

Evaluation of Northlands ✓

Subsidiary Agreements

Saskatchewan and Manitoba

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Submitted to:

Program Evaluation Branch

Indian and Eskimo Affairs

Ottawa

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I Executive Summary

As a consequence of developing the Northlands Subsidiary Agreements it became evident that a special mechanism was required to deal with the circumstances which prevail on Indian Reserves. Indian Reserve Components of the Agreements were added to the Northlands Agreements to deal with Indian Community Services, with DREE sharing in project costs with DIAND in precisely the same manner in which cost sharing is done with the provinces.

The arrangement was designed to assist DIAND in overcoming the difficulty it faced in meeting the needs of northern reserves while also assisting in efforts to co-ordinate improvements in mixed reserve and non-reserve northern communities. In effect the system provides a means for financing the needs of northern communities through DREE assistance without disturbing the longer-run DIAND - Indian Band financial arrangements generally in force for Indian community development.

A review of the experience of the Indian Reserve Components of the Northlands Subsidiary Agreements in Manitoba and Saskatchewan reveals that these Components are well justified. The programs are responding to legitimate special needs which exist in the north in the areas of health, community services and personal safety. The mechanisms established for program delivery have provided for much improved co-ordination between various departments and agencies of both the federal and provincial governments.

DIAND has heavy delivery responsibilities for the Indian Reserve Component under the terms of the Agreement. The past two or three years of experience indicates that DIAND has lacked the staff and the funding to adequately plan and carry out its implementation responsibilities.

Based on the evaluation of the Northlands Subsidiary Agreements in Manitoba and Saskatchewan the following are the major recommendations made by the consultant:

1. If the target populations in the north are to gain maximum benefit from the Indian Reserve Component of the Northlands Subsidiary Agreements, incremental funding specifically for this initiative must be provided to DIAND regions.
2. In light of the importance and value of this program, adequate staff resources and funding to support implementation must be provided to DIAND regions.
3. DIAND has responsibility for operations and maintenance costs under the terms of the Agreements. These costs may be expected to escalate to \$1,500,000 per annum for Alberta, Saskatchewan and Manitoba by 1982. Extra funding for O & M must be provided or other program areas will be adversely affected.

II Terms of Reference

At the request of the Program Evaluation Branch of DIAND, the consultant was requested to conduct an evaluation of the Northlands Agreements in Manitoba and Saskatchewan. The general description of this work was specified as follows:

"To examine the DREE Northlands Agreements in Manitoba and Saskatchewan from the point of view of:

- (a) their impact in the budgetary and planning process at the Band and Indian and Eskimo Affairs Program levels.
- (b) application of anticipated resource demands and co-ordinating mechanisms to the Alberta situation."

(See Appendix A for details on how the Evaluation was conducted and a list of persons contacted.)

III General Observations

- A. Legitimate special needs exist in the northern areas for socio-economic strategies and initiatives. These circumstances prevail on Indian Reserves as well or more so, than in other target areas of the north. Therefore the Indian Reserve Components in the Northlands Agreements are well justified.
- B. The Indian Reserve Components in the Northlands Agreements respond to a spectrum need in the area of health, community services and personal safety. Thus the initiatives are narrowed in scope and application.
- C. The availability of extra funding for the Northlands Agreements has stimulated valuable research and investigation into prevailing circumstances on Indian Reserves and adjacent communities.
- D. The development of the Indian Reserve Components in the Northlands Agreements have provided a workable mechanism for much improved co-ordination between various departments and agencies, e.g.
 - 1) joint research
 - 2) joint development of project eligibility criteria
 - 3) joint priority setting
 - 4) joint decision making
 - 5) co-ordinated implementation
 - 6) joint evaluation

- E. Comprehensive community planning supported by the Indian Reserve Component has emerged as a valuable basis for decision making at the community level, and at district and region, when applicable.
- F. The working relationships and manner in which DREE and DIAND interacted during the pre-agreement planning phase, when the scope and impact of the Indian Reserve Component of the Agreement was being developed, lacked effectiveness.
- G. Good progress is being made in improving the project prioritization system with greater inputs coming from the community level. This is being predicated on an active program of awareness and communication concerning the Indian Reserve Component of the Agreements.
- H. Operational experience to date has revealed that in order to deal effectively with the responsibilities which DIAND has to deliver the Indian Component of the Northlands Agreements, more adequate manpower and funding must be provided both for research and planning and for implementation.

IV Background

The federal-provincial Northlands Agreements which are operative in Manitoba, Saskatchewan and Alberta were an out-growth of federal-provincial deliberations at the Western Opportunities Conference in 1973. Based on a joint commitment to encourage social and economic development of the Western Northlands, Manitoba, Saskatchewan and Alberta signed federal-provincial General Development Agreements and subsequently signed Interim Northlands Subsidiary Agreements. Longer term Agreements for Northern development have now been signed in Manitoba and Alberta, while the Saskatchewan Agreement is in the final stages of preparation.

As stated in the General Development Agreements, their purpose is:

"To increase the opportunity for people in Northern Saskatchewan (Alberta and Manitoba) to participate more fully in social cultural and economic life in the province."

Since the Northlands subsidiary Agreements focus on specific northern areas, the objectives of these Agreements are specifically oriented towards the needs and opportunities which exist in the target areas. The following excerpt from the Canada-Alberta Northlands Subsidiary Agreement illustrates the objectives:

"The objectives of this Agreement are:

- (a) to provide options and opportunities for the people of northern Alberta to contribute to and participate in the development of the region;
- (b) to initiate those social and cultural amenities, community infrastructure improvements and services required to enable the people of northern Alberta to participate in northern development; and
- (c) to encourage the orderly development of northern Alberta for the benefit of the inhabitants and the Province."

