



FEDERAL FRAMEWORK FOR ABORIGINAL ECONOMIC DEVELOPMENT

Update on the Implementation of the Federal Framework for Aboriginal Economic Development



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Our SPI partners are:

- Agriculture and Agri-Food Canada
- Canadian Northern Economic Development Agency
- Economic Development Agency of Canada for the Regions of Quebec
- Fisheries and Oceans Canada
- Human Resources and Skills Development Canada
- Industry Canada, including FedNor and FedDev
- Natural Resources Canada
- Office of the Federal Interlocutor
- Parks Canada Agency
- Status of Women Canada
- Western Economic Diversification Canada

Table of Contents

Executive Summary.....	4
Context.....	5
Implementing the Federal Framework for Aboriginal Economic Development	7
Strengthening Aboriginal Entrepreneurship.....	10
Major Resource and Energy Development (MRED) Initiative	10
Loan Loss Reserve (LLR) Initiative	11
Aboriginal Procurement	12
Enhancing Access to Capital.....	13
Developing Aboriginal Human Capital.....	14
Enhancing the Value of Aboriginal Assets	16
Reserve Land and Environment Management Program (RLEMP).....	16
Additions to Reserve (ATR)	18
Modernizing Legislative and Regulatory Regimes	21
Forging New and Effective Partnerships.....	23
Strategic Partnerships Initiative (SPI)	23
Focusing the Role of the Federal Government	27
Federal Coordination Committee for Aboriginal Economic Development (FCC)	27
National Aboriginal Economic Development Board (NAEDB)	28
Research and Analysis.....	29
External Engagement.....	29
Ongoing Implementation.....	31
Annex	33

Executive Summary

We are working to build a future in which Aboriginal Canadians are self-sufficient and prosperous, making their own decisions, managing their own affairs and making strong contributions to the country as a whole.— Minister John Duncan, January 23, 2012

All Canadians benefit from strong, healthy, self-sufficient Aboriginal peoples and communities. Jobs and economic growth are fundamental to improving the lives of Aboriginal Canadians and contributing to Canada's long-term prosperity.

Launched in 2009, the Federal Framework for Aboriginal Economic Development is a modern approach to promoting Aboriginal economic development that, first and foremost, recognizes that Government can help create the right conditions, but it cannot do it all and it cannot do it alone. The Framework is guiding federal actions to ensure that the Government is:

- working with willing partners to make investments in real opportunities that will yield positive results;
- tailoring efforts to specific situations and needs; and
- adapting to new and changing conditions as they arise.

This report outlines early Framework results. (See Annex for a brief summary.)

The Government is following through on its Framework commitment to deliver programming that responds to both new and changing economic conditions and the unique needs of First Nations, Métis and Inuit. Going forward, federal programs that support Aboriginal economic development will be more opportunity-focused, and investments will be targeted at those opportunities with the greatest likelihood to result in jobs and economic growth for Aboriginal people and communities, including their participation in major projects across Canada.

In addition, complementary efforts are already underway to address the underlying structural impediments to economic development – particularly those created by outdated provisions of the *Indian Act*. This report highlights the significant steps that have already been taken to put in place more modern supports for economic development and to remove barriers to economic development on reserve land, including the *First Nations Commercial and Industrial Development Act*, the *Indian Oil and Gas Act*, work to reform income assistance, and most notably, the *First Nations Land Management Act* (FNLMA).

Over the long term, by focusing on opportunities, responding to new and changing conditions, leveraging partnerships and focusing on results, the Government of Canada, Aboriginal Canadians and other partners will work together to ensure that Aboriginal Canadians enjoy the same opportunities for employment, income, and wealth creation as other Canadians.

Context

Over the past 20 years, there have been significant improvements in the economic outcomes of Aboriginal Canadians. Labour force participation, self-employment and earned income have all increased significantly.

The opportunities for Aboriginal economic development have never been greater. Private investment is increasing in every region of the country and there is a demonstrable interest on the part of the non-Aboriginal private sector to work with Aboriginal businesses and communities.

The last comprehensive, national strategy on Aboriginal economic development was put in place in 1989. It was called the Canadian Aboriginal Economic Development Strategy (CAEDS). Since that time, the conditions, needs, opportunities and relationships associated with Aboriginal Canadians and economic development have changed significantly and the 20 year old strategy did not reflect the current realities.

In Budget 2008, the Government of Canada committed to working with Aboriginal Canadians and willing partners to develop a new approach to Aboriginal economic development that was focused on opportunities, results and partnerships.

Launched in June 2009, the *Federal Framework for Aboriginal Economic Development* represents a fundamental change to how the federal government supports Aboriginal economic development, with the ultimate goal of ensuring that Aboriginal Canadians can enjoy the same opportunities for employment, income and wealth creation as other Canadians.

The Framework sets out the principles and conditions necessary to increase the participation of Aboriginal Canadians in the Canadian economy:

- 1) Strengthen entrepreneurship by promoting a business-friendly economic climate on reserve land and in the North, while improving access to capital and promoting other business opportunities, including procurement;
- 2) Develop Aboriginal human capital by investing in demand-driven labour market development;
- 3) Enhance the value of Aboriginal assets through more systematic identification of economic opportunities, greater leveraging of partnerships, better management of community assets, and modernized lands management;
- 4) Forge new and effective partnerships with the private sector, provinces and territories; and
- 5) Focus the role of the federal government through improved collaboration and an increased focus on implementation.

As part of the implementation of the Framework, the Government of Canada will invest \$200 million over four years in new measures to support the above priorities.

Immediate activities and investments were identified to support the Framework. One of the immediate activities was to assess the extent to which the current suite of Aboriginal economic development programs aligns with Framework priorities and make improvements

to program delivery and administration to enable a more effective and accountable approach to Aboriginal economic development. This will complement the significant steps already taken to put in place more modern supports for Aboriginal economic development including the *First Nations Land Management Act*, the *First Nations Commercial and Industrial Development Act*, and the Strategic Partnerships Initiative.

The Framework enables a more strategic and whole-of-government approach to Aboriginal economic development and takes into consideration broader conditions that can aid or impede economic opportunities, such as laws and regulations. It also recognizes that the federal government does not have exclusive responsibility for, or control over, Aboriginal economic outcomes — it must work in partnership with Aboriginal peoples and their communities, provinces, territories, and the private sector.

This update responds to the requirement to report on federal actions and outcomes achieved during the initial phase (2009-2011) of Framework implementation.

Implementing the Federal Framework for Aboriginal Economic Development

Aboriginal Affairs and Northern Development Canada (AANDC) is leading the implementation of the Framework in a practical, phased manner by identifying the immediate, medium-term and ongoing actions required to realize the Framework's vision. Implementation includes the launch of the Framework as a coordinated, whole-of-government approach to Aboriginal economic development, as well as the initiation of new and targeted actions and investments under the Framework.

From a federal perspective, the Framework is intended to serve three (3) main purposes:

- To guide the development and implementation of federal Aboriginal economic development activities (from programs to legislation to partnerships);
- To evaluate the relevance and success of federal actions, including those carried out in partnership with provinces, territories, private sector, voluntary groups, and Aboriginal people across Canada; and
- To clearly communicate to all Canadians the federal government's interest in, and objectives for, Aboriginal economic development.

Collaboration key to lasting, fundamental changes

The Framework's collaborative nature is largely unique to the Government of Canada, but long-term, broad scale efforts are needed to ensure lasting, fundamental changes in how the government operates.

Currently, more than 20 federal departments and agencies have an interest in, if not mandates that include, Aboriginal economic development. Many are directly, and often independently, involved in program delivery. Even in the same department, actions and programming (and even regulations and legislations) can vary greatly by region.

Consequently, the initial phase (2009-2011) of Framework implementation has focused on early and strategic wins involving interested partners, in order to set the stage for effective and broad scale implementation by all relevant federal departments in future years.

An Action Plan to Implement the Framework

To realize the Framework's vision, immediate, medium-term and ongoing actions were identified and \$50 million in new funding per year was committed to support these actions. In keeping with the principles of the Framework, medium- and long-term actions will be adjusted continuously to respond to changing economic conditions and emerging opportunities.

An investment of \$6.4 million over four years was made to ensure effective implementation and governance of the Framework.

To this end, the Federal Coordination Committee (FCC) for Aboriginal Economic Development was created. Co-chaired by AANDC and Human Resources and Skills Development Canada (HRSDC), the FCC is an Assistant Deputy Minister-level committee responsible for overseeing adjustments to the Framework actions and for strategic decisions about Framework implementation.

Initial Framework implementation efforts have responded to immediate opportunities for Aboriginal economic development, while also serving as a catalyst for medium- and long-term actions. In their role as champions of the Framework, AANDC and HRSDC have begun to review and modernize their programming as a first step towards stronger alignment of actions and programs across the federal government.

Among the medium-term actions identified are the modernization of the reserve land management regime and economic development programs, as well as ongoing legislative and regulatory reform intended to remove barriers to economic development. AANDC is also examining ways to expedite additions to reserve and support the entry of First Nations into enabling legislative regimes, such as the First Nations Land Management Regime. For its part, HRSDC launched its Aboriginal Skills and Training Strategy in April 2010.

