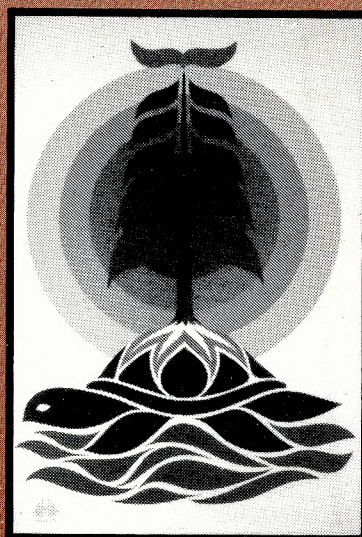
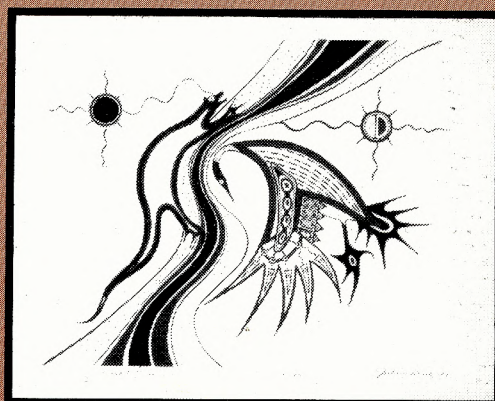




Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

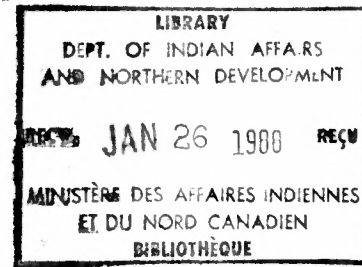


**DEVOLUTION OF THE NORTHERN AFFAIRS
ON-THE-JOB TRAINING PROGRAM**

August 1987

E96
H83
c.1

Canada



Report submitted to the
Departmental Audit and Evaluation Committee



LIBRARY - BIBLIOTHÈQUE

E96 H83 c.1
Hubert, Andre.
Devolution of the Northern
Affairs on-the-job training

10-482 (1-88)

DEVOLUTION OF THE NORTHERN AFFAIRS
ON-THE-JOB TRAINING PROGRAM

August 1987

Prepared by:

**André Hubert
Evaluation Directorate
Executive Support Services
Department of Indian & Northern Affairs Canada**

Table of Contents

	<u>Page</u>
EXECUTIVE SUMMARY	(i)
SOMMAIRE	(ii)
1. PURPOSE OF REPORT	1
2. BACKGROUND	1
3. REVIEW OF DEVOLUTION POTENTIAL BY NORTHERN PROGRAM	1
3.1 Exchange of letters	2
3.2 Consultation with territories and native organizations	2
4. OPTIONS UNDER CONSIDERATION	3
4.1 Immediate devolution to territorial governments	3
4.2 Transfer of program administration to native organizations	4
4.3 Transfer to the PSC and CEIC	4
4.4 Status quo	5
4.5 Termination of program	6
5. CONCLUSIONS	6
6. RECOMMENDATION	7
APPENDICES	
1. Letter from the Associate Deputy Minister, North	
2. Reply from Mr. Ganske, Director General, Yukon Region	
3. Reply from Mr. Daniels, Regional Director, Yukon Region	
4. Reply from Mr. Macpherson, Director General, NWT Region	
5. Reply from Mr. Chilton, Regional Director, NWT Region	

EXECUTIVE SUMMARY

Background

In March 1987, the Departmental Audit and Evaluation Committee (DAEC) asked Northern Affairs to review whether responsibility for the Northern On-the-Job Training Program (OJT) could be devolved and asked the Evaluation Directorate to report on this matter.

OJT is delivered by INAC regional offices in Yukon and Northwest Territories. It has a budget of approximately \$450,000 per region per year. Current authority for the program expires on March 31, 1988.

Status of the review

In May 1987 the Associate Deputy Minister (North) wrote to the senior managers of the two regions to seek their views on the devolution of the OJT program. In his letter, he indicated his belief "that the program could be quite successfully melded with current programs of the Territorial Governments".

