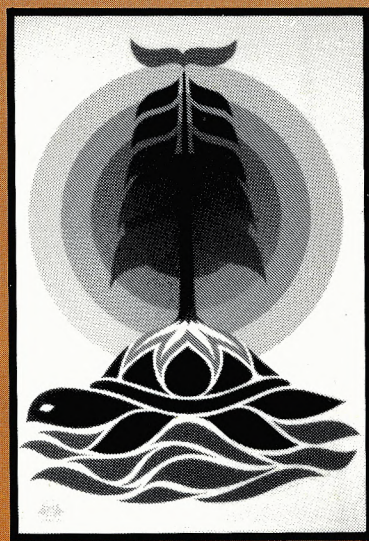
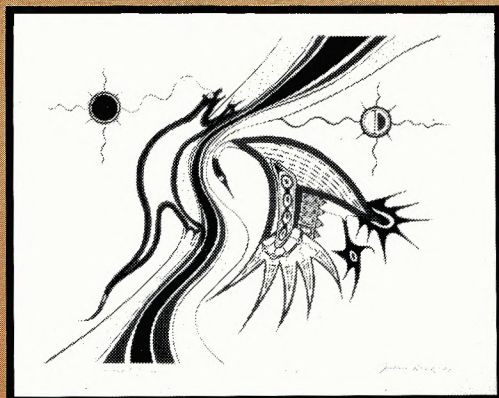




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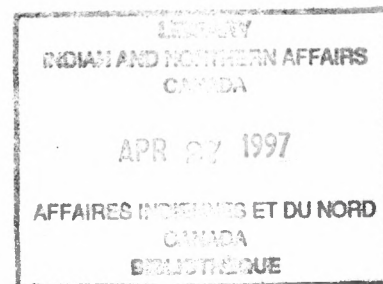
VOLUME II

APPENDICES TO THE EVALUATION OF THE LONG-TERM IMPACTS OF ALTERNATIVE FUNDING ARRANGEMENTS

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Canada

**Evaluation Directorate
Corporate Services Sector
Department of Indian Affairs and Northern Development**



VOLUME II

**APPENDICES TO THE EVALUATION
OF THE LONG-TERM IMPACTS OF
ALTERNATIVE FUNDING ARRANGEMENTS**

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**Evaluation Directorate
Policy and Consultation Sector
Department of Indian Affairs and Northern Development**

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APPENDICES

Annex 1 Selection of First Nations and Tribal Councils To Be Interviewed

1. INTRODUCTION

1.1 Purpose of the Report

As part of the evaluation of the long-term impacts of Alternative Funding Arrangements, telephone and in-person interviews were conducted with representatives of First Nations from across Canada. This report includes a description of the methodologies undertaken, and presents the detailed findings of the interviews.

1.2 Methodology

1.2.1 Selection of Interviewees

The Bands and Tribal Councils selected fell into one of four categories. The categories were divided up as follows according to participation or non-participation in AFA and the duration of participation:

Category 1 consists of Bands and Tribal Councils that have had an AFA Agreement for a period of three years or longer. Fifty percent (50%) of the total number of Bands and Tribal Councils satisfying this criterion were selected.

Category 2 consists of Bands and Tribal Councils that have had an AFA Agreement in place for less than three years. Twenty-five percent (25%) of the total number of Bands and Tribal Councils satisfying this criterion were selected.

Category 3 consists of Bands and Tribal Councils that do not yet have an AFA Agreement in place but are currently in the process of entering into one. Ten percent (10%) of the total number of Bands and Tribal Councils satisfying this criterion were selected.

Category 4 consists of Bands and Tribal Councils that do not have an AFA Agreement in place and are currently not in the process of entering into one. Ten percent (10%) of the Bands and Tribal Councils satisfying this criterion were selected.

Once all of the Bands and Tribal Councils had been assigned to one of the four categories, a systematic random sampling method was used to select the Bands and Tribal Councils to be interviewed. The proposed sample was distributed to all of the Regional Offices for input before the list was finalized.

Annex 1 of this report presents the number of Bands and Tribal Councils selected by region, and provides the names of the Bands and Tribal Councils that were contacted for interviews.

1.2.2 Selection Rationale

The "length of agreement" variable used to select the Bands and Tribal Councils (in Categories 1 through 3) to participate in the interviews ensured that a sampling of opinions of parties involved in various stages of the process were obtained. Random selection ensured that the selected samples were not skewed in favour of any variables.

1.2.3 Interview Guides and Criteria

To ensure that consistency of data and fair treatment of interviewees, and to prevent interviewer bias from prejudicing results, three standard interview guides were utilized. The interview guide for Category 1 & 2 (combined) consisted of 24 questions, the guide for Category 3 had 17 questions, and the guide for Category 4 had 14.

Each respondent was provided with a standard explanation and introduction of intent. The introduction identified the program being evaluated, the fact that participation was completely voluntary, and the fact that responses were strictly confidential.