Specific actions that received new funding include:

- Strengthening Aboriginal Entrepreneurship
 - Major Resource and Energy Development
 - Loan Loss Reserve
 - Aboriginal Procurement Strategy
- Enhancing the Value of Aboriginal Assets
 - Reserve Land and Environment Management Program (RLEMP)
 - Additions to Reserve
- Forging New and Effective Partnerships
 - Strategic Partnerships Initiative
- Framework Governance
 - Federal Coordination Committee

Measuring Performance

Over the long term, the performance of the Framework will be measured by gauging progress in increasing the participation of Aboriginal Canadians in the economy. Expected outcomes of the Framework are:

- 1) opportunity-ready Aboriginal communities,
- 2) viable Aboriginal businesses, and
- 3) a skilled Aboriginal workforce.

Performance measurement strategies were developed for the Framework, and each of its funded programs, to measure and assess the federal government's progress against these expected outcomes and the goal of increasing the participation of Aboriginal Canadians in the economy.

Framework implementation only began in June 2009. Specific programs did not receive funding until early 2010 or, in the case of the Strategic Partnerships Initiative (SPI), September 2010. As such, performance measurement has been limited in the short-term, but progress is being made in a number of key areas including legislative and regulatory reform.

The Framework recognizes that the federal government has a role to play in creating the conditions that will foster Aboriginal economic development, and puts in place markers that will help to show where progress is being made over the short, medium and longer terms. However, the Framework alone will not improve economic outcomes for Aboriginal

Canadians. Rather, the success of the Framework largely depends on the effectiveness of partnerships across the federal family, other orders of government, Aboriginal organizations and communities, civil society, and with the private sector.

Gender-Based Analysis

The Framework is a pilot gender-based analysis initiative for the federal government. In the development of the Framework, analysis of AANDC's lands and economic development programs and stakeholder engagement sessions showed that Aboriginal women were not fully accessing programs due to a variety of gender barriers. As a result, AANDC has implemented a more substantive approach to integrating gender into its policy-making process throughout the development and implementation of the Framework.

New data collection protocols under the Framework are underway to ensure that gender-disaggregated data is collected and tracked, allowing for a more in-depth analysis of the ways that men and women might use and benefit from programs and initiatives.

Gender-focused research has been built into work and research plans to develop a sufficient evidence base for decision making.

Engagement sessions held to inform the renewal of AANDC's Aboriginal lands and economic development programs included gender backgrounders and gender-specific facilitation tools to help stimulate discussion on gender issues, as well as a Roundtable targeted at Aboriginal women.

While Framework implementation is still underway, integrating a gendered approach is already changing policy and program outcomes. For example, improved processes for conducting gender analysis overall led to the development of pilot projects supporting Aboriginal women entrepreneurs. The first pilot project was announced in October 2011 to support Inuit women in business and is being funded by AANDC and Status of Women Canada.

While creating women-specific projects is often beneficial, integrating a gendered approach also requires that policies and programs in every economic sector identify and act on key factors that affect women and men differently. By developing gender-specific tools that can address identified gaps and needs, AANDC has improved processes for conducting gender based analysis. Despite these initial successes, further work is required to ensure that Aboriginal women achieve economic outcomes comparable to their male counterparts, as significant gaps and challenges remain.

Strengthening Aboriginal Entrepreneurship

Quick Facts:

First Nations are developing businesses, attracting investment and creating jobs, contributing to the economic well-being of regions with positive spill-over effects for neighbouring communities.

- The 450-member **Osoyoos Band** has created a tourism business generating annual revenues of \$40 million and employing 1,200 people on and off reserve land.

- In partnership with Membertou Reserve Band Council and Enterprise Cape Breton Corporation, **Unama'ki** Economic Benefits Office (UEBO) was able to build capacity and foster entrepreneurial growth in each of the five Cape Breton Island Aboriginal communities, originally in relation to Aboriginal procurement in the Sydney Tar Ponds Clean-up. Now in the second phase of this initiative, UEBO will broaden its horizons and pursue new economic opportunities, such as development of the Port of Sydney and opportunities in energy and environmental sustainability, utilizing local experience with environmental remediation related to the Tar Ponds and coal mines.

Aboriginal businesses on reserve land and in the North operate in a vastly different environment than those in the rest of Canada. They confront considerable structural barriers to accessing business financing, including regulatory and legal uncertainty, inadequate business experience, an insufficient supply of collateral due to long-standing poverty, Section 89 of the *Indian Act*, and low levels of home ownership and other types of equity. These barriers significantly hamper Aboriginal commercial activity.

A more business-friendly climate on-reserve and in the North, and improved access to capital and other business opportunities will strengthen entrepreneurship.

To ensure that Aboriginal businesses can compete in today's marketplace, we need to work with willing partners to improve access to capital, encourage increased Aboriginal participation in procurement activity and support greater access to business expertise and services.

Through the Framework, an immediate investment of \$53.1 million over four years was provided for the Loan Loss Reserve (LLR) and Major Resource and Energy Development (MRED) programs, which were introduced in 2008-09 as pilots to help address the need for greater access to financing and equity

partnerships. The allocation of funding between LLR and MRED was unspecified to provide the flexibility to base funding decisions on available opportunities.

Another way the Government of Canada is strengthening Aboriginal entrepreneurship is by supporting Aboriginal women in establishing and running viable, sustainable businesses. This need was identified through stakeholder engagement sessions with Aboriginal women's organizations in October 2010. As a result, the Government of Canada announced a \$1 million investment in pilot projects to support entrepreneurship among Aboriginal women and to help the Government better understand how to effectively support Aboriginal women entrepreneurs and refine program tools in the future.

Major Resource and Energy Development (MRED) Initiative

Aboriginal communities, organizations and individuals across Canada are increasingly involved in major projects such as clean energy generation (i.e., hydro and wind).

The Major Resource and Energy Development (MRED) Initiative was a pilot project launched in March 2008 to help Aboriginal communities and organizations take better advantage of major resource and energy development opportunities through contributions towards planning, pre-feasibility and feasibility work needed in early project stages, as well as late stage equity required to lever commercial financing.

Over the last four years (from 2008-09 to 2011-12), the Government invested over \$32 million, and leveraged over \$12 million from other public and private partners, to help establish or expand eight investment funds aimed at increasing Aboriginal participation in major resource and energy projects across Canada.

Additionally, over the same time period, the Government invested over \$17.9 million in support of 73 major Aboriginal resource and energy development projects across Canada. These investments have enabled project proponents to leverage just over \$306 million from other public and private debt and equity financing sources.

Applying lessons learned through the MRED pilot project will be central to effect program changes that will ensure increased and ongoing participation of Aboriginal communities in major energy and resources projects.

Loan Loss Reserve (LLR) Initiative

The Loan Loss Reserve (LLR) Initiative, which operated as a pilot project from 2008-2010, was designed to encourage commercial financial institutions to lend to First Nation businesses on reserve land, where they have been traditionally reluctant to operate due to such barriers as Section 89 of the *Indian Act*. The objective was to invest federal funds to leverage significant commercial financing. Six commercial financial institutions participated in the LLR pilot initiative with \$15.96 million of LLR funds. (These agreements are still active.) As of December 31, 2011, these institutions had written 11 loans totaling \$7.6 million.

LLR in Action

A \$344,000 loan from the Business Development Bank of Canada to the Moricetown Indian Band, allowed the Band to modernize a wood processing mill that had been closed, resulting in 43 Aboriginal and two non-Aboriginal employees being able to return to work, as well as many indirect benefits to logging crews, trucking and shipping operations, and support businesses. (The majority of the 43 Aboriginal workers are local members of the Moricetown Band.)

MRED in Action

- Westcap Mgt. Ltd. (SK), through the Business Readiness and Investment Development Gateway, used a \$7.6 million contribution to support 16 Aboriginal communities in concluding six investments into major resource projects totalling \$19.7 million.
- Taskinigahp Power Corporation owned by the Nisichawayasihk Cree Nation (MN) received a \$4 million contribution over two fiscal years to partner in a 200-megawatt \$1.6 billion hydroelectric project enabling them to own 33% of the equity in partnership with Manitoba Hydro.
- In 2009-10 AANDC contributed \$5 million to co-capitalize the Métis Energy and Resource Program investment fund (MERP). The Clarence Campeau Development Fund (CCDF), the Fund Manager, contributed \$1 million, and the Province of Saskatchewan committed \$1.4 million to CCDF's overall portfolio of Métis business development programs. To date, MERP has made eight investments in Saskatchewan Métis businesses with an aggregate value of \$3.7 million, and has a further confirmed \$2.8 million worth of potential investments in progress.

While no further arrangements have been negotiated since 2009-2010, lessons learned from the LLR pilot project will help AANDC improve its existing suite of programs to support better access to capital for Aboriginal businesses.