To deal with community services needs encountered on northern Indian Reserves, the Northlands Agreements contain special provisions which are again illustrated by extracting the following statement from the Alberta Agreement:

"(c) Community Services and Facilities - Indian Reserves

This program will be identical to the Community Services and Facilities Program, except that it provides for programming on Indian Reserves and will be cost shared by the Department of Regional Economic Expansion and the Department of Indian and Northern Affairs."

When the Saskatchewan Northlands Long Term Agreement is signed, each of the three provinces will be engaged in joint programming for northern socio-economic development. Each of these Agreements will contain a special Indian Reserve Component involving joint cost sharing between the Department of Regional Economic Expansion and the Department of Indian and Northern Affairs for Community Services and Facilities.

This circumstance was arrived at by a somewhat different route in each province.

Manitoba:

In 1976, after having entered into an Interim Northlands Subsidiary Agreement in 1974, the Canada-Manitoba Northlands Subsidiary Agreement was signed. This Agreement, with an approximate duration of 15 years, has 5 year operating segments. An Indian Reserve Community Services Program is part of the Agreement, and provides that DREE will provide 60% of the cost of eligible project, with DIAND responsible for 40% of the costs, and full responsibility for implementation and operation, maintenance and repair costs.

Alberta:

Following an Interim Northlands Agreement which was in effect in Alberta from 1976 to 1978, a long term (5 year) Northlands Agreement has been signed. This Agreement, like Manitoba, contains an Indian Reserve Component with a \$10 million allocation to be shared between DREE (50%) and DIAND (50%). DIAND has full responsibility for implementation and O & M costs.

Saskatchewan

Saskatchewan also entered into an Interim Northlands Agreement. This took place in 1975 and has been operative for 3 years. But unlike the Interim Agreements in Manitoba or Alberta, the Saskatchewan Interim Agreement contained a special provision for Indian Reserve Projects with a \$5,000,000 allocation which was cost-shared between DREE (60%) and DIAND (40%).

The Canada-Saskatchewan Long Term Northlands Agreement, with a 5 year term, is rapidly approaching the signing stage. The draft Agreement contains an Indian Reserve Program which is designed to support community improvements and is proposed to allocate \$18.0 million to be shared between DREE (60%) and DIAND (40%). DIAND has implementation and O & M responsibilities.

N.W.T. and Yukon:

It is not presently envisaged that Northlands Agreements with Indian Reserve Components will become operative in the N.W.T. or the Yukon. Rather these areas are apparently favouring the implementation of a mix of DREE type Regional Development Incentives and Special ARDA. The latter are in place in the N.W.T. and negotiations are in progress with the Yukon.

The Indian Reserve Components

The development of the special components to deal with Indian Community Services was based on the principle that DREE cost share agreed projects on reserve communities with DIAND in precisely the same manner that it cost shares similar projects on non-reserve communities with the provinces. It was recognized that many of the reserve and non-reserve communities exist side-by-side and that every attempt should be made to foster co-operative action in total community development. Also there was general recognition, that with few exceptions, the level of infrastructure and existing social conditions in the northern areas were significantly worse than in southern areas. The arrangement was therefore designed to assist DIAND in overcoming the difficulty it faced in meeting the needs of the northern reserves while also assisting in efforts to co-ordinate improvements in mixed reserve and non-reserve northern communities.

In effect the system provided the means for financing the needs of northern communities through DREE assistance, without disturbing the longer-run DIAND - Indian Band financial arrangements generally in force for Indian community development.

After recognizing the need for developing a special Indian Reserve Component in the Northlands Agreements, the actual implementation occurred at different stages in the development process in the provinces of Saskatchewan, Manitoba and Alberta. As stated previously, the Indian Reserve component in Saskatchewan was implemented during the Interim Northlands Agreement. Funding was allotted to eligible Reserves on a per capita basis, and many bands placed considerable emphasis on multi-purpose community facilities. It was during this initial phase that DIAND in Saskatchewan

developed experience in working with the Agreement and implementing the program. While many of the projects can be questioned in terms of how they fit into the spectrum of the reserves' socio-economic needs, it must be recognized that at that stage the necessary community planning framework was not well advanced. For many communities, the establishment of advantageous multi-purpose community service facilities became a reality, which would not have come about in other circumstances. Social benefits from these facilities are already being reported from many communities.

With the conclusion of the Interim phase, Saskatchewan region has been deeply involved in the second phase; that of planning for the Long Term Northlands Agreement. This has been done in a thorough comprehensive manner, with a high degree of consultation at the band level, where priority setting has been based on a solid base of community planning.

The Saskatchewan region is poised to enter the third phase: that of actually implementation of the Long Term Agreement. As a consequence of the experience gained and the important planning work done, Saskatchewan is now in a position of strength.

In Manitoba, the Indian Reserve Component was a part of the Long Term Northlands Agreement signed in 1976. Thus the regional office of DIAND became engaged in the implementation of this program without having had the benefit of adopting methods and procedures developed in an interim phase. Manitoba as a consequence of necessity had to commence implementation and concomitantly developing the required community planning base, and the criteria for decision making, as the whole process of program delivery went along.