Individuals who declined to participate were recorded as such. A standard "cut-off" of three attempts per interviewee was utilized. Interviewees who could not be reached following three attempts were recorded as "N/A" (Not Available).

1.2.4 Response Rate

A summary of the interviews selected and completed is outlined below:

TOTAL INTERVIEWEES SELECTED:	<u>107</u>
TOTAL INTERVIEWS COMPLETED:	73
TOTAL REFUSALS:	12
TOTAL "NOT AVAILABLE":	22

Overall, the response rate is 68.2%. For First Nations with an AFA, the response rate was 81%, while for those without an AFA the response rate was 61.5%. The response rate for those First Nations in the process of obtaining an AFA, the response rate is 54%.

2. INTERVIEW RESULTS

2.1 Results From Categories 1 & 2 (AFA In Place)

I. INITIAL INFORMATION AND IMPLEMENTATION PROCESS

Question 1: Why did you originally decide to participate in AFA?

Flexi bility	Secure d Funds	Facilitat ion of Long- Range Plannin g	Step to Self- Governme nt	Increase d Autono my	Signi ng Bonu s	Reduce d Reporti ng	Improved Managem ent
23	4	6	3	4	1	2	1
68%	12%	18%	9%	12%	3%	6%	3%

Question 2: Given what you now know about AFA, do you feel you were provided with enough information about AFA before entering the agreement?

Yes:	20	No:	9	Other:	5	TOTAL	34
	59%		26%		15%		100%

Question 3: What would be the ideal way to present AFA to Bands and Tribal Councils?

Actual:	18	Other:	10	N/A:	6	TOTAL	34
	53%		29%		18%		100%

COMMENTS:

- AFA should be "more realistically presented"
- More information on costs and benefits of AFA and less "selling"

Question 4: In general, how do you feel about this funding mechanism?

Very Positive: 6	Positive: 24	Negative: 1	Very Negative: 0	TOTAL: 34
17%	71%	3%	0%	100%

Question 5: How was the implementation of your agreement?

Straightforward: 25	Difficult: 6	Other: 3	TOTAL: 34
74%	17%	9%	100%

Question 6: Could the AFA implementation process be improved?

Yes: 16	No: 14	Other: 4	TOTAL 34
47%	41%	12%	100%

SUGGESTIONS:

- More assistance with the transition from CFA to AFA, particularly in terms of funds and consultant expertise for preparing and training staff
- Better information and communications with the Department

Summary of Responses Pertaining to Section I (Initial Information...)

The dominant reason for entering into an AFA is the increased flexibility that it offers over CFA. The majority of the participants interviewed (88%) feel generally positive about AFA and nearly 75% stated that the implementation of their AFA was "straightforward".

However, only half of the respondents felt that the information on AFA was presented in the ideal way and nearly half (47%) stated that the implementation process could be improved. Common areas identified as needing improvement were information and communications (more basic cost/benefit data on AFA and better communications as to what expectations and procedures are) and transition assistance (more consulting and funds to facilitate that transition from CFA to AFA).

II. RENEWAL

Question 7: Did you consider not renewing your AFA agreement after the previous one expired?

Yes:	11	No:	18	Other:	5	TOTAL	34
	32%		53%		15%		100%

Question 8: How do you feel about the renewal process?

Very Positive:	Positive:	Negative:	Very Negative:	Other:	TOTAL:
0	7	1	0	24	34
0%	21%	3%	0%	70%	100%

Question 9: Could the renewal process be improved?

Yes:	10	No:	0	Other:	24	TOTAL	34
	30%		0%		70%		100%

Summary of Responses Pertaining to Section II (Renewal)

The majority of the respondents (53%) are planning to renew their AFA. Most of those that may not renew cited their desire to move to Self-Government as the reason. A few other Bands felt they could negotiate better agreements by going back to CFA.

Ten of the eleven respondents who had gone through the renewal process felt that it could be improved. Many were frustrated with the "take-it-or-leave-it" nature of the renewal package. They stated that the Department should be more willing to negotiate funding or modifications with individual Bands who had proven their capability of designing and delivering innovative programs.

III. MANAGEMENT CAPACITY AND PROGRAM DELIVERY

Question 10a: Are you currently utilizing the enhanced flexibility of AFA in financial management?

Yes:	29	No:	2	Other:	3	TOTAL	34
	85%		6%		9%		100%

Question 10b: Are you currently utilizing the enhanced flexibility of AFA in program management?

Yes:	29	No:	2	Other:	3	TOTAL	34
	85%		6%		9%		100%

Question 11: Are there any impediments to the use of this flexibility?

Yes:	20	No:	11	Other:	3	TOTAL	34
	59%		32%		9%		100%

IMPEDIMENTS:

- Lack of funding;
- Lack of funds and expertise to train staff and develop new programs and policies;
- Minimum Program Requirements;
- Lack of information on how other Bands have used AFA flexibility

Question 12a: As a result of AFA, has there been any change in your Band's (Tribal Council's) organizational structure?