Aboriginal Procurement

The Procurement Strategy for Aboriginal Business (PSAB), introduced in 1996, assists and supports Aboriginal businesses in competing for and winning federal procurement opportunities, worth approximately \$20 billion annually.

Aboriginal businesses are required to compete for federal contracts, thus ensuring value for money. Through PSAB, AANDC encourages government departments to support Aboriginal businesses through the use of set-aside contracts.

Significant stakeholder input and independent analysis, including a study undertaken by the Senate Standing Committee on Aboriginal Peoples, have recognized PSAB's effectiveness in creating viable Aboriginal businesses and in helping Aboriginal businesses grow and diversify into other activities and markets. However, they also identified the need to strengthen its administration to ensure maximum impact.

PSAB has largely met its immediate performance targets. Activities undertaken to date include: adding businesses to the federal Aboriginal Business Directory (1618 to date); pursuing Memoranda of Understanding for Aboriginal procurement projects with other federal departments and provinces and territories; undertaking over 120 information and outreach sessions across the country to promote Aboriginal procurement opportunities and tools; helping federal departments and agencies connect with Aboriginal businesses; and negotiating with departmental contracting authorities for more set-aside opportunities with federal departments.

These activities resulted in, among other benefits:

- an increase in the value of contracts awarded to Aboriginal businesses from \$459.5 million in 2009 to \$580.5 million in 2010;
- six partnership pilot agreements with key stakeholders to identify procurement opportunities in key areas of the economy including mining, electricity, shipbuilding, and provincial procurement/purchasing; and
- an MOU with the Province of Ontario establishing a provincial Aboriginal procurement pilot project and negotiations commenced with the Province of Manitoba on a similar MOU.

Additionally, in collaboration with Public Works and Government Services Canada (PWGSC), AANDC is taking steps to improve PSAB's target-setting, data collection and reporting across the federal government.

PSAB in Action

- In September 2010, the Canadian Coast Guard Fleet Renewal Program announced the Mid-Shore Patrol Vessels (MSPV) procurement project that was awarded to Irving Shipbuilding Inc. to build nine new mid-shore patrol vessels. Of the \$194 million contract, \$1.9 million was dedicated to secure direct and indirect benefits for Aboriginal businesses.
- The Sydney Cooling Pond Project in Nova Scotia was the first provincial government set-aside strategy in Canada and it was based on the federal model. The set-aside contract exceeded 85% Aboriginal employment. Local Aboriginal companies are now involved in project contracts worth over \$71 million and they have been successful in partnering with other organizations and winning bids for non- set-aside contracts.
- Turtle Technologies Inc., an Aboriginal business, established a joint venture with Brainhunter Ottawa and won three PSAB contracts in 2006-07. The experience gained from competing in the PSAB process enabled this company to go on to win more than \$2.6 million in additional contracts, not set-aside through PSAB. Turtle Technologies Inc. has won contracts in joint venture opportunities with other businesses as well. Since 2006, the average annual revenue for this Aboriginal business is \$6 million.

Overall, the number and value of contracts awarded to Aboriginal businesses has increased significantly with the implementation of the Framework. As illustrated in the following graph, the PSAB process is providing an increasing number of Aboriginal businesses with the experience they need to successfully compete and win non set-aside contracts.



Enhancing Access to Capital

Working groups of senior business leaders were established in collaboration with the National Aboriginal Capital Corporation (NACCA) to explore and develop innovative concepts for financial instruments that could be used to improve access to capital for Aboriginal entrepreneurs.

Two of the most promising concepts developed by the working groups were:

- a Developmental Loan Allocation to compensate Aboriginal Financial Institutions (AFIs) for unrecoverable costs of developmental lending; and
- a Capital Attraction Tool to attract private sector capital and enable eligible AFIs with excess loan demand to draw from the pool to satisfy demand. The AFIs would be required to pledge current loans from their portfolios to the pool to provide comfort to the private investors.

Developing Aboriginal Human Capital

Supporting demand-driven labour market development will build human capital.

Economic development is key to how we reform our investment in human capital. With more than 400,000 Aboriginal youth projected to enter the labour market by 2020, the Aboriginal population can help meet Canada's future labour market needs, but only if we can link reforms of social assistance, education and labour market programs to opportunities that support the participation of Aboriginal Canadians in the economy.

Improving Aboriginal labour market outcomes is critical to the long-term economic prosperity of Aboriginal communities and Canada. Aboriginal Canadians represent the youngest, fastest growing segment of the Canadian population. Canada's aging workforce will create a labour shortage that Aboriginal people could fill, provided that they have access to training and apprenticeship opportunities to help them secure long-term jobs.

Human Resources and Skills Development Canada (HRSDC) provides a suite of labour market and skills development programs that support the Framework's priority of developing Aboriginal human capital.

On April 1, 2010, HRSDC launched the new Aboriginal Skills and Employment Training Strategy (ASETS). The new strategy, which provides \$1.68 billion over five years, replaced the Aboriginal Human Resources Development Strategy (AHRDS). ASETS aims to improve labour market outcomes by supporting training for skills that are in demand; fostering partnerships with the private sector and the provinces and territories; and emphasizing increased accountability and results. In 2010-11, preliminary results for ASETS saw 49,000 clients completing programs or services to help transition to work; 7,170 clients returning to school; and 14,315 clients employed.

In July 2010, the Skills and Partnership Fund (SPF) was launched by HRSDC (\$210 million over five years) to encourage innovation and partnerships, test new approaches to the delivery of employment services, address systemic gaps in service delivery, and increase Aboriginal skills development and labour market outcomes.

Through the Aboriginal Skills and Employment Partnership (ASEP) program, HRSDC supported Aboriginal participation in job opportunities associated with large-scale economic development projects. The program supported multi-year training and employment strategies developed and managed by formalized partnerships including Aboriginal organizations, the private sector and provincial/territorial governments. ASEP was launched with \$85 million in 2003, and expanded and extended in 2007 and 2009 with an additional

SPF in Action in Saskatchewan

- SPF invested \$2.4 million in an Aboriginal apprenticeship initiative at Gabriel Dumont Institute Training & Employment (GDI T&E). An additional \$8 million over three years was provided by GDI T&E, the Government of Saskatchewan, the Saskatchewan Apprenticeship Trade Certification Commission, and private sector apprenticeship employers throughout the province. GDI T&E will work with partners to train educational counsellors who will coordinate apprenticeships between Aboriginal workers and employers, and to develop a long-term strategy for apprenticeship programming.
- In 2011-12, using \$2.8 million in SPF funding, the Federation of Saskatchewan Indian Nations, two Tribal Councils (FHQTC, BATC), and the Canadian Association of Petroleum Producers partnered to improve First Nation participation in the oil and gas sector.
- In 2011-12, using \$468,000 in SPF funding (plus \$100,000 from AANDC), Meadow Lake Tribal Council (MLTC) developed a client-centred data base to better track employment and training outcomes as a part of Saskatchewan Region's Active Measures implementation strategy.

\$105 million and \$100 million, respectively. Among the 9,434 clients served during the 2010-11 fiscal year, 2,737 clients found employment. ASEP ended on March 31, 2012. Projects similar to those under ASEP can apply for funding under SPF.

ASEP has been a successful program, but it was never intended to be a permanent program. One of the ASEP program's greatest legacies is the partnerships developed between industry leaders, Aboriginal communities, and governments that will continue as a result of the program's success. HRSDC will continue to provide Aboriginal people with opportunities to secure long-term skilled jobs and to fully participate in economic opportunities across Canada.

The Aboriginal Skills and Training Strategic Investment Fund (ASTSIF) was implemented with \$75 million over 2009-11 as part of Canada's Economic Action Plan. ASTSIF addressed the immediate requirements of the labour market with a focus on short-term, targeted initiatives where Aboriginal people could gain specific skills to benefit from employment opportunities, including those generated by the federal stimulus package. During 2010-11, ASTSIF served 7,915 clients, including 801 who returned to school and 1,930 who found employment.

In 2012, HRSDC will report to Treasury Board on the implementation of ASETS and SPF including training and employment outcomes, and factors affecting the performance of these programs.

AANDC has also been involved in direct and indirect supports for building Aboriginal Human Capital under the Framework. For example:

- Skills training is an important component of the Ring of Fire strategy, a major project of the Strategic Partnerships Initiative (SPI).
- AANDC partnered with the Canadian Council for Aboriginal Business for the 2011 Aboriginal Entrepreneurs Conference and Tradeshow and creation of a permanent website. The conference and website were designed to showcase Aboriginal entrepreneurship and its contribution to economic development; promote business focused networking for both Aboriginal and non-Aboriginal companies, industry and government; and provide learning opportunities for Aboriginal entrepreneurs.
- In March 2011, a multi-party Active Measures MOU was signed by five Tribal Councils representing more than half of Saskatchewan's First Nation communities, the Province of Saskatchewan, AANDC and HRSDC. The MOU focuses on active strategies to improve employment and skills training outcomes for Aboriginal communities and youth. In 2011-12, AANDC invested \$3.8 million in 17 Active Measures projects in support of the implementation of this MOU.