In their replies to Mr. Gérin, the Regional Directors General concurred that the OJT program could be devolved successfully to their respective territorial governments, provided two key concerns were addressed in the process: (i) stable funding for the program should be sought, and (ii) native organizations should be consulted. To date, no discussions have been held with either the territorial governments or the native organizations on a possible transfer of responsibility for OJT.

Conclusions

Considering the regional replies and other background information, this report concludes that:

1. If feasible, devolution to the territorial governments is the best course of action.
2. The status quo (INAC delivery) for an additional three-year period remains a defensible option only if devolution is not feasible now.

SOMMAIRE

Contexte

En mars 1987, le Comité de vérification et d'évaluation du Ministère a demandé au Programme des Affaires du Nord d'examiner si le programme de Formation en cours d'emploi des Affaires du Nord (FCE) pouvait être l'objet d'un transfert de responsabilité (ou "dévolution") et il a requis la Direction de l'évaluation de faire rapport à ce sujet.

Le programme FCE est mis en oeuvre par les bureaux régionaux du Ministère au Yukon et dans les Territoires du Nord-Ouest. Il comporte un budget d'environ 450 000 \$ annuellement pour chacune des deux régions. L'approbation courante pour le programme se termine le 31 mars 1988.

Etat de l'examen

En mai 1987, le Sous-ministre associé (Nord) a écrit aux cadres supérieurs des deux régions afin d'obtenir leurs vues au sujet du transfert de la responsabilité du programme FCE. Dans sa lettre, il indiquait qu'il croyait que "le programme pouvait être fusionné avec succès aux programmes actuels des gouvernements territoriaux".

En réponse à M. Gérin, les deux Directeurs généraux des régions ont exprimé leur accord à l'effet que la responsabilité du programme FCE pouvait être transférée avec succès à leur gouvernement territorial respectif, pourvu que deux préoccupations majeures soient considérées dans cette démarche, à savoir : qu'on devrait rechercher un financement stable pour le programme et que les organisations autochtones devraient être consultées. A ce jour, aucune discussion n'a eu lieu avec les gouvernements territoriaux ou avec les organisations autochtones à propos d'un transfert possible du programme FCE.

Conclusions

Considérant les réponses des régions et d'autres informations de base, le présent rapport parvient aux conclusions suivantes :

1. S'il s'avère réalisable, le transfert de responsabilité aux gouvernements territoriaux est la meilleure option.

(iii)

3. Transfer of program administration to native organizations should be carefully considered, but there appear to be numerous uncertainties associated with this option.
4. Transfer of responsibility for OJT to the Public Service Commission (PSC) and the Canada Employment and Immigration Commission (CEIC) is the least satisfactory option.

Recommendation

It is recommended that the Northern Affairs Program initiate discussions with the territorial governments and native organizations to determine the extent of their interest in devolving responsibility for the OJT program to the territories at its current level of funding.

If the result of these discussions is positive, a submission to Treasury Board requesting authority to devolve the program to the territorial governments as part of territorial formula funding should be prepared.

2. Le statu quo, soit la mise en oeuvre par le MAINC, pour une période additionnelle de trois ans demeure une option défendable seulement si le transfert de responsabilité n'est pas réalisable en ce moment.
3. Le transfert de l'administration du programme à des organisations autochtones devrait être considéré attentivement mais de nombreuses incertitudes paraissent affecter cette option.
4. Le transfert du programme à la Commission de la Fonction publique (CFP) et à la Commission de l'Emploi et de l'Immigration du Canada (CEIC) est l'option la moins satisfaisante.

Recommandation

Le rapport recommande que le Programme des Affaires du Nord entreprenne des discussions avec les gouvernements territoriaux et les organisations autochtones afin de déterminer leur degré d'intérêt à l'égard du transfert aux gouvernements territoriaux de la responsabilité du programme FCE, à son niveau actuel de financement.

Si le résultat de ces discussions s'avère positif, une présentation au Conseil du Trésor demandant l'autorisation de transférer le programme aux gouvernements territoriaux dans le cadre du financement par formule devrait être préparée.