Yes:	13	No:	18	Other:	3	TOTAL	34
	38%		53%		9%		100%

Question 12b: As a result of AFA, has there been any change in your Band's (Tribal Council's) management capacity?

Increased: 16	Decreased: 2	No Change: 16	TOTAL: 34
47%	6%	47%	100%

Question 12c: As a result of AFA, has there been any change in your Band's (Tribal Council's) human resources?

Increased: 13	Decreased: 2	No Change: 19	TOTAL: 34
38%	6%	56%	100%

Question 12d: As a result of AFA, has there been any change in your Band's (Tribal Council's) program design?

Improved: 25	Worsened: 1	No Change: 8	TOTAL: 34
74%	3%	23%	100%

Question 12e: As a result of AFA, has there been any change in your Band's (Tribal Council's) program delivery?

Improved: 25	Worsened: 1	No Change: 8	TOTAL: 34
74%	3%	23%	100%

EXAMPLES OF THE USE OF AFA FLEXIBILITY*

Develop own social programs
Set up own school
Improve water and sanitation
Start up new economic development projects
Develop cultural programs such as re-unions, elders conferences and traditional schooling
Build new gymnasium
Cover short-term deficit in education
Increase post-secondary funding
Improve and increase housing
Improve service delivery by hiring and training more staff
Build rental cottages
Use surpluses from Education to improve Health programs
Implement a system of gathering community input for program development
Set up own Social Assistance policies and programs and incorporated job training and placement into Social Assistance
Begin setting up own police force

*According to interviewees, most of these initiatives could not have been undertaken under CFA.

Summary of Responses Pertaining to Section III (Management Capacity and Program Delivery)

Greater than half of the respondents (59%) stated that there are impediments to the use of AFA flexibility. The two biggest and most frequently mentioned impediments are under-funding and the lack of transition assistance. No matter how much flexibility AFA provides on paper, it cannot be utilized in the absence of sufficient funding. Numerous respondents observed that "We can't even transfer funds from one program in deficit to lower the deficit in another, let alone develop the new programs we need." Many interviewees would like to develop community-specific

programs but are prevented from doing so by their lack of expertise and by their lack of funds to hire professional consultants and staff trainers.

Despite the impediments, the majority of the respondents (85%) are utilizing the enhanced flexibility provided by AFA. The table of examples above demonstrates that there are numerous innovative ways in which AFA flexibility can be used.

AFA has also led to some positive changes in the organizational structure, management capacity, and human resources of many participants.

IV. LOCAL ACCOUNTABILITY

Question 13: What procedures do you currently use to ensure the accountability of your leaders to your community?

Information dissemination*	Input from members	Grievance procedures	Meetings
29	27	9	24
85%	79%	26%	71%

*Including reports, newsletters, community newspaper and radio reports.

Question 14: Briefly describe what happens when a Band member has a question about the handling of Band resources or services.

Go to Chief and Council	Go to Band Administration	Go to Any Appropriate Individual	Raise questions at meeting
29	27	9	24
85%	79%	26%	71%

Question 15: Have accountability mechanisms changed since your entry into AFA?

Yes:	11	No:	22	Other:	1	TOTAL	34
	32%		65%		3%		100%

Summary of Responses Pertaining to Section IV (Local Accountability)

Most interviewees have some sort of formal mechanism in place for ensuring the accountability of leaders to the membership. The majority of the respondents use information dissemination (85%) or meetings (71%) or seek input from members on a regular basis (79%). Most respondents have formal or informal mechanisms which allow Band members to raise questions about the handling of Band resources or services.

The AFA Entry Assessment process identifies internal accountability as an issue. Bands that found their internal accountability in need of improvement appear to have made changes. Some respondents were already improving their internal accountability, looking ahead to eventual Self-Government. Thirty-two percent (32%) of the respondents reported changes in their internal accountability since their entry into AFA. Changes included increased reporting to members, establishing a newsletter, developing a complaints procedure and establishing a community liaison committee. The rest of the respondents were already satisfied with their accountability mechanisms.

V. MINISTERIAL ACCOUNTABILITY

Question 16: Have procedures for reporting to DIAND changed as a result of AFA?

Yes:	29	No:	3	Other:	2	TOTAL	34
	85%		9%		6%		100%

If "Yes", in what ways?

Increased number of reports	Decreased number of reports	Increased level of detail in reports	Decreased level of detail in reports
0	29	17	10
0%	85%	50%	29%

Question 17: Could AFA reporting procedures be improved?

Yes:	17	No:	13	Other:	4	TOTAL	34
	50%		38%		12%		100%

Summary of Responses Pertaining to Section V (Ministerial Accountability)

The majority of the respondents (85%) stated that reporting to DIAND has changed as a result of AFA. All interviewees reporting changes in reporting described the change in terms of a decreased number of reports. However, 50% of respondents identifying changes in reporting stated that they are required to comply with requests for an increased level of detail in their reports.