Enhancing the Value of Aboriginal Assets

Aligning federal investments with viable economic opportunities, better management of business and community assets, and a modern lands/resource management regime will help enhance the value of assets.

Aboriginal communities own and control a substantial and growing natural resource base. Once activated and professionally managed, these assets will have enormous potential for economic development. However, if the status quo is maintained, the land and natural resource base of Aboriginal Canadians will remain largely idle. Along with laws and regulations, such as the *Indian Act* and the Northern regulatory regime, deficits in community and institutional capacities are impediments to developing the economic value of these assets.

As part of its lands modernization agenda, AANDC is looking at a broad range of options for First Nations to assume greater control of their lands and resources. The goal is to ensure that modern land management tools and legislative and regulatory initiatives facilitate economic development and foster strong economic growth. By creating stable, efficient and predictable investment climates, Aboriginal communities will be more attractive to businesses and investors.

Reserve Land and Environment Management Program (RLEMP)

Initially launched as a pilot project in 2005, the Reserve Land and Environment Management Program (RLEMP) is a land management program for First Nations whose lands are managed under the *Indian Act*.

The objective of the program is to develop the land management capacity of these First Nations so that they can administer *Indian Act* land management provisions on behalf of the Minister of AANDC. First Nations who assume greater control of their reserve land, resources and environment increase their ability to capitalize on land-based economic development opportunities. Communities with certified Land Managers (through RLEMP) are much better positioned to fully assume control over their reserve lands, resources and the environment through the *First Nations Land Management Act* (FNLMA). Of the 18 recently announced new entrants into the First Nations Land Management Regime, over 70 per cent had previously received support through AANDC's reserve land management programs.

A key component of RLEMP is a two-year Professional Land Management Certification Program that teaches First Nations land managers about community land use planning, environmental and natural resource management, compliance monitoring, and the administration of land transactions. When First Nations have the ability to take more responsibility for governing their reserve land, resources and

RLEMP in Action

- The Wikwemikong Department of Lands and Natural Resources — Wikwemikong First Nation (ON) — is responsible for managing a land base of 54,000 hectares, which comprises both the Wikwemikong and Point Grodine lands (the largest land-base First Nation in Ontario). Because of training received through the RLEMP program, the community is better positioned to manage and activate economic activity within their community.
- Sakimay First Nation consists of several reserves in southern Saskatchewan with the main reserve located in the Qu'Appelle valley near Crooked Lake. Sakimay First Nation began operating under RLEMP in 2005. Land management activities at Sakimay First Nation are carried out by the Sakimay Land Authority (SLA), who is responsible for managing 325 leases with an annual rental of \$1.5 million. Sakimay also manages 16 agriculture and grazing permits with an annual rent of \$143,000.

the environment, communities are better able to plan for and implement activities that maximize the use of their land base.

The RLEMP program is providing First Nation communities with the capacity to manage reserve lands so as to capitalize on land-based economic opportunities. While it does not remove any of the *Indian Act* barriers to economic development or provide First Nations with full control over their reserve lands, RLEMP does enhance local decision-making with respect to land use and enables First Nations to undertake land management activities otherwise performed by AANDC.

Examples of the impact that First Nation land managers have had on economic development in their communities include:

- Assuming an administrative leadership role within the community and becoming a key player in community development, specifically in regards to mineral development;
- First Nation land management units applying knowledge of policies, procedures and regulations to guide practices related to mining issues, fostering shared management agreements with Crown corporations and generating revenues;
- Making use of business planning skills to help bands convert agricultural land from traditional agriculture usage to revenue generating entities;
- Making better use of commercial leases;
- Managing public works and housing development; and
- Incorporating newly acquired awareness about environmental protection and legislation.

Since 2009, \$19 million has been invested in RLEMP: a total of \$2.25 million in the Professional Land Management Certification Program, and the remaining \$16.75 million for First Nations to perform land management functions on behalf of AANDC and to enable National Aboriginal Lands Managers Association (NALMA) to provide land management support and technical expertise to RLEMP First Nations.

Based on information collected between 2008 and 2011, communities that have completed the RLEMP training program and have certified land managers within their community register, on average, 10 new revenue-generating land instruments per year (i.e., leases, permits and subleases) and manage over 100 instruments on an ongoing basis. The average revenue generated by First Nations through these land instruments is approximately \$725,000 per year.

RLEMP in Action (*continued*)

- Land acquired and converted to reserve status through the ATR/claims process has positioned Sakimay First Nation to participate in commercial activities near the City of Regina. Lands on both the east and west sides of the city have been designated for commercial leasing and are currently development ready. The proximity of the lands to the Trans Canada highway and to the newly constructed Global Transportation Hub increase the attractiveness of the parcels to potential tenants.
- Sakimay is planning to extend the term of the cottage lot designations and the "near urban" commercial property further increasing the marketability of these lands to potential tenants.

Enrolment and certification per year is as follows:

Year	Enrolment by Program Year		Land Managers Certified
	1	2	
2009-10	18		
2010-11	18	11	11
2011-12	18	14	14
2012-13		14	14
			39

Since 2009, 54 new First Nations have started the Land Management Certification process. Based on current enrolment, it is expected that 39 First Nations will have successfully completed the training by April 2013 (70 per cent success rate). Of students enrolled in the two-year program, 43 per cent were women and 57 per cent were men.

Additions to Reserve (ATR)

An Addition to Reserve (ATR) is a parcel of land, in either a rural or urban setting, that is added to the existing land base of a First Nation. The legal title is set apart for the use and benefit of the First Nation having made the application. Land can be added to reserve for a variety of reasons, including the fulfillment of a legal obligation (i.e. Treaty Land Entitlement), for community growth, or to create a new reserve. In each case, the First Nation has the opportunity to select their new parcel of land, and increasingly, First Nations are taking economic factors into consideration in their selection process (i.e., location, potential economic opportunities, etc.). These additional reserve lands can also bring economic benefits to surrounding areas and municipalities.

Through the Framework, the Government allocated \$28.9 million over four years to accelerate the pace at which lands are added to reserve in Saskatchewan and Manitoba, where approximately 79 per cent of the federal workload related to ATRs is located. The ATR process is extremely complex due to the number of processes and documents that need to be completed, including land surveys, title searches, and environmental assessments. The new funding under the Framework was intended to help speed up the number of ATRs completed each year by facilitating the completion of these necessary processes. The target was a 45 per cent increase in ATRs being processed over 2008-09 levels.

Overall, measures taken to improve the ATR process include the implementation of a Standing Offer process for surveys (allowing for the faster mobilization of survey crews than the previous fixed fee contracting process); changing the requirement to update environmental assessments from two years to five years; adopting an electronic method of approving ATR proposals; and establishing strict service standards for ATR process steps to be completed.

Outcomes from new Framework investments that were made starting in late 2009-10 cannot yet be measured in terms of new ATRs being processed due to their multi-year nature. Targeted investments made, for instance, to accelerate surveys and environmental assessments are expected to start to show benefits in number of ATRs processed in 2011-12 and onward. However, some of the ongoing results within Manitoba and Saskatchewan are highlighted below, along with some success stories arising from completed ATRs.

Manitoba

Framework funding has been instrumental in providing the necessary resources to transfer land to reserve status. The funding provided under this initiative has ensured that additional human resources are dedicated to the ATR process. In addition, it has enabled AANDC’s Manitoba regional office to address the significant costs associated with the survey and environmental assessment of land selections, both of which are key process requirements and legal obligations of Canada under the Treaty Land Entitlement (TLE) settlement agreements.

More specifically, the funding has provided the regional office with the ability to assist communities with processing strategic ATRs for economic purposes.

In Manitoba, approximately 126,309 acres of land were transferred between 2009 and 2011:

Year	Parcels of Land Transferred	Acres Added
2008-2009	33	136,253
2009-2010	19	38,762
2010-2011	13	87,547

ATRs in Action in Manitoba

- Nisichawayasihk Cree Nation’s Mystery Lake Hotel (Thompson, Manitoba) — revenues generated from this urban commercial development are closely linked to the First Nation’s equity partnership with Manitoba Hydro in the Wuskwatim Hydro Electric Generating Station located on their traditional territory — the economic return from this ATR will be felt for generations to come.
- The Long Plain First Nation urban reserve is poised to become the first urban reserve in the City of Winnipeg, through TLE acquisition. This mixed commercial use property holds tremendous economic potential given its prime location in one of the most heavily developed commercial areas in the city.
- Birdtail Sioux First Nation is using their ATR to develop a gaming centre, gas bar and convenience store in the municipality of Foxwarren. The First Nation is also funding a “phase two” environmental assessment, and negotiating a municipal services agreement with Foxwarren, as well as revenue sharing agreements of gaming proceeds with other charitable organizations in the local community.

Saskatchewan

In Saskatchewan, more than 830,000 new acres of land have been added to reserve since the signing of the Treaty Land Entitlement (TLE) Framework Agreement in 1992.