DEVOLUTION OF THE NORTHERN ON-THE-JOB TRAINING PROGRAM

1. PURPOSE OF REPORT

An evaluation of the Northern OJT program was reviewed by DAEC in March 1987. The evaluation recommended that OJT be continued at its current level of funding. DAEC decided that Northern Affairs should review whether responsibility for the OJT program could be devolved and that Evaluation Directorate should prepare a report on this matter.

2. BACKGROUND

The OJT program operates in Yukon and Northwest Territories. It provides northern natives with an opportunity to develop their skills and acquire permanent employment through on-the-job training in the public, voluntary or private sector.

Since 1983 the program has been administered by INAC's regional offices in Yellowknife and Whitehorse. It operates with a budget of approximately \$450,000 per region per year, allowing for the training of about 60 persons annually in each region. Last year's evaluation concluded that the program is quite effective and recommended that OJT be continued at its current level of funding.

The program funds come from the departmental A base budget. However current authority for the program expires on March 31, 1988. The evaluation was conducted last year because Treasury Board had advised the department that any extension of the program after that date would be reviewed in the context of the department's policy on transfer of program responsibilities to the territories and in the context of the Nielsen Task Force recommendations with respect to the program.

3. REVIEW OF DEVOLUTION POTENTIAL BY NORTHERN PROGRAM

As directed by DAEC, Northern Affairs initiated a review of the devolution potential of the OJT program.

3.1 Exchange of letters

In May 1987, the Associate Deputy Minister (North) wrote to the senior managers of the two regional offices seeking their views on devolution of the OJT program. In his letter, the Associate Deputy Minister stated that he believed the program "could be quite successfully melded with current programs of the Territorial Governments".

In their replies to Mr. Gérin, the Regional Directors General agreed that responsibility for the OJT program could be devolved successfully to their respective territorial governments. However, they raised some concerns:

1. Given that current authority for the program expires at the end of this fiscal year, both Regional Directors General pointed to the need to ensure continued funding for OJT when contemplating its transfer to the territorial governments. More specifically, Yukon Region recommended that "this action be taken only if we can guarantee A base funds so it can form part of the normal formula funding program."
2. In addition, given the views of Yukon Indians on devolution, Yukon management mentioned the need to involve the Council for Yukon Indians in any discussions regarding a possible transfer of the program to the Yukon government. This concern was not raised in the replies from the Northwest Territories regional office.

3.2 Consultation with territories and native organizations

To date no discussions have been held with either territorial governments or native organizations concerning a possible transfer of the OJT program. As a result, their views on this proposal are not known.

4. OPTIONS UNDER CONSIDERATION

Before contacting the territories and/or native organizations, the Northern Program is considering the following options:

4.1 Immediate devolution to territorial governments

This option is consistent with the department's general policy on devolution in the North. The policy promotes an orderly transfer of program responsibilities to the territorial governments in accordance with mutually acceptable criteria and schedules and with the participation of native organizations. Devolution of the OJT program would give increased recognition to the existing responsibilities of territorial governments with respect to education and training. In order for devolution to proceed, however, A-base funding must be provided.

If transferred to the territorial governments, the OJT program is likely to be at least as effective, if not more effective, than it is now. This is because it could take advantage of existing structures within the territorial governments and benefit from linkages with current territorial programs (e.g., the new Yukon affirmative action program for natives and the existing N.W.T. on-the-job training program) and related initiatives (e.g., the Arctic College). If the transfer to the territorial governments is accomplished through an appropriate and agreed adjustment to the territorial formula financing program, this would constitute a stable form of funding for the OJT program, further enhancing the likelihood of its continued success.

This option also represents an effective means for the department to withdraw from this area of training. Finally, it is an option that corresponds closely to the directions given by the Treasury Board regarding the future of the program.

Transferring the program to the territorial governments could be perceived by native leadership as foreclosing the possibility that native organizations could assume control over this program area at a future date. In the case of the G.N.W.T., there is an understanding that

consultation on this type of issue should occur. This highlights the need to consult the native leadership should this option be pursued.

4.2 Transfer of program administration to native organizations

Responsibility for program delivery could be transferred to native organizations in both territories. Under this option, the department would retain ultimate responsibility for the program, although the services would be delivered by native organizations under contribution agreements. In the case of the OJT program, such an arrangement already exists for serving the Inuit of Northern Québec.

