

Backgrounder

Federal Aboriginal Economic Development Programming

The Government of Canada recognizes that economic development is key to improving the standard of living and quality of life for Aboriginal people and all Canadians. Indeed, it is the precursor to all other forms of development — social, cultural, and political — and is necessary to achieving other development objectives. Currently, the federal government invests approximately \$231.5 million per year in Aboriginal economic development programs delivered through eight departments and agencies. This Backgrounder highlights examples of existing federal initiatives.

Business Development

Aboriginal enterprise has achieved considerable momentum. Between 1996 and 2001, Aboriginal self-employment in Canada grew by 31% — more than nine times the national rate. Today there are over 27 000 self-employed Aboriginal people in Canada, the majority (86%) living off-reserve and over half (52%) living in urban centres.

Initiative examples: Industry Canada's Aboriginal Business Canada program seeks to maximize Aboriginal people's participation in the economy through business development. The program supports First Nations, Métis and Inuit businesses, in all parts of Canada. Since 1989, the program has contributed over \$740 million to over 17 800 business development projects across the country. Combined with all sources, including client equity, this has resulted in an investment exceeding \$2 billion in Canada's economy.

Access to Capital

In order to assist Aboriginal entrepreneurs to obtain business capital, the Government of Canada works in partnership with Aboriginal business and financial institutions.

Initiative examples: In the mid-1980s and early 1990s, the Government of Canada supported the creation of Aboriginal Capital Corporations (ACCs) to help address these challenges. Today, ACCs, along with Aboriginal Community Futures Development Corporations, form a network of 58 Aboriginal financial institutions across Canada, providing approximately \$70 million in loans to almost 2 000 First Nations, Métis and Inuit businesses each year.

Human Resource Capacity Development

Education and training are critical to the development of Aboriginal employees and entrepreneurs who will help foster a growing and competitive knowledge-based Canadian economy.

Initiative examples: Under Human Resources and Skills Development Canada's **Aboriginal Human Resources Development Strategy (AHRDS)**, Aboriginal organizations design and deliver training and employment services to meet the unique needs of their communities. Between 1999 and 2004, the AHRDS undertook over 349 000 interventions, such as training courses, that enabled over 80 000 individuals to return to work and over 22 400 to return to school. The objective of the **Aboriginal Skills and Employment Partnerships Program** is the employment of Aboriginal people in large economic development projects, such as in the mining, hydroelectric, and oil and gas sectors.

Access to Land and Resources

Aboriginal people can take advantage of the considerable opportunities offered by Canada's natural resources to support the creation and preservation of jobs, promote relevant education and skills development, improve economic and business prospects, enhance community leadership, and encourage the wise stewardship of the natural environment.

Initiative examples: Natural Resources Canada and Indian and Northern Affairs Canada's **First Nations Forestry program** helps First Nations take advantage of opportunities in the forestry sector by fostering effective management and planning practices, and promoting skills development, technology transfer, and business planning. Under the **Aboriginal Fisheries Strategy**, the Department of Fisheries and Oceans negotiates agreements and funds Aboriginal fisheries projects in order to improve the fisheries management skills and capacity of Aboriginal groups, as well as to provide commercial fishing opportunities, vessels and fishing gear.

Economic Infrastructure

In order to attract and retain investment capital, community measures that can serve multiple purposes such as communications technology, access roads, transportation systems, water and sewer services for commercial development, are required.

Initiative examples: Indian and Northern Affairs Canada's **Community Economic Opportunities Program** selects projects for funding based on their economic impact. This program provides project-based support for land and resource development.

Industry Canada's **Broadband for Rural and Northern Development (BRAND) Pilot Program** assists Aboriginal, rural and northern communities with the establishment of high-capacity Internet services needed to access services in the areas of health and education, and to seize economic opportunities. The **Community Access Program (CAP)** helps Aboriginal communities benefit from affordable public access to computers and the Internet. CAP sites are located on 235 First Nations communities, with another 362 sites off-reserve, including 95 in urban centres. These sites provide Internet access, job search and training opportunities as well as new vehicles for sustaining Aboriginal cultures.

Supportive Regulatory and Legislative Environment

Regulations and legislation provide Aboriginal and non-Aboriginal Canadians with the protection they need to create sustainable economic development opportunities and to participate effectively in a dynamic economy. Working in partnership with First Nations representatives, Canada is now bringing forward a comprehensive legislative initiative that will ensure First Nations can manage their resources more directly.

Initiative examples: The proposed **First Nations Commercial and Industrial Development Act** will allow the federal government to produce regulations for complex commercial and industrial development project on reserve. Investors will have greater certainty about the regulations involved in developing major commercial or industrial projects on reserve, improving First Nations' prospects for attracting major capital investment. The proposed **First Nations Oil**

and Gas and Moneys Management Act will enable First Nations to assume jurisdiction and control of their oil and gas and related revenues. This initiative has been jointly developed over the past decade by First Nations with significant oil and gas reserves on their lands with a view to increasing economic development in their communities.

Governance and Capacity

Building capacity to achieve transparency, accountability and good governance is an important step towards Aboriginal self-government.

Initiative examples: Indian and Northern Affairs Canada's **Community Economic Development Program** also provides core financial support for First Nation and Inuit communities for local economic development activities thereby strengthening capacity for governance. The **National Centre for First Nations Governance** opened in July. This Centre will serve to strengthen governance and act as a focal point for discussion, thereby facilitating sound and effective governance, through partnership, dialogue, transparency and accountability.