Approximately 43,950 acres of land were transferred between 2009 and 2011 in Saskatchewan:

Year	ATRs Processed	Acres Added
2008-2009	47	31,532
2009-2010	33	18,038
2010-2011	23	25,912

An additional 1.3 million acres of land remain eligible for reserve creation. Many TLE land selections have significant economic opportunity related to natural resource development, commercial and industrial development, and urban reserve creation. (Saskatchewan currently has 42 urban reserves with an additional 49 urban reserves under review.)

Entitlement First Nations are partnering with the private sector and entering into joint ventures related to reserve creation for tracts of land with resource bearing potential.

The partners usually have the expertise and the capital to assist the First Nation with the development of the minerals or oil and gas once the lands are converted to reserve. One First Nation indicated that it could conceivably receive up to \$40 million from its joint venture with a company that possesses oil and gas expertise.

ATRs in Action in Saskatchewan

- English River First Nation, in Patuanak, received \$10 million in their TLE settlement. These funds have been used to set aside more than 22,000 acres of land to date, including a 197-acre parcel of land just south of Saskatoon for the community's first urban reserve, Grasswood. The English River Travel Centre, located at the Grasswood urban reserve, features a Shell station gas bar and convenience store, a restaurant, a truck stop, and a car wash large enough for trucks and recreational vehicles. The centre also has more than 10,000 square feet of office space that it rents to local companies. In the fall of 2011, the centre began building a new 75-room hotel.
- Flying Dust First Nation, located northeast of Meadow Lake, is also involved in a joint venture. The First Nation and its partners have purchased lands in a promising oil and gas area in southeastern Saskatchewan. The First Nation has indicated that it could conceivably receive approximately \$40 million from this joint venture.

Exploring Options to Reform Land Tenure and Development

AANDC has been engaging with the Assembly of First Nations (AFN) and other stakeholders to explore options to reform land tenure and development for First Nations whose reserve lands continue to be managed under the *Indian Act*.

The Joint Action Plan between the AFN and AANDC launched in June 2011 includes a Joint Working Group on ATR reform to explore options to improve the ATR process to enable First Nations to plan for, and act on, economic opportunities. The Joint Working Group has developed a detailed two-year work plan on priorities, timelines, responsibilities and deliverables, and is expected to make its recommendations in Fall 2012 seeking changes to the ATR policy and process.

In addition to this working group, AANDC acknowledges the need, and will continue, to identify and implement measures to streamline and increase the efficiency of the ATR process, including possible future legislative changes.

Work is also being undertaken to address land tenure certainty. Modern land development and management systems are “land parcel” based. A “land parcel fabric” enables such activities as land use planning and environmental management, zoning by-laws, property assessment, municipal addressing, basic infrastructure location and emergency vehicle location. However, for the majority of First Nation reserves, the land parcel fabric is inadequate.

Where existing, these issues need to be resolved before any effective land use planning and development can begin. Otherwise, new developments could potentially occur on top of existing land interests.

The Survey Pilot Project (a collaborative effort by First Nations, AANDC and Natural Resources Canada) is currently testing new land survey and registry processes on five pilot reserves to rebuild the land parcel fabric and interest information and depict it on a prototype product being called the “Community Parcel Plan”. These Community Parcel Plans can provide the base land parcel and interest information required as the fundamental starting point for developing land use and economic development plans.

Modernizing Legislative and Regulatory Regimes

Steps have also been taken to modernize the lands and resource management regimes on reserve lands in order to increase and unlock the value of Aboriginal assets.

Indian Oil and Gas Act (IOGA)

In 2009, the Government of Canada amended the *Indian Oil and Gas Act* to eliminate the regulatory gap that existed between oil and gas activities on reserve lands versus off reserve lands. By bringing federal legislation into line with similar legislation in the provinces, the new law creates a more transparent and efficient regime for oil and gas operations on reserve lands, thereby encouraging industry investment and economic development in First Nation communities.

First Nations Commercial and Industrial Development Act (FNCIDA)

In 2010, the *First Nations Commercial and Industrial Development Act* (FNCIDA) was amended to allow First Nations to request that their commercial real estate projects on reserve lands benefit from a property rights regime, including a land title system and title assurance fund, identical to the provincial regime off the reserve. The certainty of land title granted by such a regime will increase investor confidence, making the value of the property comparable to similar developments off the reserve.

First Nations Land Management Regime

Budget 2011 committed to reallocating up to \$20 million in funding over two years to allow for new entrants into the First Nations Land Management (FNLM) regime. In 2011, Canada and the First Nations Lands Advisory Board signed a memorandum of understanding regarding a new funding formula. This paved the way for 18 new First Nations to join the FNLM regime in January 2012.

AANDC will continue to work with First Nations to modernize land management regimes in order to make land viable for economic development. The goal is to change laws and regulations to address barriers to economic development and provide greater access to, and control of, lands and resources. This will also strengthen First Nations’ capacity for land use planning and management. The result will be communities with stable, efficient and

predictable investment climates where economic development projects can operate at the speed of business.

Forging New and Effective Partnerships

The sustainability and success of Aboriginal economic development efforts are contingent upon building on the interests, resources, and accountabilities of all willing partners. Forging new and effective partnerships is necessary to ensure that the actions of the government and its partners lead to permanent and meaningful gains that reflect real economic opportunities and the priorities of Aboriginal Canadians.

Promoting partnerships with provinces and territories and the private sector will ensure long-term, sustainable economic development.

The Federal Framework for Aboriginal Economic Development commits the federal government to work with willing partners to enable Aboriginal Canadians to take advantage of economic development opportunities and advance Aboriginal economic development goals. The federal government is responding to this commitment using the following approaches:

- 1) The government works to coordinate its partnership activities amongst departments and different levels of government to ensure more effective partnerships.
- 2) The government becomes an active financial participant in partnerships to encourage private sector activity.
- 3) The government works to foster an environment for partnerships by creating the right conditions for partnership development among Aboriginal communities, civil society, and the private sector.

Strategic Partnerships Initiative (SPI)

Under the Framework, new actions and investments were included to create incentives and provide a catalyst for increased collaboration and coordination among federal and non-federal partners and resources. These new actions and investments were intended to target market- and demand-driven economic opportunities in key sectors and to develop sector partnerships.

Quick Fact:

In 2010, natural resource sectors employed over 760,000 workers in communities throughout the country. In the next 10 years, more than 600 major economic projects representing \$650 billion in new investments are planned across Canada. (*Economic Action Plan 2012*)

The Strategic Partnerships Initiative (SPI), announced in June 2010, received a five-year funding commitment of \$85.6 million (2010-11 to 2014-15) and \$14.45 million ongoing. Eleven (11) Ministers representing 14 departments and agencies are signatories to SPI.

Initial priority sectors identified under SPI included agriculture, energy, fisheries, forestry, and mining. Tourism was identified as another priority sector over the longer term. In keeping with the Framework's whole-of-government approach, federal partners worked together to examine the existing federal actions and programming within these

sectors, and to identify where market and demand opportunity gaps existed.

Steps have been identified to promote the alignment of existing programs, build broad and effective partnerships, and, where required, launch new actions and investments that can help Aboriginal proponents overcome key impediments to economic development.

Where gaps in existing federal programming are identified, funding can be drawn from SPI to support appropriate and necessary actions. By providing umbrella terms and conditions, SPI also helps reduce the burden on proponents, including the time, money and risks associated with having to navigate the application, decision-making and reporting processes of multiple departments for a single opportunity.

At the same time, federal departments and agencies can use these umbrella terms and conditions to overcome gaps in existing federal programming and use existing resources to address critical needs in Aboriginal economic development.

Since the launch of SPI, AANDC and other federal partners have successfully completed initial research and analysis on five key sectors (i.e. agriculture, energy, fisheries, forestry, and mining). In each case, a paper was prepared that identified sector trends, existing policy interventions, current opportunities for Aboriginal involvement and next steps to advance specific opportunities.

The Federal Coordination Committee (FCC) approved the priorities presented in these sector papers, along with associated SPI funding. In 2010-11, \$7.3 million was spent on early initiatives in energy, fisheries, and mining. In 2011-12, \$17 million was committed for initiatives in all five sectors (i.e., agriculture, energy, fisheries, forestry, and mining) and implementation of these is currently underway.

Energy

In the energy sector, the early focus has been on renewable energy and transmission projects, especially in remote Aboriginal communities where increased energy security can support long-term sustainable growth, jobs and business development, while reducing reliance on diesel generation. Developing effective links and partnerships with the provinces and their policies, capacity, and legislation has and will continue to be a necessary condition for advancing Aboriginal participation in the energy sector.

SPI in Action in the Energy Sector

- First Nations Power Authority of Saskatchewan was established, resulting in an MOU with SaskPower to procure power from First Nations-led power producers.
- Already, a letter of intent has been issued to establish an agreement for a 30 megawatt biomass power generation project operated by the Meadow Lake Tribal Council.
- A publically accessible database will be developed to record updated information on electricity production in remote communities in Canada.