A significant number of interviewees complained that the increased detail required in AFA reports negates the time and resource savings that they expected from the decreased number of reports to be submitted to the Department under AFA. Numerous respondents were dissatisfied with the amount of statistical reporting that they are required to do.

Fifty percent (50%) of the respondents were of the opinion that AFA reporting procedures could be improved. Most of these suggested reducing the level of detail and statistical reporting required under AFA and placing more effort on generally reducing reporting to DIAND while increasing internal reporting to Band members.

VI. DEPARTMENTAL CONTROLS/ RELATIONSHIP**Question 18: Has AFA resulted in a change in the Departmental relationship with your Band (Tribal Council)?**

Yes:	23	No:	8	Other:	3	TOTAL	34
	68%		24%		8%		100%

Question 19: Are there (other) changes which could be made to AFA to improve the relationship?

Yes:	24	No:	6	Other:	4	TOTAL	34
	71%		18%		11%		100%

Summary of Responses Pertaining to Section VI (Departmental Controls/Relationship)

Most respondents observed that entering into an AFA has resulted in a change in their relationship with the Department. The changes in the relationship are described as mainly positive, with phrases like "increased trust", "less interference" and "more government-to-government-type relations" were used by respondents.

Seventy-one percent (71%) of interviewees would like to see further changes made to improve the relationship under AFA. The following improvements were suggested:

- More and better information from the Department;
- A 1-800 telephone number for information and consulting advice;
- Reduced reporting requirements, particularly in the area of statistics;
- Less interference in First Nation affairs, programs, policies and business dealings;
- Better-informed staff at District and Regional offices;
- More funding;
- More equal (government-to-government) relationship.

VIII. IMPROVEMENTS TO AFA

Question 21: In your opinion, what are the strengths of AFA?

Flexibility	Increased Autonomy	Secured Funding	Facilitation of Long- Range Planning	Reduced Reporting	Improved Relations With INAC
33	8	7	6	3	2
97%	24%	21%	18%	9%	6%

Question 22: What are the weaknesses of AFA?

Under funding	No funds for training or policy development	Poor information flow	Not enough room to negotiate	Can get "locked into" an inadequate 5-yr. budget
14	12	8	3	2
21%	35%	24%	9%	6%

Question 23: Could the functioning of AFA with other funding mechanisms be improved?

Yes:	14	No:	12	Other:	8	TOTAL	34
	41%		35%		24%		100%

Question 24: Do you have any other comments or suggestions you would like to make?

**TABLE OF IMPROVEMENTS TO AFA
SUGGESTED BY INTERVIEWEES**

SUGGESTED IMPROVEMENT	NUMBER OF TIMES SUGGESTED	%
Globalized, integrated AFA under which any program from any level of government could be delivered	11	32%
Reduced reporting, particularly of statistics	10	29%
More and better information from the Department	9	26%
Increased funding	8	24%
Increased transition funding and assistance in the area of training staff and developing new programs and policies	8	24%
Block funding or transfer payment option	4	12%
Easier transitions from CFA to AFA, and from AFA to Self-Government	4	12%
Funding and facilitation for independent AFA First Nations conferences to discuss successes, failures and innovations under AFA	3	9%

Summary of Responses Pertaining to Section VIII (Improvements to AFA)

AFA has possesses numerous strengths and has generated many positive results. An overwhelming majority of respondents (97%) identified the flexibility of AFA as its

major strength. Other frequently-cited strengths were the secured funding, increased autonomy and facilitation of long-range planning.

However, most interviewees cited weaknesses with AFA and made suggestions for improvements. The weaknesses identified were under-funding, lack of funds for training or program/policy development, poor information flow, the risk of getting "locked into" an inadequate 5-year budget and the lack of room for budget negotiations.

The lack of funding and assistance for training staff and developing new programs and policies was stressed by certain respondents as being especially crucial. The observation was repeatedly made that the flexibility available under AFA can never be utilized to its full potential if First Nations are not provided with more funding and assistance in these areas.

2.2.2 Results From Category 3 (In Process of Entering AFA)

I. INITIAL INFORMATION AND PREPARATORY PROCESS

Question 1: Why did you originally decide to participate in AFA?

Flexibility	Secured Funds	Step Towards Self-Government	Increased Autonomy
5	2	2	3

Aggregate totals exceed the total number of interviewees because some respondents offered multiple reasons.

Question 2: Do you feel you were provided with enough information about AFA before preparing to enter into an agreement?

Yes: 6	No: 1	Other: 0	TOTAL 7
86%	14%	0%	100%

Question 3: Have you encountered any difficulties in preparing to enter into an AFA agreement?

Yes: 2	No: 5	Other: 0	TOTAL 7
29%	71%	0%	100%

Question 4: In general, how do you feel about this funding mechanism?