Like, Manitoba, Alberta did not have an Indian Reserve Component in the Interim Northlands Agreement. The Long Term Northlands Agreement signed early in 1978 contains the Indian Reserve Component, and DIAND in Alberta is now able to gear up delivery through benefiting from the experience gained in Saskatchewan and Manitoba. Understandably, it is the intent in Alberta to initially concentrate on a planning phase to ensure that implementation of projects will be based on community planning, band consultation and priority setting and agreed upon criteria upon which to base decision making.

V Conclusions

A. Spin-offs and benefits from Northlands.

Research

1. Primarily as a result of research conducted by DREE prior to the development of the Northlands Agreement, there has resulted a general awareness of the special needs of target population in the Northlands area. This basic information has permeated other federal departments and agencies and provincial governments. In effect DREE has had a beneficial catalytic effect by creating an understanding of the special needs and developing means and measures which are resulting in a co-ordinated approach to the problems.

Co-ordination

2. Valuable co-ordination benefits and information exchange resulted from a senior DIAND staff person operating in the DREE office in Saskatoon during the course of the Northlands Agreements development period. This precedent setting experiment which was implemented in 1974 on a 6 month trial basis, was renewed annually until 1978, when the function was completed to the benefit of both DREE and DIAND.
3. The Northlands Agreements provide an important forum for discussion and deliberation. This discussion and deliberation is taking place at the band level, and at the provincial level between federal and provincial departments and agencies. This collaboration results directly in improved co-ordination and improved delivery of a variety

of programs involving both federal departments and the provinces. The result is improved and favourable impact on the target populations in the Northlands areas.

4. The Northland Agreements have brought together DIAND managers at the regional level in a Steering Committee to discuss programs which relate to the Northlands Agreements. This has had a far reaching effect on improving consultation, co-ordination and effectiveness of Northlands related matters in particular; but also it has had a positive effect on the delivery of DIAND programs which are not part of the Northlands Agreement. This circumstance is underscored because of its importance. In effect, the approach developed for Northlands co-ordination has had an effect of providing a mechanism which has been used by DIAND to improve the co-ordination of its own delivery system. As well, DIAND managers have benefited from the research done in connection with the Northlands Agreements and the criteria which have been established to govern program delivery. These have become a valuable basis for not only Northlands related matters but also for overall DIAND decision making. (See Appendix D for the structure of the Northlands Steering Committee in Manitoba).
5. Evidence of much improved co-ordination is seen in joint program development which was conducted in Saskatchewan and in Manitoba. A good climate has been created for this type of co-ordinated approach and it is expected that as DIAND's strength in the planning area is further strengthened that more valuable work in this area will be done.

6. In Manitoba valuable work was done in establishing criteria for making infrastructure decisions which were based on medical research. The basic medical research was conducted by the Medical Services Branch of Health and Welfare who prepared a proposal for priority determination for communities eligible for Northlands services.

After the criteria were adopted by the Northlands Steering Committee, it was found that the criteria were also useful in making other Departmental decisions.

This good beginning should be extended and refined to use research data as a basis for establishing criteria which have a defensible foundation.

Planning

7. The Agreements have been directly responsible for much of the major progress which has been made in the important area of comprehensive community planning. As a consequence of this work, there has been growing realization of how to use the tool of community planning at specific points in time. Appreciation has been gained in the knowledge that comprehensive community planning is not a panacea, but a basis for the communities to present their data, identifying options or choices and thus enhancing decision making.

8. Comprehensive community planning has had an important effect at the community level where the local population is given the opportunity to make real choices, based on their preferences which are balanced against the reality of costs and the availability of funds. A related benefit has been the production of base mapping which has fostered intelligent choices concerning future directions of community growth and development. Phased, geotechnic undertakings will be important in identifying where certain community infrastructure facilities can be built in terms of soil conditions, erosion, flood levels, surface and sub-surface water conditions. Also this geotechnic work will provide a basis for decisions regarding land use, mineral development, agriculture, forestry, and community recreation development.

Administration

9. Administratively, DIAND in Manitoba have developed an improved financial accounting and control mechanism which is an outgrowth of the management of the Northlands Agreement. Special codes have been established to allocate the 40% portion of the project cost to specific DIAND managers and the 60% cost to a DREE account. This system has improved the financial control and accounting mechanisms in this region.
10. There has been a growing appreciation at the community level for the benefits to be derived from preparing five year forecasts of budget requirements. This is resulting in improved financial planning and is related to the availability of funding through the Northlands Agreement.

IV Conclusions Continued

B. Short comings - opportunities for improvement.

In the provinces of Saskatchewan and Manitoba the implementation of the Indian Reserve Component was undertaken in the context of different situations. In the Saskatchewan instance, the Indian Reserve Component was grafted on to the Interim Agreement, while in the Manitoba case, it was an integral part of the Long Term Northlands Agreement.

When examining the operational experience of the Indian Reserve Components in the two provinces the consultant has recognized the different circumstances and when this point is relevant to a conclusion, it has been identified.

The following are the salient conclusions regarding short comings or opportunities for improvement arrived at as a conclusion of conducting the evaluation:

Research

1. During the course of the planning for the Northlands Agreements, DIAND did not really have the opportunity to engage fully in planning and research. DREE played a prominent role in this respect. DIAND's lack of real partnership was related to a shortage of staff at the regional level and the fact that the Indian Reserve Component of the Northlands Agreements was only a portion of the overall work load of DIAND staff members. After the Agreements were developed, pressure was put on DIAND to accept the outcome as a fait accompli. Understandably DIAND officials feel that the Agreements were in effect developed without their full participation and then imposed upon them.