Fisheries

SPI in Action in the Fisheries Sector

- A unique partnership between AANDC, DFO and the Atlantic Policy Congress of First Nations Chiefs, to help 35 Mi'kmaq and Maliseet First Nations diversify their fisheries enterprises.
- In 2010-11, 10 First Nations launched new fisheries-related business ventures, creating 36 new jobs in areas such as aquaculture production, fish buying, marketing, transportation, vessel repair, and ice production.

In August 2010, AANDC and Fisheries and Oceans Canada launched a unique partnership, with the Atlantic Policy Congress of First Nations Chiefs (APC), to help 35 Mi'kmaq and Maliseet First Nations in the Maritimes and Gaspé Region of Québec diversify their fisheries enterprises and pursue economic opportunities in new areas of the fisheries sector. Fisheries and Oceans Canada (DFO) is responsible for implementing this new initiative, entitled the Atlantic Commercial Fisheries Diversification Initiative, in partnership with the APC and the Ulnuweg Development Group.

During the first eight months of this initiative, 10 First Nations accessed \$2.8 million in funding (including \$2 million from SPI) and expert

business planning advice, leading to the launch of 10 new business ventures and an initial 36 new jobs, in areas such as aquaculture production, fish buying, marketing, transportation, vessel repair, and ice production. In addition, enterprise managers from over 20 First Nations received training in financial management and decision making so as to promote more efficient and competitive management practices.

Mining

Initial efforts in the mining sector have focused on Northwestern Ontario's Ring of Fire, an area that contains the largest chromite deposit in the world, as well as gold, copper, nickel, zinc, platinum, and palladium, and could sustain mining activities and stimulate the creation of thousands of jobs over several decades. With the aid of SPI, the Ring of Fire Strategy is helping local First Nations build the capacity to access economic opportunities and maximize benefits related to the mining activities.

In 2010-11, Matawa First Nations Management and Marten Falls First Nation both received funding to identify priorities, conduct community engagement, hire staff, and engage with stakeholders. Education and training initiatives were also launched to assist capacity-building efforts in the First Nations communities. Partnerships with the key Ontario ministries, who are also funding partners, as well key industry leaders and other federal partners (including NRCan, HRSDC, and FedNor) are essential to the success of these initiatives, both to date and in the future.

SPI in Action in the Mining Sector

- With the aid of SPI, the Ring of Fire Strategy is helping local First Nations build the capacity to access economic opportunities and maximize benefits related to mining activities.
- Matawa First Nations Management and Marten Falls First Nation both received funding to identify priorities, conduct community engagement, hire staff, and engage with stakeholders.
- Through its Northern Ontario Development Program, FedNor provided funding support to increase the capacity of Aboriginal people to participate in Ring of Fire opportunities.

Forestry

SPI in Action in the Forestry Sector

- CFS, in partnership with CanNor and AANDC, is working on the Government of the Northwest Territories' Biomass Strategy, specifically supporting development in multiple communities to develop local woodlots to support a regional pellet strategy.

In 2009-10, the Canadian Forest Service (CFS) conducted workshops across the country to collect information on current priorities in Aboriginal forestry. These sessions identified the provision of services to government and industry, the development of value-added wood products and bio-energy as primary areas of interest. Using these and other input, the CFS developed the Aboriginal Forestry Initiative to support and facilitate business opportunities related to these priorities, underscoring

the CFS's objectives of facilitating business opportunities and knowledge creation and exchange.

In 2010-11, the CFS worked with proponents from across the country, representing regional and provincial/territorial scale partnerships to act on major opportunities in their communities to use forestry as a means for economic development. The CFS is collaborating with other SPI sectors and signatories, provincial/ territorial/federal governments and private industry partners to support project development and fill specific gaps and barriers to economic development. Supporting activities include business and feasibility studies, partnership development, marketing and training plans. Federal funding supports the implementation of a number of projects, resulting in major opportunities across the country.

Agriculture

Aboriginal communities are large land holders in Canada and have unique needs in the management of this land base to meet sustainable economic development opportunities. Treaty Land Entitlement (TLE) has added approximately 2.0 million acres (0.8 M ha) of agricultural land to the existing agricultural land base, amounting to 4.4 million acres (1.8 M ha) under the control of Aboriginal communities across the Canadian Prairies. There is a real opportunity for community members to farm these lands, capture the economic returns from different agriculture enterprises, create value-added products and increase Aboriginal participation in the agricultural sector. In order to take full advantage of the opportunities these lands provide, First Nations need assistance in key areas such as knowledge gaps and skills development.

Through the SPI Aboriginal Agriculture Initiative (AAI), Agriculture and Agri-Foods Canada (AAFC) has formed regional implementation teams in British Columbia, Saskatchewan and Ontario to pilot various projects. The teams are working to identify regional knowledge, information gaps and priorities, and using available levers to engage appropriate resources in order to advance Aboriginal agriculture economic development opportunities.

The regional implementation teams are comprised of various stakeholders. While membership varies in each province, it commonly includes federal departments (i.e., HRSDC, AANDC, AAFC); regional development agencies (i.e., FedDev, FedNor, Western Economic Diversification); provincial ministries (i.e., agriculture, education, water, rural development); as well as universities, rural secretariats and cooperatives, and First Nations representatives.

Regional implementation teams have recommended for funding 17 projects that meet one or more of the three AAI priority areas targeted to strengthen Aboriginal agriculture economic development. (The teams reviewed a total of 113 project submissions amounting to over \$70 million in program funding requests.)

The projects recommended for funding total \$3.9 million over two years with additional funding support of \$3.7 million provided in-kind or in cash for successful completion of the project. The projects are diverse, covering such areas as:

- agriculture training and skills development;
- technology assessment for northern greenhouse production, including biomass as a fuel source;
- expanding cattle operations, maple syrup harvest and marketing, fruit orchard development, berry production and processing, potato, and forage operations; and
- First Nations youth initiatives.

SPI in Action in the Agriculture Sector (Priority areas for the AAI)

- Supporting Innovation and Competitiveness - Developing local food production systems including value-added along the food chain; promoting specialty products and market-driven Aboriginal branding; partnering with neighbouring communities and industry on new technologies; and developing and expanding Aboriginal agri-businesses.
- Developing Capacity - Building capacity in agricultural land use planning and management; addressing environmental risk management; benchmarking current land and water resource conditions; and accessing professional advisory services that build agri-business management capability.
- Human Capital and Youth - Creating awareness around agricultural career opportunities, entrepreneurship, mentorship, leadership; and training and skills development for job placement.

Focusing the Role of the Federal Government

Only by working together will we be able to maximize opportunities for Aboriginal Canadians to participate fully in the economy and drive economic growth.

Recognizing that Aboriginal economic development is best done by Aboriginal people for Aboriginal people, the Framework positions the federal government as an enabler that can help develop the right conditions for economic development, bring partners together, and make targeted investments in Aboriginal economic development.

The role of the federal government will be more effective and efficient with clearer direction, greater coordination, more linkages and better collaboration.

In other words, the federal government should focus on the economic development levers it controls. This includes:

- developing the appropriate mechanisms for improved coordination and greater outcomes among the more than 20 federal departments and agencies with an interest in Aboriginal economic development, and
- enhancing the capacity of Aboriginal communities and economic development leaders to provide advice to the federal government and inform Framework implementation.

The Federal Coordination Committee (FCC) for Aboriginal Economic Development plays a key role in this regard. Co-chaired by AANDC and HRSDC, the FCC is responsible for ensuring effective implementation and governance of the Framework and enabling outcomes which are whole-of-government, opportunity-driven, and partnership-based.

Over the past two years, \$3.9 million has been spent on:

- establishing the FCC;
- engaging with Aboriginal Canadians across the country on proposed renovations to AANDC's economic development programs;
- conducting research and analysis on impediments to Aboriginal participation in the economy; and
- strengthening the role of the National Aboriginal Economic Development Board (NAEDB).

Federal Coordination Committee for Aboriginal Economic Development (FCC)

The Federal Coordination Committee (FCC) for Aboriginal Economic Development oversees Framework implementation and consists of Assistant Deputy Ministers from federal departments and agencies involved in Aboriginal economic development, as well as *ex officio* members from Central Agencies.

Since its inaugural meeting in December 2009, the FCC has adopted a mandate and terms of reference which focus on the alignment of priorities, activities, and resources across the federal family to effectively enable Aboriginal economic development.

Early FCC meetings and activities have centred on the immediate priorities of Framework implementation. In particular, the FCC has overseen the launch of the Strategic Partnerships Initiative (SPI).

It is expected that the FCC's focus in the near future will expand to address other areas of Framework implementation, including broader issues of federal programming, policy development, and legislation/regulations tied to Aboriginal economic development across the federal government.

National Aboriginal Economic Development Board (NAEDB)

The National Aboriginal Economic Development Board (NAEDB) is appointed by the Governor-in-Council to provide strategic policy and program advice to the federal government on Aboriginal economic development. The Framework committed to strengthening and enhancing the role of the NAEDB, which resulted in new funding. The NAEDB has focused its recent efforts on three priority areas:

Policy and Programs

The NAEDB provided ongoing program and policy advice to the federal government on the implementation of the Framework, the renovation of Aboriginal lands and economic development programs, and financing on-reserve infrastructure, as well as providing advice on Budget 2011 and 2012.

