3.0	3.6	3.6
<i>Manitoba</i>						
Garden Hill — Water and Sewer	47.3	—	3.0	—	3.0	3.0
Sandy Bay — Water and Sewer	17.1	—	—	—	0.3	0.3
Red Sucker Lake — Water and Sewer	23.6	1.4	2.0	—	0.1	0.1
God's Lake — Water and Sewer	36.1	2.5	—	—	—	—
Oxford House — Water and Sewer	29.4	—	—	—	—	—
Wasagamack — Water and Sewer	32.0	—	0.1	—	—	—
Mathias Colomb — Water and Sewer	21.8	1.0	0.1	—	—	—
St. Theresa Point — Water and Sewer	44.8	0.3	—	0.3	0.5	0.5
Sayisi Dene — Water and Sewer	15.9	0.1	—	—	—	—
Sub-total (Infrastructure)	446.2	30.9	29.8	36.7	44.5	44.5
Educational Facilities						
<i>Manitoba</i>						
Chemawawin School	22.9	—	0.5	8.1	0.1	0.1
Garden Hill School Phase II	31.2	12.8	11.0	4.1	3.7	3.7
Peguis School Phase II	23.2	—	7.3	9.5	13.2	13.2
Mathias Colomb School	17.1	5.6	0.9	0.9	0.2	0.2
Pine Creek School	17.0	—	—	—	0.4	0.4
Sapotaweyak School	16.5	—	—	—	0.6	0.6
Sub-total (Educational Facilities)	127.9	18.4	19.7	22.6	18.2	18.2
Land Acquisition						
<i>Quebec</i>						
Kanesatake Land Unification	37.4	0.4	—	25.3	—	—
Sub-total (Indian and Inuit Programming)	611.5	49.7	49.5	84.6	62.7	62.7
Total	636.5	49.7	54.5	84.6	67.7	67.7

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.

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

*There are no capital projects valued at \$15 million or more in the Administration Program or the Northern Affairs Program.

TABLE 9**Loans****Loans by Business Line (millions of dollars)**

Business Line	Actual 1999-00	Actual 2000-01	2001-02		Actual
			Planned Spending	Total Authorities	
Indian and Northern Affairs Canada					
Claims					
Loans to native claimants (gross)	28.2	57.2	32.9	38.9	34.6
Loans to the Council of Yukon Indians for interim benefits to the Yukon elders	0.4	0.3	0.4	0.4	0.3
Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission process	22.8	—	37.8	37.8	28.5
Sub-total (Claims)	51.4	57.5	71.1	77.1	63.5
Indian and Inuit Programming					
Loans for the construction of houses through the Indian Housing Assistance Account (net)	—	—	—	—	—
Loans and guarantees of loans through the Indian Economic Development Account	(1.2)	—	—	48.0	—
Sub-total (Indian and Inuit Programming)	(1.2)	—	—	48.0	—
Northern Affairs Programming					
Loans to the Government of the Yukon Territory for making second mortgage loans to territory residents (gross)	—	—	—	0.3	—
Provision of Inuit loan fund for loans to Inuit to promote commercial activities (net)	—	—	—	6.6	—
Loans for the establishment or expansion of small businesses in the Yukon Territory through the Yukon Territory small-business loans account (net)	—	—	—	5.0	—
Sub-total (Northern Affairs Programming)	—	—	—	11.9	—
Administration	—	—	—	—	—
Total (Department)	50.2	57.5	71.1	136.9	63.5
Canadian Polar Commission	—	—	—	—	—

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.
Due to rounding, figures may not add to totals shown.

TABLE 10**Contingent Liabilities****Contingent Liabilities (millions of dollars)**

List of Contingent Liabilities	Amount of Contingent Liability		
	March 31, 2000	March 31, 2001	Current as of March 31, 2002
Loans			
On-Reserve Housing (CMHC* and other approved lenders)	1,215.0	1,248.8	1,252.9
Farm Credit Corporation	0.1	0.1	—
Indian Economic Development Guarantee Fund	2.7	2.5	2.0
Claims and Pending and Threatened Litigation			
Litigation (see Note 1)	7,997.7	5,661.1	5,532.8
Non-litigation	43.4	67.2	34.2
Specific Claims	1,652.4	2,597.7	3,030.4
Comprehensive Native Land Claims	583.1	833.1	652.8
Total (Department)	11,494.4	10,410.4	10,505.2

Note 1: In June 2001, the Office of Indian Residential Schools Resolution of Canada became a fully autonomous federal government department. Responsibility for litigation cases for residential schools that were managed by Indian and Northern Affairs Canada has been transferred to the new department. Figures for previous years have been restated to reflect this transfer of responsibility.

Sick Leave

Employees are permitted to accumulate unused sick leave. However, such leave entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick-leave entitlements that will become payable in future years cannot reasonably be determined and accordingly has not been recorded in the information provided. Payments of sick-leave benefits are included in current operations as incurred.

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

*Canada Mortgage and Housing Corporation.



Contacts for Further Information

Indian and Northern Affairs Canada

- ☰ Terrasses de la Chaudière
10 Wellington St., North Tower
Hull, Quebec
Postal Address: Ottawa, Ontario K1A 0H4
- 📧 E-mail: webmaster@ainc-inac.gc.ca
- 🌐 Internet: <http://www.ainc-inac.gc.ca>

General Enquiries and Publication Distribution

- ☎ (819) 997-0380
- 📧 E-mail: InfoPubs@ainc-inac.gc.ca

Departmental Library

Not sure who to contact in the department?

- ☎ (819) 997-0811
- 📧 E-mail: Reference@ainc-inac.gc.ca

Media Enquiries — Communications

- ☎ (819) 994-8404

Statistical Enquiries (Sociodemographic)

- ☎ (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

- ☎ (819) 953-3760
- 📧 E-mail: NAPInfo@ainc-inac.gc.ca

Canadian Polar Commission

- ☰ Constitution Square
360 Albert Street, Suite 1710
Ottawa, Ontario K1R 7X7
- ☎ (613) 943-8605 or 1-888-POLAR01
- 📧 E-mail: mail@polarcom.gc.ca
- 🌐 Internet: <http://www.polarcom.gc.ca>

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 Health Information System; Food Safety and Nutrition Program; Organization for the Advancement of Aboriginal People's Health; Federal Tobacco Control Strategy; Labrador Innu Comprehensive Healing Strategy; health data for First Nations; Capital Rust-Out; and Public Security and Anti-Terrorism.

Human Resources Development Canada

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

Aboriginal Human Resources Development Strategy.

Canada Mortgage and Housing Corporation

Call (613) 748-2586 or see the website at <http://www.cmhc-schl.gc.ca>

On-reserve: Non-Profit Rental 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; and Emergency Repair Program.

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 People's and Human Rights Program Directorate 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) — Increases Aboriginal involvement in all aspects of fisheries, fish habitat management and commercial fishing opportunities.

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; and the Native Courtworker Program.

Privy Council Office

For matters related to First Nations specific claims, contact the Indian Specific Claims Commission at (613) 943-1515 or see the website at <http://www.indianclaims.ca>; for any other matters, contact the Federal Interlocutor for Métis and Non-Status Indians at (613) 947-1848 (Privy Council Office)

Gathering Strength — Canada's Aboriginal Action Plan; and Indian Specific Claims Commission.

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.