Consultation

2. There was a serious lack of real in-depth consultation at headquarters and at the regional level between DREE and DIAND in the early stages of the development of the Indian Reserve Component of the Northlands Agreements and their coverage.
3. It is obvious that due primarily to a time constraint a serious lack of real in-depth consultation took place between DIAND and representatives of Indian Bands both in connection with the development of the interim Northlands Agreement in Saskatchewan and the Long Term Agreements in Manitoba and Alberta. This situation was rectified very considerably in Saskatchewan during the planning phase prior to the Long Term Agreement.
4. Out of the experience with the Northlands Agreements to date, the following native concerns have emerged:
 - (a) Without adequate provision for O & M the Department is gearing up for failures.
 - (b) Improved communications with bands is required so projects will be generated and funds will not lapse.

Administration

5. At the regional level DIAND's involvement with the Northlands Agreements was complicated in part by the frequent turn-over of headquarters staff who were assigned DREE Northlands responsibilities. The turn-over at headquarter's staff interrupted the effective direction, support, and co-ordination of effort which would have been expected to be contributed to regional DIAND Northlands efforts. This circumstance has been corrected and a more stable and supportive situation presently exists.

6. The Saskatchewan Interim Northlands Agreement was certainly well intended, however, its hasty implementation put severe pressure on DIAND to deliver the program within a relatively short time framework. Accordingly, there was improper communication at the band and community level, an appropriate priority setting mechanism was not put into place, projects were often selected by bands which were not in the context of either a socio-economic development plan or a comprehensive community plan and proper control systems were not in place in implementation to protect against cost overruns or to deal with the financial consequences of these overruns.
7. The past two or three years of experience with the Northlands Program indicates that DIAND has lacked the staff and the funding to adequately plan and carry out its implementation responsibilities under the Agreements. An example of implementation difficulties in Saskatchewan under the Interim Agreement related to the delegation of implementation of projects to Public Works. Public Works officials approved overruns for certain projects and left DIAND with the responsibility to pay for them. This experience has shown that it is of vital importance to develop an effective chain of command from the region to properly control the costs of a project.

The use of P.F.R.A. assistance to supplement DIAND's capability has been drawn upon, but this can only be considered a short run, band-aid approach. DIAND must have adequate resources in terms of staff and/or funding to contract out implementation services if it is to meet its responsibilities under the Agreements.

8. In Alberta and if applicable in the Yukon Territory and the Northwest Territories, criteria for projects qualifying for assistance under the Agreement should be established prior to the projects being submitted for approval. The establishment of criteria should become part of the planning-pre-implementation phase, and be agreed upon before implementation occurs.
9. In Manitoba the interface between DREE and DIAND could be improved through DIAND appointing a co-ordinator acting on behalf of the Regional Director General. The Co-ordinator should have sufficient time to spend on the Northland Agreement and not be over-burdened with regular program duties.

Financing

10. Up until this point in time, neither DREE nor DIAND have really tackled matching the special needs which exist in the northern Indian Reserves with the Resources and the dollars which are required to meet these needs. In effect, the Interim Agreements and the current Long Term Agreements have focused on determining, in a preliminary sense, the dollars that are required and then working backwards towards developing projects which will fit within the financial capability of the funding available.
11. The Northland Agreements set out in very specific terms that operational maintenance and repair costs, for projects under the Indian Reserve Component, are the responsibility of DIAND.

The expedient route taken by the Saskatchewan region, in the Interim phase, of formally advising bands that they will have full O & M responsibility for projects financed under the Agreement, does not solve the O & M problem. It will likely only defer it.

For example, an \$800,000 arena will have significant O & M responsibility both in terms of man years and dollars. In the very short run the band can be tagged with O & M responsibility, but if the facility is not adequately maintained, severe pressures can be expected to mount, since the Government of Canada provided 100% of the funding for the project.

The Saskatchewan regional office has prepared very comprehensive proposals for projects which could be financed under the Long Term Agreement.

As of late March two schedules for project costs had been developed, one involving total capital expenditures of \$20,000,000 and the other for \$37,000,000. Yearly O & M funds required, based on 4% of the capital cost for buildings and 2% for water and sewer projects would incur the following expenditures over the term of the Agreement:

O & M Costs Indian Reserve Component

Saskatchewan Northlands

	Alternative #1	Alternative #2
	Based on \$20 Million	Based on \$37 Million
1978-79	\$ 116,000 per annum	\$ 116,000 per annum
1979-80	285,000 "	344,000 "
1980-81	336,000 "	467,000 "
1981-82	402,000 "	619,000 "
1982-83	491,000 "	788,000 "
Thereafter	576,000 "	991,000 "

In Manitoba, they are now getting into major water projects with significant attendant O & M costs. The first seven projects approved have a combined capital cost of \$4,234,312 and annual O & M costs of \$117,690 per annum which must be carried by DIAND region. With a program similar in magnitude to Alternative #1 of Saskatchewan, it is estimated that when Manitoba reaches the 5th year of the program, their annual O & M requirements will be in the order of \$500,000 per annum.

The forecast of program costs in Alberta are based on expenditures of \$10,000,000 over the 5 year term of the Long Term Agreement. O & M costs for the Indian Reserve Component are estimated to be \$664,000 per annum, by 1982.

Although the growth in O & M requirements will vary from province to province, will depend upon the types of projects which are implemented, it is clear that the total O & M funding required will take on significant proportions in the near future. By 1982, for example, funding for O & M related to the Indian Reserve Component could be

in the order of \$1,500,000 for Alberta, Saskatchewan and Manitoba.

These expenditures will be obligatory to support the proper functioning of vitally important health and personal safety services. Extra funding must be provided to meet these needs or the regions will be faced with cutting back other important programs.