Strengthening its presence

The NAEDB board members have increased their presence and participation in international and domestic fora on Aboriginal economic development; appeared before the Standing Committee on Aboriginal Affairs and Northern Development; participated in roundtables held by the Parliamentary Secretary on Aboriginal issues; co-chaired youth and gender engagement sessions on Aboriginal economic development program renovation; and participated on federal program and policy advisory boards. The NAEDB has also launched a new website and provided a series of recommendations to Ministers recommending specific actions to support Aboriginal economic development.

Research

The NAEDB has undertaken several independent research projects. The *Aboriginal Economic Benchmarking Report* establishes baseline performance data for Aboriginal economic development and sets performance targets for future years. The Board will use this data to provide a series of recommendations to the federal government. The board is also in the process of conducting a series of three case studies to examine current regulatory and legislative barriers inherent in the *Indian Act* that deter Aboriginal business development on reserve lands.

Research and Analysis

Research and economic analyses have been conducted to support sound policy development and decision-making throughout the implementation of the Framework.

An investment of \$0.5 million for four years (\$2 million total) was allocated to support Framework governance through increased research and analysis on Aboriginal economic development. A number of research activities have been undertaken, including work on developing new Aboriginal economic development benchmarks and research with the Canadian Council for Aboriginal Business on Aboriginal economic development corporations and Aboriginal entrepreneurship.

Research and analysis currently underway, includes work on gender-specific barriers to participation in the economy; the regulatory gap on reserve lands; access to capital; the impact of the recession on Aboriginal people and communities; oil sands; the First Nations Land Management regime; First Nations Property Ownership; and additions to reserves.

External Engagement

Development of the Framework was informed by extensive external engagement with Aboriginal organizations and other stakeholders. The Government committed dedicated funding of \$2.1 million over four years to continue this dialogue and partnership-building efforts to promote the transparent, accountable, and effective implementation of the Framework.

During the early phase of Framework implementation, external engagement focused largely on the renovation of AANDC's lands and economic development programs.

Between May and December 2010, 780 stakeholders were engaged through this process, which included nine regional First Nations sessions, a national Métis session, six targeted sessions with key organizations involved in lands, business and economic development, three thematic and cross-cutting sessions on Aboriginal youth, gender, and remote communities, and a significant number of bilateral meetings with key stakeholders. Written submissions were also received from six Aboriginal organizations, including the NAEDB.

In the short term, this resulted in program delivery changes that could be accommodated within existing authorities to address stakeholder feedback regarding the need for administrative efficiencies and client services. These "early wins" included such improvements as:

- expanded role for Regional Program Management Advisory Committees (RPMACs) to deal with the entire suite of lands and economic development programming;
- revised applicant equity contribution requirement to improve client access to Aboriginal Business Development Programming;

External Engagement in Action

- In February 2011, NRCan's Canadian Forest Service and AANDC held a series of eight regional workshops with Aboriginal forestry practitioners to build awareness and support for the new Framework, discuss challenges facing the forestry sector, and identify major forestry-based opportunities.
- In February 2011, members of all 201 First Nations in British Columbia and representatives of 25 key industry enterprises met to discuss the economic development potential of alternative energy. The event (supported by SPI and other funders including the Province of BC) provided First Nations with information, tools, and industry connections to help them prepare to participate in alternative energy activities. The event was also an opportunity for First Nations to directly engage in the planning of "Generate 2011", the annual Clean Energy BC event, and ensure that the needs of First Nations involved in the energy sector would be addressed.

- enabled multi-year project approvals where possible;
- increased regional delegated authority to improve timeliness of project approvals and reduce administration;
- implemented a common payment process to reduce recipient reporting burden; and
- increased focus on land use planning.

Anticipated improvements in the longer term will focus on aligning existing Aboriginal economic development programs and funding with Framework priorities by:

- integrating land management and economic development to support First Nations in developing a strong economic base;
- increasing the role of Aboriginal Capital Corporations in delivering business support services to Aboriginal clients; and
- preparing Aboriginal communities to effectively partner with the private sector and other proponents on major opportunities.

Since the launch of SPI in June 2010, various forms of engagement and discussions have occurred with Aboriginal communities and organizations, as well as with other non-federal partners, on specific economic development opportunities in key economic sectors.

AANDC and other federal partners will continue to work with Aboriginal clients and stakeholders to seek input on ongoing legislative and regulatory reforms related to Aboriginal economic development and on the implementation of the Framework to help ensure that it remains relevant and effective.

External Engagement in Action (continued)

- In March 2011, building on early efforts to help diversify Aboriginal participation in the Atlantic fisheries, AANDC and DFO supported four Aboriginal organizations and hosted the National Aboriginal Fisheries Forum. The event brought together fisheries enterprise managers with government and industry leaders to identify the key challenges, opportunities, and solutions for Aboriginal fisheries across Canada, as well as forge new business partnerships.

Ongoing Implementation

The Framework provides the path we need to follow to realize a future in which Aboriginal Canadians are self-sufficient and prosperous, making their own decisions, managing their own affairs and making strong contributions to the country as a whole. Jobs and economic growth are fundamental to the realization of this vision.

The federal government is uniquely positioned to help create the right conditions for better economic development opportunities, but it cannot do it all and it cannot do it alone. The Framework is focusing federal efforts on working with willing partners on real opportunities, tailoring support to specific situations and needs, and adapting to new and changing conditions as they arise. Over the long term, this will result in:

- **Opportunity-ready Aboriginal communities** that have stable, efficient and predictable investment climates attractive to business and investors;
- **Viable Aboriginal businesses** that can compete in today's marketplace; and
- **A skilled Aboriginal workforce** that is able to take advantage of employment opportunities across the economy.

With dynamic local economies developing across Canada, a growing number of entrepreneurs, and non-Aboriginal private investment pushing further into every region of the country, the opportunities for Aboriginal economic development have never been greater.

Expanding Opportunities for Aboriginal Peoples to Fully Participate in the Economy

The Government recognizes the contribution that Aboriginal peoples can make to the labour market as the youngest and fastest-growing segment of the nation's population. Economic Action Plan 2012 reaffirmed the Government's commitment to expand opportunities for Aboriginal peoples to participate more fully in Canada's economy and benefit from its growth, through such measures as:

- improving the economic potential on First Nations lands;
- investments to improve First Nations education;
- helping First Nations on reserve access the labour force;
- supporting First Nations fishing enterprises;
- renewing the Urban Aboriginal Strategy; and
- responsible resource development, including consultations with Aboriginal peoples.

As highlighted in this report, significant steps have already been taken to put in place more modern supports for economic development and to remove the barriers to economic development on reserve lands, including the *First Nations Commercial and Industrial Development Act*, the *Indian Oil and Gas Act*, work to reform income assistance, and most notably, the *First Nations Land Management Act* (FNLMA).

Budget 2011 reallocated up to \$20 million to expand the First Nations Land Management regime. This paved the way for the introduction of 18 new entrants to the regime in January 2012. These First Nations will now begin a process that will lead to greater self-reliance and economic development opportunities.

Improving Conditions for Business Development

Additionally, Economic Action Plan 2012 reiterated the Government's commitment to:

- establish an economic task force to unlock the economic potential of First Nations, as stated at the recent Crown-First Nations Gathering;
- explore with interested First Nations the option of moving forward with legislation that would allow private property ownership within current reserve boundaries; and
- improve regulatory reviews, streamline the review process for major economic projects and support consultation with Aboriginal peoples.

We will continue to work with Aboriginal people and communities to enable them to seize real, significant and sustainable economic opportunities across the country.

To that end, we are following through on our Framework commitment to deliver programming that responds to both new and changing economic conditions and the unique needs of First Nations, Métis and Inuit.

Going forward, federal programs that exist to support Aboriginal economic development will be more focused on opportunities, and investments will be targeted at those opportunities with the greatest likelihood to result in jobs and economic growth for Aboriginal people and communities.

Efforts will also be focused on increasing Aboriginal participation in major projects across Canada. In the next 10 years, more than 600 major economic projects representing \$650 billion in new investments are planned across Canada. The economic potential these sorts of projects represent in terms of sustainable jobs and economic prosperity – for Aboriginal and non-Aboriginal Canadians alike – cannot be overstated.

By shifting our focus in this way, we will create programs that align with the strategic priorities of the Framework, complement efforts to address the underlying structural impediments to economic development – particularly those created by out-dated provisions of the *Indian Act* – and enable Aboriginal Canadians to participate fully in the economy.