The transfer of program administration to native organizations offers some advantages, particularly with respect to involving native people in the delivery of services and allowing for some withdrawal of the department from the training area.

However, the department would still have to maintain an involvement in the area, both to ensure a successful transition in the delivery arrangement and to monitor compliance with the contribution agreements.

This second option might not be feasible in the immediate future. Devolution of this program must be considered also, in conjunction with ongoing land claims negotiations. Yukon Region reported that identifying a suitable native organization that could effectively manage a program such as OJT could be difficult at this time. In NWT, money would have to be divided among several organizations, raising the possibility of an inefficient fragmentation of the program's small resources.

4.3 Transfer to the Public Service Commission and Employment and Immigration Canada

In April 1985, the Nielsen Task Force suggested that "the program could be transferred to the PSC for federal and territorial trainees, and to CEIC for private sector trainees".

Transferring OJT to other federal agencies would not be consistent with the department's policy on devolution. Last year's evaluation noted that "consolidating the program with CEIC and PSC would eliminate its special features unless the other programs were changed". This is because the target clientele and eligibility criteria for CEIC and PSC programs are different from those of OJT. As it stands, the OJT program is complementary to and does not overlap with PSC and CEIC programs.

Given the size of the OJT program (less than \$1 million in total for the two regions), it is not a very attractive candidate for transfer from the perspective of the PSC or CEIC. In fact, prior to the current extension of the program, discussions with the PSC about transferring OJT to the Commission took place, but in the end the Commission declined to accept the program.

Assuming that these agencies would have to deliver approximately the same level of service if they accepted responsibility for the program, there are no appreciable savings to be gained by the government as a whole through a transfer.

In summary, consolidating the OJT program with PSC and CEIC programming would appear to mean disrupting a demonstrably effective arrangement in one federal department only to recreate a more or less equivalent initiative in two other federal agencies. The option therefore offers no advance from a "devolution" policy standpoint, no gain in economy for the government as a whole, and some risk of reduced effectiveness in program delivery and service to the clientele. At the same time, some extra costs would be incurred in the process of transferring this small program from INAC to the PSC and CEIC.

4.4 Status Quo

There is general agreement that the best option available to Northern Affairs at this time is to devolve responsibility for the OJT program to the territorial governments. However, should this option not prove feasible, the status quo - that

is, INAC continuing to manage and deliver the program - would constitute a defensible fall-back position for the department.

In fact, the status quo is a superior option relative to transferring the program to the PSC and CEIC. It is on a par with the option of immediately transferring OJT administration to native organizations, given the uncertainties in terms of feasibility and effectiveness surrounding this latter option.

The status quo would be defensible in a Treasury Board submission on the following grounds: that the continuing need for this type of service is not in question, that OJT as currently delivered by INAC was found to be effective in a recent evaluation, and that, failing program devolution, for the time being there is no satisfactory alternative to INAC delivery.

4.5 Termination of program

Termination of the OJT program at the end of this fiscal year, while a possibility, is not under active consideration. The program is successful, and there has been no indication to date from senior management that the continued availability of this kind of service in one form or another to northern natives is not going to be supported by the department.

5. CONCLUSIONS

Based on a review of the available information, two conclusions are to be drawn:

1. From the information provided by regional management, it appears feasible to devolve responsibility for the OJT program to the territorial governments.
2. From our analysis of the advantages and disadvantages of the various options available, the following ranking of the options emerges:

1. If feasible, devolution to the territorial governments is the best course of action.
2. The status quo (INAC delivery) for an additional three-year period remains a defensible option only if devolution is not feasible now.
3. The transfer of program administration to native organizations should be carefully considered, but there appear to be numerous uncertainties associated with this option.
4. The transfer of OJT to the PSC and CEIC is the least satisfactory option.

6. RECOMMENDATION

It is recommended that the Northern Affairs Program commence discussions with the territorial governments and native organizations to determine the extent of their interest in devolving the OJT program to the Territories at its current level of funding.