12. In Saskatchewan distortions have occurred at the band level where bands were forced to finance O & M costs for projects out of their regular budgets. They had been forewarned by the DIAND regional office that operation and maintenance funding would not be available from the Department. This meant that the bands had to utilize funds for O & M which would have otherwise gone to other program areas.
13. The Indian Reserve Components of the Northlands Agreement provide for the financing of community services (infrastructure) but not for the financing of software programs. It is the intent of the Agreements that all northerners should get the same level of service provided under the Agreement. When a province delivers a software program to Indian recipients the province looks to the federal government for 100% of the cost.

A problem has arisen in Saskatchewan where that province objects to this federal funding coming from the Northlands Agreements since it reduces the total funding that would be available for other purposes. This matter has not been resolved and DREE and DIAND should take initiatives to negotiate a software delivery financing scheme.

The accessing of software programs by Indian people under the Agreement has considerable potential benefit to them.

Program Delivery

14. The Interim Agreements and the Long Term Agreements reveal a significant difference in responsibility between DREE and DIAND in meeting the objectives of the Agreement. DREE is in the preferred protected position. DREE has an agreement to live up to which specifies the inclusion or eligibility of projects and the maximum amount of funds available from DREE. On the other hand, DIAND has the total responsibility to interface with the target population at the band level, work out a priority setting mechanism, get the projects developed, submitted and considered by the approval mechanism.

The DIAND has the further responsibility of either directly carrying out implementation or for supervising the implementation of the projects carried out by Bands and other agents such as D.P.W., after which the Agreements specify that DIAND has total responsibility for the O & M costs which are not shareable under the Agreement. Clearly DIAND has a heavy responsibility in connection with the delivery of the Indian Reserve Component.

15. Upon the completion of projects, DIAND has the responsibility for submitting claims to DREE and dealing with the consequences of project cost overruns or portions of projects which do not fit exactly into the terms of reference of the Northlands Agreement.

Notwithstanding the considerable benefit which accrued to the Department of Indian Affairs and Northern Development through the Northlands programs, severe distortions in budgeting at the regional level occurred in Saskatchewan during the Interim Agreement. Extra funds were appropriated for an individual year which could not be utilized for the Northlands Agreement due to the shortage of time in gearing up to get projects approved and implemented. Therefore, these funds were allocated for other uses, rather than having them lapse. During the next fiscal year DIAND officials had considerable difficulty in convincing the Chiefs of Southern bands that a portion of the allocation to the region should go into the Northlands program to make up for the added benefit which had accrued to the southern bands from the previous year of incremental funding.

As a consequence of this experience, corrective measures have been taken, as this situation should not be repeated when the Long Term Agreement is implemented.

16. The Northlands Agreements apply to certain specified portions of a province. It is of considerable importance when boundaries affect a target area, that boundaries which circumscribe an area be established and fixed prior to the implementation of programs under the terms of the Agreement. Changes in boundaries resulted in a serious dislocation of effort in Saskatchewan. This must be avoided at all cost in the future. The effectiveness of using the boundary approach versus establishing criteria based on need, is a matter which should be reconsidered when the program is evaluated by the signators.

17. A mechanism which would formally bring together the Province, DREE, DIAND and Native representatives is lacking in Manitoba and Alberta and could be corrected through developing a tripartite committee structure to deal with Northlands related matters. This matter is covered in the draft Saskatchewan Long Term Agreement.

VI Recommendations

In keeping with the direction given of the consultant in the terms of reference, the following recommendations are segregated between those of applicability to headquarters, and those of applicability to Alberta in particular and the other regions in general.

A. Headquarters

1. The purpose of the Northlands Agreements is to make extra resources available to deal with the disparity which is encountered in the north. DREE's funding is provided to specifically meet this purpose. If the target populations in the north are to gain maximum benefit from this initiative, incremental funding specifically for the Indian Reserve Component of the Northlands Agreement must be provided to DIAND regions.

If the DIAND regions in Alberta, for example, use existing funding levels to finance Northlands Agreement responsibilities, a significant portion of the potential favourable impact of the initiative will be lost.

2. Experience in Manitoba and Saskatchewan has revealed that to adequately implement the Indian Reserve Component requires additional resources in terms of staff and funding. These responsibilities will continue to grow as implementation escalates.

It is recommended that, in light of the importance and value of this program adequate staff resources and funding to support implementation be provided by:

- i) Approval of additional man years and funding,
or
- ii) The reallocation of resources from other program areas,
or
- iii) Approaching DREE with a request to second staff to
assist with implementation as a short term solution.

3. With sole financial responsibility for operations and maintenance relating to facilities installed with Northlands assistance, DIAND has an obligation to provide this funding. O & M costs are escalating rapidly as implementation activity gains momentum. It is estimated that by 1982, O & M represent an annual requirement of approximately \$1,500,000 in Saskatchewan, Alberta and Manitoba.

There is a clear need for extra funding for O & M. It was not the purpose of the Northlands Agreements that improvements to health and personal safety, should be financed at the expense of other important program areas.

If an extra allocation for O & M is not forthcoming, DIAND regions will have no alternative, but to restrict funding to other program areas. It cannot be envisaged that O & M funds for high cost water and sewer systems could be curtailed.

Consideration should be given to developing mechanisms to help Bands to assume more and more responsibility for carrying out O & M functions. These could be financed by treating bands like municipalities and providing them with funding which is specifically allocated to an O & M account.