ANNEX

Early Framework Results (2009-2011) At a Glance

FRAMEWORK COMMITMENTS	EARLY FRAMEWORK RESULTS
<i>Strengthening Aboriginal Entrepreneurship</i>	
<i>Remove legislative and regulatory barriers that deter business development</i>	<ul style="list-style-type: none"> • The <i>Indian Oil and Gas Act</i> was amended in 2009 to create a more transparent and efficient regime for oil and gas operations on reserve lands, while the <i>First Nations Commercial and Industrial Development Act</i> was amended in 2010 to allow reserve lands to achieve comparable value to similar developments off-reserve. These amendments will increase investor confidence and encourage industry investment and economic development in First Nation communities. • A number of research activities have been undertaken, including the development of new benchmarks to measure progress on Aboriginal economic development; gender issues; the regulatory gap on reserve lands; and the resource and energy sectors.
<i>Increase access to debt and equity capital</i>	<ul style="list-style-type: none"> • Eight resource and energy investment funds and 73 major projects across Canada were supported. • Agreements with six commercial financial institutions helped underwrite more loans for Aboriginal businesses. • AFI Working Groups were established to develop innovative financial instruments (i.e., Capital Attraction Tool and Aboriginal Developmental Loan Allocation) to improve access to capital by Aboriginal entrepreneurs.
<i>Improve procurement opportunities</i>	<ul style="list-style-type: none"> • Federal contracts awarded to Aboriginal businesses grew to over \$580M in 2010. • Pilot projects were launched in the mining, electricity, and shipbuilding sectors.
<i>Strengthen capacity for entrepreneurs to succeed in business</i>	<ul style="list-style-type: none"> • Aboriginal Entrepreneurs Conference and Tradeshow in October 2011 showcased Aboriginal entrepreneurship and provided business networking and learning opportunities for Aboriginal entrepreneurs.
<i>Accommodate the real needs, conditions and opportunities facing different communities in all regions of the country</i>	<ul style="list-style-type: none"> • The Strategic Partnerships Initiative (SPI) was launched which targets the actions of the federal government and its partners on real economic opportunities across Canada that will lead to permanent, meaningful gains for Aboriginal communities. Projects are underway across Canada, including forestry initiatives in BC and NWT; fisheries initiatives on the east coast; mining initiatives in northern Ontario; energy initiatives in Saskatchewan; and agriculture initiatives across the Prairies. • Research activities are ongoing to develop new Aboriginal economic development benchmarks, including research with the Canadian Council for

	<p>Aboriginal Business on Aboriginal economic development corporations and Aboriginal entrepreneurship.</p> <ul style="list-style-type: none"> • Extensive stakeholder engagement was conducted to inform program improvement to ensure that programs support the needs and opportunities of Aboriginal entrepreneurs and businesses across the country.
Developing Aboriginal Human Capital	
<i>Support labour market programming that increases skills development and employability to help Aboriginal people secure long-term jobs</i>	<ul style="list-style-type: none"> • A new suite of federal Aboriginal labour programming was launched, including the Aboriginal Skills and Employment Training Strategy (ASETS) and the Skills and Partnership Fund (SPF).
<i>Foster linkages across initiatives supporting labour market participation, skills development, apprenticeship and training, as well as education and income assistance</i>	<ul style="list-style-type: none"> • An MOU focused on active strategies to improve employment and skills training outcomes for Aboriginal communities and youth was signed by the federal government, the Province of Saskatchewan and five Tribal Councils representing more than half of Saskatchewan's First Nation communities.
<i>Collaborate with industry, educators and the voluntary sector to better match learning and training with job opportunities in the labour market</i>	<ul style="list-style-type: none"> • SPF and ASETS aim to improve Aboriginal labour market outcomes by supporting demand-driven skills development and fostering partnerships with the private sector and other orders of government. • The effective delivery of the Reserve Land and Environment Management Program (RLEMP) is being done in partnership with the University of Saskatchewan and the National Aboriginal Land Managers Association.
Enhancing the Value of Aboriginal Assets	
<i>Modernize lands management regimes to enhance the value of assets</i>	<ul style="list-style-type: none"> • The First Nations Land Management regime was expanded in 2011, allowing 18 new First Nations to join the regime in January 2012 and control the management of their reserve lands.
<i>Take a more systematic approach to identifying economic opportunities</i>	<ul style="list-style-type: none"> • An AFN-AANDC Joint Working Group on Addition to Reserve (ATR) reform was launched in 2011, and work is underway to establish a Joint Task Force on the Activation of First Nation Economies. • SPI was launched in 2010 to target market- and demand-driven economic opportunities in key sectors. Initial research and analysis identified five key sectors in which to explore economic opportunities. Sector reference papers were prepared for each sector to identify trends, opportunities and priorities which were then reviewed by the Federal Coordination Committee for funding approval.
<i>Strengthen capacity for community economic development planning</i>	<ul style="list-style-type: none"> • Through RLEMP, 54 new First Nations started the Land Management Certification process giving them the capacity and experience to assume greater control of their lands and resources. Thirty-nine (39) First Nations are expected to complete the process by April 2013.
<i>Ensure that economic development programs are opportunity-driven and market-oriented</i>	<ul style="list-style-type: none"> • SPF is an opportunity-driven program aimed at encouraging innovation and partnerships, and increasing Aboriginal skills development and labour market outcomes. • Work is underway to improve Aboriginal lands and economic development programs to ensure

	that they will respond to new and changing conditions and capitalize on emerging opportunities.
Forging New and Effective Partnerships	
<i>Bring together the experience and resources of willing partners – including Aboriginal Canadians, provinces and territories, and the private sector – to take advantage of economic opportunities</i>	<ul style="list-style-type: none"> • SPI was launched in 2010 in partnership with 14 departments and agencies. Initiatives in the agriculture, energy, fisheries, forestry, and mining sectors were supported.
<i>Promote partnerships with the provinces and territories to advance Aboriginal economic development goals</i>	<ul style="list-style-type: none"> • In partnership with the Province of Ontario, the federal government is working on the Ring of Fire initiative to help Northwestern Ontario First Nations build the capacity to access economic opportunities and maximize benefits related to the mining activities. • The federal government has partnered with the Government of the Northwest Territories on its Biomass Strategy to support the use of forestry as a means for community economic development. • An MOU with the Province of Ontario has established a provincial Aboriginal procurement pilot project. Negotiations commenced with the Province of Manitoba on a similar MOU.
<i>Support improved institutions and capacity in Aboriginal communities to contribute to the sustainability of Aboriginal economic development</i>	<ul style="list-style-type: none"> • RLEMP is providing First Nation communities with the capacity to manage reserve lands so as to capitalize on land-based economic opportunities. • Work underway to improve Aboriginal lands and economic development programs will respond to stakeholder feedback on the need to provide more support to local Aboriginal governments and economic development institutions. • The Procurement Strategy for Aboriginal Business (PSAB) process is providing an increasing number of Aboriginal businesses with the experience and capacity they need to successfully compete and win contracts not set-aside by the federal government. • Partnering with other government departments, Matawa First Nations Management and Marten Falls First Nation in the Ring of Fire initiative, and with the Atlantic Policy Congress of First Nations Chiefs in the Atlantic Commercial Fisheries Diversification Initiative is helping those communities build the capacity to access economic opportunities and maximize benefits related to the initiatives.
<i>Facilitate linkages with the Aboriginal and non-Aboriginal private sector</i>	<ul style="list-style-type: none"> • Various fora were held to bring together the Aboriginal and non-Aboriginal private sector, including the Aboriginal Entrepreneurs Conference and Tradeshow and the National Aboriginal Fisheries Forum
Focusing the Role of the Federal Government	
<i>Link federal program spending to real business opportunities</i>	<ul style="list-style-type: none"> • Since the launch of SPI in 2010, a number of partnership-based approaches to specific economic development opportunities have been established in key economic sectors including mining, fisheries and energy. The federal government continues to work with other orders of government, Aboriginal businesses and communities and private sector partners to explore additional and new opportunities for

<p><i>Ensure clearer direction, greater coordination, better collaboration and increased linkages among federal initiatives across government departments and agencies</i></p>	<p>economic growth.</p> <ul style="list-style-type: none"> The ADM-level Federal Coordination Committee (FCC) for Aboriginal Economic Development was established as a key forum for whole-of-government discussion of cross-cutting issues as well as a decision-making body on SPI initiatives and investments.
<p><i>Take a whole-of-government approach to Aboriginal economic development, recognizing that all federal initiatives need to be complementary and mutually reinforcing</i></p>	<ul style="list-style-type: none"> The FCC oversees the alignment of priorities, activities and resources across the member federal departments and agencies to effectively enable Aboriginal economic development.
<p><i>Strengthen the role of the National Aboriginal Economic Development Board (NAEDB)</i></p>	<ul style="list-style-type: none"> NAEDB increased its participation in international fora, Parliamentary committees and roundtables, and federal program and policy advisory boards. The NAEDB has also launched a new website and undertaken independent research.
<p><i>Create a stronger interdepartmental governance structure to produce better results and increase accountability to all Canadians</i></p>	<ul style="list-style-type: none"> The FCC adopted a formal mandate and terms of reference to guide it in ensuring that federal investments in support of Aboriginal economic development are targeted at opportunities with the most likelihood of achieving sustainable, positive results.