Very Positive: 0	Positive: 5	Negative: 2	Very Negative: 0	TOTAL: 7
0%	71%	29%	0%	100%

Summary of Responses Pertaining to Section I (Initial Information and Preparatory Process)

Flexibility was the dominant reason (cited by 71% of the respondents) for entering into AFA, followed by a desire for increased autonomy, the perception of AFA as a

step towards Self-Government and the possibility of having secured funds and a guaranteed long-term budget under AFA.

Almost all respondents felt they were provided with enough information about AFA before preparing to enter into an agreement and only 2 (29%) had any difficulties with the implementation of their agreement.

Two respondents report feeling negative about AFA but this was just in specified areas. In general, interviewees are relatively satisfied with AFA.

II. MANAGEMENT CAPACITY AND PROGRAM DELIVERY

Question 5a: As a result of AFA, do you anticipate any changes in your Band's (Tribal Council's) organizational structure?

Yes:	4	No:	0	Other:	3	TOTAL	7
	57%		0%		43%		100%

Question 5b: As a result of AFA, do you anticipate any changes in your Band's (Tribal Council's) management capacity?

Increased:	4	Decreased:	0	No Change:	3	TOTAL:	7
	57%		0%		43%		100%

Question 5c: As a result of AFA, do you anticipate any changes in your Band's (Tribal Council's) human resources?

Increased:	5	Decreased:	0	No Change:	2	TOTAL:	7
	71%		0%		29%		100%

Question 5d: As a result of AFA, do you anticipate any changes in your Band's (Tribal Council's) program design?

Increased:	4	Decreased:	0	No Change:	3	TOTAL:	7
	57%		0%		43%		100%

Question 5e: As a result of AFA, do you anticipate any changes in your Band's (Tribal Council's) program delivery?

Increased: 4	Decreased: 0	No Change: 3	TOTAL: 7
57%	0%	43%	100%

Summary of Responses Pertaining to Section II (Management Capacity and Program Delivery)

No respondents anticipate negative impacts on their management capacity, human resources or program capabilities arising under AFA. Most anticipate positive changes, while some expect little or no change.

Several interviewees were planning specific changes such as:

- Hiring and training more staff;
- Developing tourism and cultural projects and programs;
- Developing job training and placement programs for Social Assistance Recipients.

III. LOCAL ACCOUNTABILITY

Question 6: What procedures do you currently use to ensure the accountability of your leaders to your community?

Information dissemination	Input from members	Grievance procedures	Meetings
7	6	2	4
100%	86%	29%	57%

Question 7: Briefly describe what happens when a Band member has a question about the handling of Band resources or services.

Go to Chief and Council	Go to Band Administration	Raise questions at meeting
4	1	2
57%	14%	29%

Question 8: Do you believe that entering into an AFA will result in any changes to the way in which the Chief and Council are accountable to Band Members?

Yes: 2	No: 5	Other: 0	TOTAL 7
29%	71%	0%	100%

Summary of Responses Pertaining to Section III (Local Accountability) All respondents have at least one formal mechanism in place for ensuring some degree of internal accountability. Most respondents do not believe that entering into an AFA will result in any changes to their internal accountability. However, two respondents (29%) anticipate an increased awareness by leaders of the need for internal accountability and increased reporting to Band members.

IV. MINISTERIAL ACCOUNTABILITY

Question 9: Do you anticipate changes in procedures for reporting to DIAND as a result of AFA?

Yes: 6	No: 0	Other: 1	TOTAL 7
86%	0%	14%	100%

If "Yes", in what ways?

Increased number of reports	Decreased number of reports	Increased level of detail in reports	Decreased level of detail in reports	No Change
0	6	0	6	1
0%	86%	0%	86%	14%

Question 10: Could AFA reporting procedures be improved?

Yes:	5	No:	0	Other:	2	TOTAL	7
	71%		0%		29%		100%

Summary of Responses Pertaining to Section IV (Ministerial Accountability)

Nearly all (86%) of the interviewees are expecting changes in reporting requirements as a result of AFA. All of the respondents expecting changes anticipate having to submit a reduced number of reports with decreased requirements for detail. This contrasts with the findings from Categories 1 & 2 where respondents reported a reduced number of reports but an increased level of detail. From this discrepancy, it appears that Bands and Tribal Councils entering AFA may have false expectations about reporting requirements.

There was a general consensus among interviewees that entering into AFA should allow them to decrease their accountability to the Department and increase their accountability to their own members.

V. DEPARTMENTAL CONTROLS/ RELATIONSHIP**Question 11: Do you anticipate that AFA will result in any changes in the Departmental relationship with your Band (Tribal Council)?**

Yes:	6	No:	0	Other:	1	TOTAL	7
	86%		0%		14%		100%

Question 12: From what you have seen so far, are there changes that could be made to AFA to improve the relationship?