4. The Long Term Northlands Agreements operate on a 5 year basis. Ideally block funding should be provided to permit the orderly implementation of projects over this period. This would obviate the difficulties encountered at year end, and the lapsing of funds which occurs on occasion. It is recognized that federal systems are based on an annual appropriation of funds and commitments cannot be made for longer periods of time.

However, it would facilitate the Northlands Program if capital and O & M funding could be segregated specifically for Northlands purposes, as discrete items in the regional appropriations.

5. Manitoba is into the 3rd year of the Long Term Agreement and engaged in an evaluation process. The Alberta and Saskatchewan Long Term Agreements make provision for evaluations, but despite some refinement in the proposed Saskatchewan Agreement, DIAND's role in the evaluation process lacks specificity. DREE and the provinces have the major responsibility for this area.

Because DIAND has a significant delivery responsibility for the Indian Reserve Component, DIAND should take the initiative in Alberta and Saskatchewan to define the evaluation process.

It will be to DIAND's advantage to define:

- when an evaluation takes place,
- the coverage, purposes and goals of the evaluation,
- the data base required,
- specific responsibility for conducting the evaluation and dealing with the results.

B. Regional Matters of Particular Interest to Alberta

1. An effective communications program at the band level must be developed to disseminate information re the Indian Reserve Component of Northlands, and to receive information re local priorities. The communication must be two way.
2. Comprehensive community planning should undergird the Northlands program and thus permit making rational choices within the ability of the Agreement to respond to local needs.
3. A prioritization mechanism must be established which involves input at the band level. Both Manitoba and Saskatchewan have made good progress in this area.
4. Evaluative criteria, based on research in the area of health and personal safety should be established prior to the consideration of the project applications.

5. The staging of projects throughout the Agreement will create a need for support in the areas of planning, design, supervision and administration. The requirements of DIAND to carry out these responsibilities should be forecast well in advance of the build up, and ideally, adequate DIAND support in terms of \$ and manpower will be made available to ensure the intended positive impact of the Agreement will reach the target population.
6. If geographic boundaries are a factor in the application of the Agreement, the boundaries should be fixed and remain unaltered during the term of the Agreement.
7. It is important to the proper functioning of the Agreement that if the RDG delegates to a senior staff person his responsibilities for the management of the Agreement, this staff person has adequate time to carry out these responsibilities and not be encumbered with other heavy responsibilities which could curtail the person's effectiveness. The person in DIAND with Northlands co-ordinating responsibilities must have the authority to execute these responsibilities.
8. Effective project control mechanisms must be put into place to avoid unauthorized project cost overruns.

9. A mechanism should be established which would serve to bring together DREE, DIAND, the province or territory and native representatives, to handle software delivery financing and other similar matters.
10. A separate management accounting system for Northlands should be set up. (Manitoba has made good progress in this area.)
11. Annual O & M requirements for the term of the Agreement should be forecast and built into annual operating budgets.

Appendix A

How the Evaluation was Conducted

At the commencement of the evaluation project, a Steering Committee comprised of representatives of headquarters and regions was struck. This Steering Committee proved to be effective in charting the course of the evaluation, enhancing co-operation and support, and providing reactions to the project findings.

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| Nov. 15-23/77 | Discussions with Program Evaluation staff members re project terms of reference and execution of contract #770113. |
| Dec. 8/77 | The consultant met in Winnipeg with project Steering Committee re the purpose of the project, and the benefits which were expected to accrue to the regions from the evaluation. Plans were made for follow-up contact with representatives of each region. |
| Jan.-Feb./77 | <p>The consultant gathered background data re the Northlands Agreements, progress reports, and related information. He held a series of meetings with individuals from DIAND and DREE in Saskatchewan, Manitoba and Alberta, and with the Northlands Management Committees in Saskatchewan and Manitoba.</p> <p>An evaluation of the Northlands Agreement-Indian Reserve Component was conducted and preliminary findings were prepared.</p> |

Mar. 8/78 A Summary of preliminary findings was presented to
 DIAND H.Q. staff representatives in Ottawa and a
 discussion re format and content of the report re-
 sulted in further direction being given to the
 consultant.

Apr. 6/78 A meeting was held in Winnipeg and the consultant pre-
 sented the Summary of preliminary findings to the project
 Steering Committee. At this meeting the participants
 discussed coverage, emphasis, and points which might
 be included in the report to add to its value were dis-
 cussed.

Apr. 21/78 A draft report was forwarded to the participants at the
 Winnipeg meeting. Reactions were requested.

May 30/78 Final report presented to DIAND H.Q. staff in Ottawa.

List of Contacts

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List of Contacts - Continued

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	Herbert Schultz
	William Henderson
Manitoba:	M I B
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Saskatchewan:	DIAND
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	Gaynel McCaw
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	Rabi Alam
	Members of Northlands Managers Committee