If interest is high enough, or if interest is conditional on continued funding, this should be reflected in a submission to Treasury Board. The submission would request authority to devolve responsibility for the program to the territorial governments as part of territorial formula funding.

APPENDICES

MAY 14 1987

Mr. A. E. Ganske
Regional Director General
Yukon Region
Northern Affairs
200 Range Road
WHITEHORSE, Yukon Territory Y1A 3V1

and

Dr. E. R. Daniels
Indian and Inuit Affairs
P.O. Box 4100
WHITEHORSE, Yukon Territory Y1A 3S9

D.G. (2)
Dir. (2)
Originator
Return Rm. 943
Staff Flimsy
D.G. Floater File
Hold
P.A.

Dear Mr. Ganske and Dr. Daniels:

On-the-Job Training

The departmental Audit and Evaluation Committee recently reviewed the Northern On-the-Job Training Evaluation produced by the Evaluation Directorate and is seeking a position from the Northern Program on whether or not on-the-job training can be devolved. I am writing to seek your views on devolution of the training program which is administered from your office. As you know, the recent evaluation by the Evaluation Directorate found the program to be quite successful. The study suggested that the program was not a high priority for devolution and that native organizations might wish to assume responsibility for it to meet their respective needs and the training needs of native people.

I personally think that the program could be quite successfully melded with current programs of the Territorial Government. Be that as it may, I consider your viewpoint to be critical in terms of reaching a decision on devolving the program.

The Committee is seeking a response by mid-June. May I have your input by the end of May so a collective response can be made to the Committee.

Yours sincerely,

ORIGINAL SIGNED BY
JACQUES GÉRIN
A SIGNÉ L'ORIGINAL

Jacques Gérin

c.c. F. R. Drummie

D. Bissett/sh08
May 5/6, 1987
Document:0597a

G/133480



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Northern Affairs Program
200 Range Road
Whitehorse, Yukon
Y1A 3V1

19 June 1987

Jacques Gérin
Associate Deputy Minister, North
8th Floor
Dept. Indian Affairs & Northern
Development
Ottawa, Ontario
K1A 0H4

On the Job Training Program


This is in reply to your memorandum concerning whether or not the On the Job Training Program can be devolved.

First it should be noted that the On the Job Training Program is not an A base Program. It is reviewed periodically by the Treasury Board and the next review of the OJT Program is scheduled for March 1988.

In the Yukon the OJT Program has one person year and an O & M budget of \$420,000. The Program also employs two full time term employees. These term employees are funded through person year lapses elsewhere in the regional Northern Affairs Program and therefore could not be transferred with the OJT Program.

The OJT Program in the Yukon is a highly successful Program and we would recommend for the continued success of the OJT Program, that it be transferred to an area that could continue to receive A base funding. The OJT Program in the Yukon can be devolved, however, we are concerned about the timing of such a devolution. If the OJT Program was devolved to the Federal PSC it is felt that this could be accommodated in a year. If the OJT Program was devolved to the YTG we would recommend that this action be taken only if we can guarantee A base funds so it can form part of the normal formula funding program. I do not like the idea of transferring a program which requires YTG to approach the federal government from time to time 'cap in hand' for renewal of funding. This also has the undesirable effect of keeping us in the business of training (albeit at arms length).

John Doyle has advised Don Bissett and I apologize for the delay in replying.


A.E. (Joe) Ganske
Director General
Yukon Region

Canada

JUN 25 1987

21/2

G139083

Jessie
McIntyre

R. Stan
cc S. Scutti

Your file Votre référence

Our file Notre référence



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

25 May 1987

Jacques Gérin
Associate Deputy Minister - North
Indian & Northern Affairs
Ottawa, Ontario
K1A OH4

On-the-Job Training Program

On the question of devolution of this program (your memo, May 14, 1987), two points should be considered.

1. Program devolution general - The Chiefs Advisory Board (CAB), at their last full meeting (April 14 & 15, 1987) recommended that all further discussions about devolution of specific programs be handled under the direction of Mike Smith, Chairman, Council for Yukon Indians (CYI) and in conjunction with the Land Claims process. I have offered the possibility of using some of the Regional consultation funding for this process.
2. Program devolution to other governments/agencies - In spite of the fact that it had been discussed earlier with CAB, there was a strong negative reaction to the transfer of the Engineering & Architecture functions to Public Works Canada (PWC). As predicted, Chiefs saw this as an "end run" around the devolution process and, despite the wording in the MOU with PWC, do not believe that E&A responsibilities now will ever be available for them to manage at some future date. They tend to regard potential transfer to the YTG in a similar light.