Yes:	4	No:	1	Other:	2	TOTAL	7
	57%		14%		29%		100%

Summary of Responses Pertaining to Section V (Departmental Controls/Relationship)

Most of the respondents (86%) anticipate that AFA will result in changes to their relationship with the Department. All of these respondents are anticipating the changes to be positive. Nonetheless, over half of the respondents (57%) believe that the relationship with DIAND could be further improved. The following improvements were suggested:

- Reduced control of DIAND over First Nations;
- Reduced reporting requirements, especially for statistics;
- Increased consultative contact and assistance (i.e. DIAND professionals should be available for consulting on an as-required basis).

VI. IMPROVEMENTS TO AFA

Question 14: In your opinion, what are the strengths of AFA?

Flexibility	Secured Funding	Increased Autonomy
6	2	4
86%	29%	57%

Question 15: What are the weaknesses of AFA?

Under funding	No funds for training or policy development	Poor information flow	Can get "locked into" a 5-yr. budget	Not enough room to negotiate	Not a realistic step towards Self-Government
4	3	2	2	2	1
57%	43%	29%	29%	29%	14%

Question 16: From what you have seen so far, can the functioning of AFA with other funding mechanisms be improved?

Yes:	3	No:	2	Other:	2	TOTAL	7
	43%		29%		29%		100%

Question 17: Do you have any other comments or suggestions you would like to make?

**TABLE OF IMPROVEMENTS TO AFA
SUGGESTED BY INTERVIEWEES**

SUGGESTED IMPROVEMENT	NUMBER OF TIMES SUGGESTED	%
Reduced reporting, particularly of statistics	4	57%
Globalized, integrated AFA under which any program from any level of government could be delivered	3	43%
Increased funding	3	43%
Increased transition funding and assistance in the area of training staff and developing new programs and policies	3	43%
More and better information from the Department	2	29%
Easier transitions from CFA to AFA, and from AFA to Self-Government	1	14%

OTHER COMMENTS:

- Several interviewees were concerned that AFA would allow their Band to spend itself into a serious deficit situation;
- Two interviewees observed that AFA is not much better than CFA.

Summary of Responses Pertaining to Section VIII (Improvements to AFA)

Flexibility was identified as the major strength of AFA, followed by the opportunity to benefit from increased autonomy and from secured funding. Weaknesses identified include under-funding, lack of funds and assistance for program and policy

development, poor information flow, risk of getting "locked into" an inadequate 5-year budget, lack of room to negotiate, and the inadequacy of AFA as a step towards Self-Government.

The general lack of funding and the specific lack of funding and assistance for training staff and developing new programs and policies was stressed by certain respondents as being especially crucial. The observation was repeatedly made that the flexibility available under AFA can never be utilized to its full potential if First Nations are not provided with more funding and assistance in these areas.

Nearly half of the respondents (43%) stated that the functioning of AFA with other funding mechanisms could be improved. As was the case with many Category 1 & 2 interviewees, several interviewees in Category 3 proposed that AFA should be globalized to accommodate delivering any program from any government under AFA.

A table of improvements to AFA suggested by interviewees appears above.

2.3 Results From Category 4 (No AFA)

I. INITIAL INFORMATION

Question 1: Are you aware of the existence of AFA?

Yes:	28	No:	2	Other:	2	TOTAL	32
	88%		6%		6%		100%

Question 2: Have you been provided with information about AFA?

Yes:	21	No:	6	Don't Know:	5	TOTAL	32
	66%		19%		16%		100%

Question 2a: If "Yes", who provided you with the information?

DIAND	Other First Nations	Other
19	9	8

Question 2b: If from DIAND, was the AFA information easily understandable?

Yes:	15	No:	5	Don't Know:	4	Other:	8	TOTAL:	32
	47%		16%		13%		25		100%

Summary of Responses Pertaining to Section I (Initial Information)

Twenty-eight of 32 interviewees (88%) stated that they are aware of AFA. However, only 19 interviewees said that they had received information about AFA from the Department. A significant number of respondents (9 of 28, or 32% of those who were aware of AFA) had received their information on AFA from other First Nations.

The findings indicate that information is a key issue, particularly for Bands and Tribal Councils that have not entered into AFA. Throughout the Category 4 interviews it was apparent that many of the interviewees were not well-informed about AFA. A surprising number of the interviews ended up with interviewees asking interviewers for more information about AFA. These interviewees, were referred back to their District or Regional offices. Interviewees who were more aware of AFA were frequently misinformed, having gathered their information from out-of-date material or from other First Nations. Either information pertaining to AFA is not getting out to some First Nations in an understandable format (perhaps workshops are more effective than written packages), or insufficient repetitions or updates are being sent out to keep up with frequent turnovers in Band and Tribal Council offices.

II. INITIAL REACTION TO AFA

Question 3: In your opinion, what are the strengths of AFA?

Flexi- bility	Increased autonomy	Facilitation of long- range planning	Secured funding	Improved Management	Can retain surpluses	Step to Self- Government
16	6	5	5	2	2	2
67%	25%	21%	21%	8%	8%	8%

*Percentage figures are given for the total out of the number of respondents who provided responses for this section, 24 in all.