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Lee Pratt
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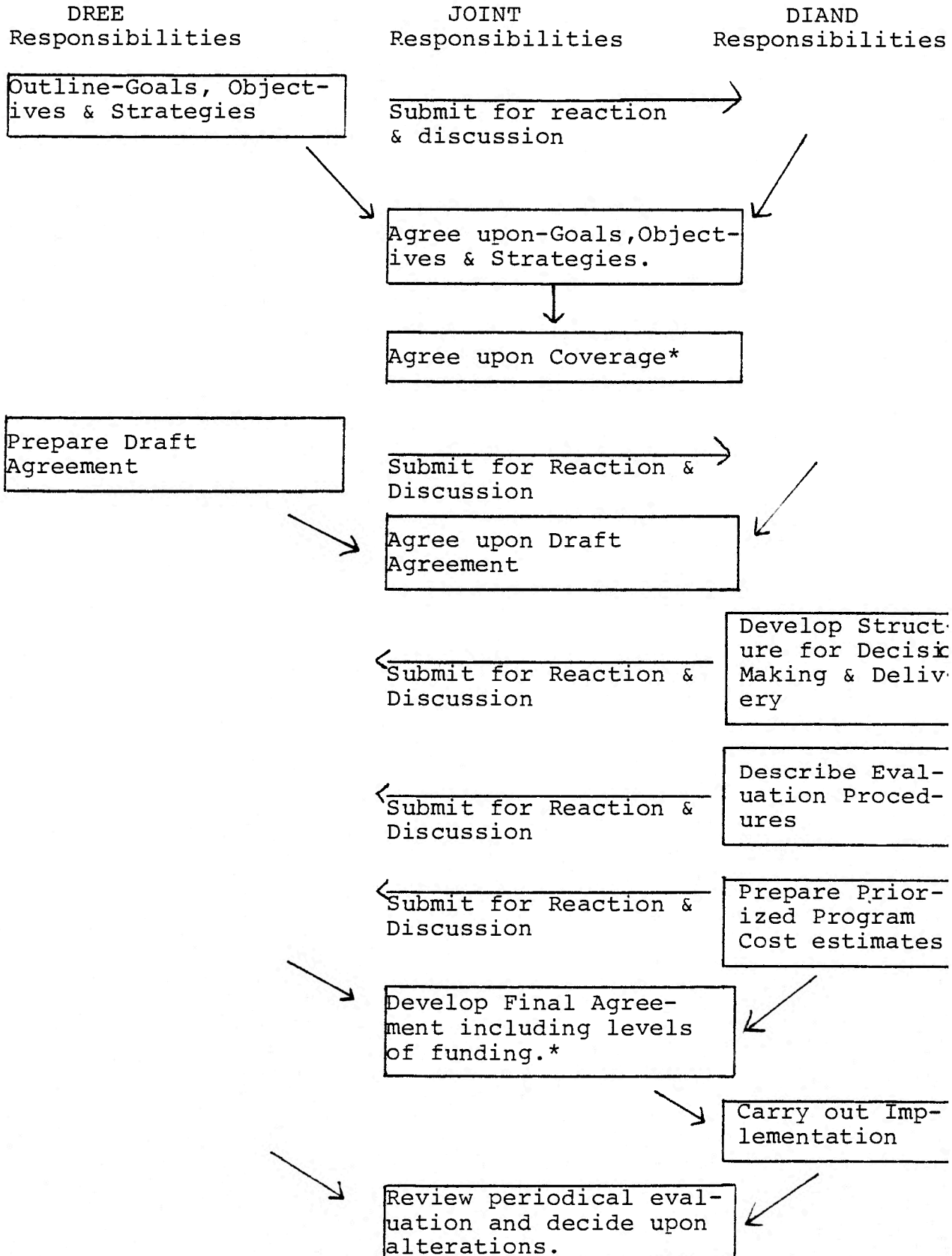
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Yukon: DIAND
Phil Fontaine
Bob Morin
Bob Inkpen

Appendix B

Model for Agreement Development Based on Northlands Agreement



*DREE consults with Province

Appendix C

Proposed Annual Review of Indian Reserve Component of the Northlands Agreement.

Preamble: DIAND has the responsibility for delivery of the program and it is in the Department's interest to initiate and carry out a vigorous annual review of the Indian Reserve Component.

The final format of the annual review should be jointly developed by Headquarters staff and the regions of Saskatchewan, Manitoba and Alberta. This will ensure comparability of approach and therefore enhance the usefulness of using the results for comparative purposes.

The annual review might include the following considerations:

1. Within 30 days of the end of the fiscal year that each DIAND region shall undertake a review of its involvement in the Northlands Agreements.
2. The review should be focused on:
 - (a) the effectiveness of the delivery system.
 - (b) the impact of the facilities provided on the target population.
 - (c) a comparison of the estimated costs of projects and the final costs, with a review of the reasons for differences.
 - (d) review of the operational effectiveness of the agreement in terms of the relationship between the participants.
 - (e) determination of areas of difficulty, if they exist, and recommended ways of handling or correcting these situations.

3. In anticipation of conducting annual reviews it will be necessary to detail the nature of the indicators which will be used to measure effectiveness in order than an appropriate record keeping and/or data base may be developed.
4. Consideration should be given to how best to involve bands in the review process and thus input data from the recipients of the intended benefits of the program.
5. Once the salient indicators have been agreed upon through consultation between Head uarters and region, DIAND region may be expected to take responsibility for record keeping.
6. Results of the review should be shared with DREE and the bands for their reaction and input.

Appendix D

NORTHLANDS STEERING COMMITTEE STRUCTURE - MANITOBA REGION, DIAND

The Manitoba Northlands Steering Committee reports to the Director of Operations, who is the DIAND contact with the DREE Implementation Officer in DREE's Manitoba Regional Office.

The Northlands Steering Committee is comprised of eight Program Managers, including:

1. the A.R.D. of Local Government
2. the A.R.D. of Education
3. the A.R.D. of Economic Development
4. the Regional Planner
5. the Program Development and Review Advisor
6. the Regional Engineering and Architectural Advisor
7. the A.R.D. of Social Development
8. the Assistant Regional Finance and Management Advisor

The Manitoba Indian Brotherhood have one representative on the Committee. This representative is one of the Vice-Presidents representing one of the M.I.B.'s northern regions.

Various other members of the Regional Office staff sit in on Committee meetings as observers.