From the standpoint of the above, we have the choice between two possible strategies:

- a) we could discuss the question with the CYI/CAB; or
- b) we could discuss it jointly with the CYI/CAB and the YTG.

I would certainly advise against raising the possibility with the YTG before involving the CYI/CAB.

..cont'd/

Canada

R. Han *vin slay*
↓
Jesse / Don R
Your file Votre référence
Our file Notre référence
E2175-5
REC'D PAR
SM ASSOCIÉ(NORD)
Services au Programme
G/136620
JUN 2 1987

REC'D BY
ASSOCIATE DM(NORD)
Corporate Services

JUN 3 1987
G/136620

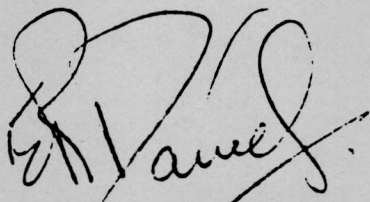
J. Gérin
25 May 1987
/2..

As part of that initial discussion, it would be essential that we are able to clearly describe (a) what the program is, (b) what is involved in its administration, (c) what would be expected in terms of its ongoing operation, (d) any restraints which might be placed upon it, and (e) most importantly, what resources would accompany its transfer.

We might also consider including in this discussion either the evaluation study report itself or a suitable précis of its findings and recommendations.

I would mention that, within the Indian Program, one of the problems we are having with devolving further programs to Indian administration is that of identifying a suitable body which could effectively manage centralized programs of this nature (e.g. the Urban Intake program of Social Development; Post-Secondary Assistance). Tribal Councils do not seem to be an acceptable structure for multi-Band administration. We are, however, investigating the possibility of an administrative arm of the CYI which would be acceptable as a non-political organization to whom such centralized program administration could be devolved.

This item has been discussed with Mr. Ganske by telephone and I understand that he is prepared to run this transfer possibility past the CYI to see if there might be any interest in the proposition.



Dr. E.R. Daniels
Regional Director
Indian & Inuit Affairs
P.O. Box 4100
Whitehorse, Y. T.
Y1A 3S9

cc: 1) Mr. A.E. Ganske, RDG, NAP, Yukon Region
2) F.E. Craig; Director, Exec. Secretariat, DIA, Yuk. Reg.

ERD/dg



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

P.O. Box 1500
Yellowknife, N.W.T.
X1A 2R3

May 29, 1987

Jacques Gérin
Associate Deputy Minister, North

On-the-Job Training Program

This is in response to your letter of May 14 concerning the suggested transfer of the above mentioned program.

I agree that the program could quite successfully be melded with current programs of the Government of the Northwest Territories and their strong native employment policy would facilitate placement of the trainees upon completion of their training program. I understand, however, that funding for this program is re-negotiated with the Treasury Board on a three-year cycle and the next submission is due this fiscal year.

Although the audit required by the Treasury Board was completed and the program found to be successful, continued funding may be questionable.

Andrew Macpherson
Director General
N.W.T. Region
Northern Affairs Program

→ Mr. Stagg

Your file / Notre référence

Our file / Notre référence

seen by:
Jessie / Dan
John 4/6/87
copy attached.



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Indian & Inuit Affairs
NWT Region

June 01, 1987

R. Ryan
Stacy
Your file Votre référence
Jessie / Dan
Your file Votre référence
J 4/6/87
E-1001-1
E-4785-2-2

Jacques Carin
Associate Deputy Minister (North)

Re: On The Job Training

Since I am not totally aware of the program and how it relates to our program, I have consulted with my staff.

We feel that the program is very successful and can, as you stated in your letter, be transferred to the CNWT and benefit through linking with the Arctic College.

Sincerely

Pat Chilton
Regional Director

Canada

JUN 3 1987

G136632

G136632