Question 4: In your opinion, what are the weaknesses of AFA?

Lack of transition, training and consulting funds and assistance	8	36%
Underfunding	6	27%
Risk of getting "locked into" an inadequate budget for 5 years	4	18%
Insufficient incentives over CFA	3	14%
Risk of getting into deep financial trouble	3	14%
Not enough room to negotiate	2	9%
Cannot enter into AFA in an incremental one-program-at-a-time manner	2	9%
Not suitable for small Bands	2	9%

*Percentage figures are given for the total out of the number of respondents who provided responses for this section, 22 in all.

Question 5: Are you currently considering entering into an AFA?

Yes:	14	No:	8	Other:	10	TOTAL	32
	44%		25%		31%		100%

Question 6: What are the three main reasons for not currently participating in AFA?

Lack of transition, training and consulting funds and assistance	6	27%*
Risk of getting "locked into" an inadequate budget for 5 years	5	23%
Need more information and more time to decide	5	23%
AFA does not provide any additional funding	4	18%
Band too small to take advantage of AFA	3	14%
Cannot enter into AFA in an incremental one-program-at-a-time manner	3	14%
Political reasons (decisions of the Chief and Council)	3	14%
Concerned that AFA will be used to erode the Department's fiduciary responsibilities towards First Nations	2	9%
Currently involved in land claims	2	9%
Currently in debt or in serious financial trouble	2	9%

*Percentage figures are given for the total out of the number of respondents who provided responses for this section, 22 in all.

Question 7: In your opinion, what alterations would make AFA more suitable for your Band or Tribal Council?

The following alterations were suggested:

- Provision of transition funding and assistance to facilitate training of staff and development of new policies and programs;
- Possibility of starting out with a 1-year AFA;
- Additional funding for AFA;

- More and better information, especially concerning costs and benefits of AFA compared to CFA;
- Possibility of entering into AFA incrementally, one-program-at-a-time.

Question 7a: Would these alterations be sufficient to make you consider participating in AFA?

Yes:	12	No:	2	Other:	18	TOTAL	32
	38%		6%		56%		100%

Summary of Responses Pertaining to Section II (Initial Reaction to AFA)

As with Categories 1, 2 and 3, Category 4 interviewees perceived flexibility and increased autonomy to be the main strength of AFA. Other strengths cited were secured funding, facilitation of long-range planning and improvement of management, the possibility of retaining surpluses and of using AFA as a step towards Self-Government.

Several of the weaknesses cited by interviewees who were not in AFA were the same as those cited by AFA participants but other perceived weaknesses were different. As with participants, non-participants remarked upon underfunding, the lack of transition funding and assistance, and the lack of room for negotiation in setting an AFA budget. However, non-participants were specifically concerned that AFA was not suitable for small Bands or that they risked getting "locked into" an inadequate budget or falling into serious deficit spending practices if they entered into an AFA.

These identified weaknesses are reflected in the reasons given by interviewees for not currently participating in AFA. The top four reasons for not currently participating are:

- The lack of transition funding and assistance to facilitate training of staff and development of new policies and programs;
- The risk of getting "locked into" an inadequate 5-year budget; and,
- A need for more information and more time to decide;
- The lack of funding in general.

In spite of the identified weaknesses, 14 (or 44%) of the interviewees are considering entering into an AFA agreement and 12 more might consider entering into an AFA if some alterations were made.

III. MANAGEMENT CAPACITY AND PROGRAM DELIVERY

Question 8a: Do you believe that entering into an AFA would require or result in changes in your Band's (Tribal Council's) organizational structure?

Yes: 8	No: 8	Other: 16	TOTAL: 32
25%	25%	50%	100%

Question 8b: Do you believe that entering into an AFA would require or result in changes in your Band's (Tribal Council's) management capacity?

Increased: 11	Decreased: 0	No Change: 21	TOTAL: 32
34%	0%	66%	100%

Question 8c: Do you believe that entering into an AFA would require or result in changes in your Band's (Tribal Council's) human resources?

Increased: 13	Decreased: 0	No Change: 19	TOTAL: 32
41%	0%	59%	100%

Question 8d: Do you believe that entering into an AFA would require or result in changes in your Band's (Tribal Council's) program delivery?

Increased: 17	Decreased: 0	No Change: 15	TOTAL: 32
53%	0%	47%	100%

Summary of Responses Pertaining to Section III (Management Capacity and Program Delivery)

Slightly more than half (53%) of the interviewees believed that entering into AFA would improve or increase their program delivery. The other 47% believed that AFA would not result in any changes in their program delivery. The majority of the respondents believe that entering into an AFA would not result in any changes in their organizational structure, management capacity or human resources.