The Committee is presently chaired by the Program Development and Review Advisor.

Secretariat services to the Northlands Steering Committee are provided by the Regional Planning Section.

The on-going activities of the Steering Committee include:

1. to make recommendations on the allocations of DREE/DIAND capital cost-shared on a 60/40 basis with the Department of Indian Affairs.
2. to prepare through the establishment of inter-program working committees and groups, criteria and guidelines to assist in the allocation of the Northlands capital.
3. to prepare annual progress reports on the Department's activities related to the Manitoba Northlands Agreement.

Since the formal establishment of the Committee in early 1977, some 37 Steering Committee meetings have been held. The frequency of meetings is approximately every two weeks or on an as-required basis.



Appendix E

Structure of Saskatchewan Northlands Management Arrangements

Woodbine Place
2332 11th Avenue
Regina, Saskatchewan S4P 2G7
May 16, 1978

William G. Brese
Wm. G. Brese and Associates Limited
Economic Consulting
909 10009 - 108 Street
Edmonton, Alberta
T5J 3H2

Your file *Votre référence*

Our file *Notre référence* 601/19-1-3

Dear Mr. Brese:

RE: Canada-Saskatchewan Northlands Agreement - Indian Component

The Indian component of the Canada-Saskatchewan long-term Northlands Agreement will be delivered, managed and evaluated through the following organizational process:

1. A Federal Regional Directors-General Committee involving DREE, DIAND, CEIC, CMHC, Health and Welfare and the Chief of the Federation of Saskatchewan Indians is currently functioning in Saskatchewan. While this committee has not been established as part of the coordinating mechanism for the Northlands Agreement, it will be used as a medium for this purpose. Delivery of Indian programs in the total perspective will be reviewed and the Northlands Program will be handled in the context of the total delivery system. This committee will deal with policy issues required to facilitate the northlands projects in an integrated framework. Through its membership, this body will advise the Saskatchewan Northlands Management Group with policy instructions. It will also assist Headquarters in the areas required from the Deputy Ministerial level and provide a feedback system to the Saskatchewan Indian community through the F.S.I. representative.
2. A Canada-Saskatchewan Northlands Management Group will consist of representatives of the co-signator federal departments of DREE, DOT, CEIC, DIAND, as well as the provincial Department of Northern Saskatchewan, and three other provincial government representatives. A Federal and a Provincial Chairman will be responsible for overall coordination of an annual work program providing for a review and reporting of progress and program impact and arranging for federal-provincial consultation. The federal co-chairman will be the Saskatchewan Director General of DREE. The federal chairman will act jointly with the representative of DIAND when considering the Indian Reserve development programs for approval. The Manpower Development Program will be reviewed by the Management Group for planning and coordination purposes.

Wm. G. Brese

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May 16, 1978

3. Implementation Secretariat - The Management Group will establish an Implementation Secretariat consisting of a federal and provincial administrator. The Secretariat will review and approve projects and sub-projects proposed under the annual work program approved by the Management Group. It will handle day-to-day administration of the Agreement. The administrators will provide the financial management of the provincial and federal aspects of the agreement. Projects requiring financial contributions from DIAND will require the joint federal approval of the federal administrator and the Intergovernmental Relations Officer of Indian Affairs. The Secretariat will establish sub-committees as required.
4. District Planning Team - For the Indian component of the Canada-Saskatchewan Northlands Agreement, DIAND will initiate a public information and consultation program through the establishment of program review committee at the Band level. The Indian Affairs Program review will be the direct responsibility of the District Planning Committee composed of the District Chiefs, the District Engineer, the District Manager, Regional Planner and the District Financial Advisor. The District planning team will be responsible for the management and operation of the Northlands projects planned for the individual Bands. The Program review and assessment will be handled systematically according to a format agreed to by DREE and Indian Affairs. The joint plan provides for a regular monitoring of program performance in support of annual program planning. Performance will be reported twice yearly in the form of a progress report. In addition, an assessment of program impact vis-a-vis objectives will be undertaken according to a phased schedule covering years two to five of the agreement.
5. Band Planning Committees - Each participating band under the Canada-Saskatchewan Northlands Agreement will establish planning committees to participate in planning and delivery of the programs on the reserve. The Committee will also be involved in the on-site construction-management process along with Indian Affairs, DPW or other technical personnel. The planning committee will be composed of the Chief, a planning coordinator and some councillors, as well as interested members of the community. The planning committee will recommend the process of on-site delivery to the District planning team as well as the District Manager.

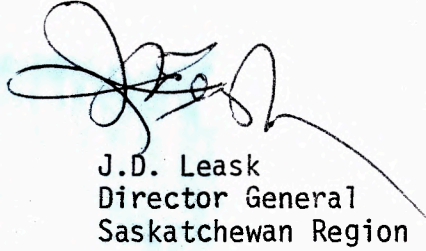
The Indian community will be given the opportunity by the overall Canada-Saskatchewan Northlands Management Group to appoint a representative to the Program Evaluation and Review Committee (total Federal-Provincial Agreement). In this regard, I quote from the Agreement which states "a group comprised of local government representatives and other representatives of northern residence which may include Indian and native associations will be established for evaluation and review purposes."

W.G. Brese

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May 16, 1978

I trust that these comments will help you to develop a demographic illustration of the implementation strategy that we plan for the Indian component of the Canada-Saskatchewan Northlands Agreement.



J.D. Leask
Director General
Saskatchewan Region

cc W.B. Herringer
N. Mitchell
P. Woods
J. Whitehawk
R. Alam