This finding indicates that a majority of the respondents who are not currently entering into--or participating in--AFA do not perceive AFA as an arrangement which generates or facilitates positive changes in the areas of management and administration. However, 85% of respondents with an AFA in Categories 1 & 2 report that they are utilizing the enhanced flexibility of AFA and 74% state that AFA has resulted in positive changes in their program design and delivery. Thus, it appears that many Bands and Tribal Councils without AFAs are not well-informed about the positive impacts that AFA can have on management and program design and delivery.

IV. LOCAL ACCOUNTABILITY

Question 9: What procedures do you currently use to ensure the accountability of your leaders to your community?

Information dissemination	Input from members	Meetings	Grievance procedures	Referenda/ Votes
26	22	17	9	3
81%	69%	53%	28%	9%

Question 10: Briefly describe what happens when a Band member has a question about the handling of Band resources or services.

Go to Chief and Council	Go to Band Administration	Raise questions at meeting	Go to any appropriate individual
16	6	7	4

Question 11: Do you believe that entering into an AFA will result in any changes to the way in which the Chief and Council are accountable to Band Members?

Yes:	4	No:	12	Other:	16	TOTAL	32
	12%		38%		50%		100%

Summary of Responses Pertaining to Section IV (Local Accountability)

Most interviewees have some sort of formal mechanism in place for ensuring the accountability of leaders to the membership. The majority of the respondents use information dissemination (81%) or meetings (53%) or seek input from members on a regular basis (69%). Most respondents have formal or informal mechanisms which allow Band members to raise questions about the handling of Band resources or services.

The findings may be somewhat superficial and reliant upon self-reporting, but they do indicate no major differences between the internal accountability methods and procedures of respondents who have an AFA and those who do not.

Only a small minority of respondents (12%) felt that entering into an AFA would result in any changes to their internal accountability mechanisms or practices.

V. DEPARTMENTAL CONTROLS/ RELATIONSHIP

Question 12: Do you believe that entering into an AFA would result in a change in Departmental controls over your Band (Tribal Council)?

Yes:	17	No:	5	Other:	10	TOTAL	32
	53%		16%		31%		100%

Question 12a: If "Yes", in what way?

Increase:	2	Decreased:	16	Other:	14	TOTAL:	32
	6%		50%		44%		100%

Question 13: Do you believe that entering into an AFA would bring about any changes in the relationship between your Band (Tribal Council) and DIAND?

Yes:	16	No:	5	Other:	11	TOTAL	32
	50%		16%		34%		100%

Summary of Responses Pertaining to Section V (Departmental Controls/Relationship)

Approximately half of the respondents felt that entering into an AFA would result in reduced controls over them by the Department and an improved relationship with Departmental staff. Many commented that their relationship with DIAND was already fairly good.

VI. COMMENTS/ IMPROVEMENTS TO AFA

Question 14: Do you have any other comments you would like to make on the subject of AFA?

**TABLE OF IMPROVEMENTS TO AFA
SUGGESTED BY INTERVIEWEES**

SUGGESTED IMPROVEMENT
More information regarding short-term AFAs of 1 or 2 years
More incentives over CFA
Increased funding
Increased transition funding and assistance in the area of training staff and developing new programs and policies
More and better information from the Department
Funding and facilitation for independent AFA First Nations conferences to discuss successes, failures and innovations under AFA
Easier transitions from CFA to AFA, and from AFA to Self-Government

OTHER COMMENTS:

- AFA should not be "forced onto First Nations";
- Band elections every 2 or 3 years make long-term planning and participation in AFA very difficult;
- Many respondents are scared of getting "locked into" an inadequate 5-year budget under AFA;
- Many respondents are worried that AFA would allow deficit spending and create serious financial troubles for their Bands;
- Some of the interviewees who were not aware of AFA are now quite interested and intend to seek more information;
- Some respondents are concerned that the Department will try to use AFA to erode its fiduciary responsibilities towards First Nations.

Annex 1

First Nations and Tribal Councils Selected For Telephone Interviews

Table 1 below presents the number of Bands and Tribal Councils selected by region and **Table 2** provides the names of the Bands and Tribal Councils that were contacted for telephone interviews.

TABLE 1

BREAK-DOWN OF SELECTED BANDS AND TRIBAL COUNCILS BY REGION

	YUKON	B.C.	ALB.	SASK.	MAN.	ONT.	QUE.	ATL.	TOTAL
Total Number of Bands	16	196	42	70	60	126	39	31	601
Number with AFA	2	19	8	13	18	34	6	10	110
Category 1 Interviewees	1	6	2	3	5	5	1	2	25
Category 2 Interviewees	1	4	1	1	2	6	1	1	17
Category 3 Interviewees	1	2	2	3	0	4	0	1	13
Category 4 Interviewees	2	17	2	9	6	10	3	3	52
Total Bands	5	25	4	12	12	23	5	6	92
Total Tribal Councils	0	4	3	4	1	2	0	1	15
Total Selected	5	29	7	16	13	25	5	7	107
Distribution	5%	27%	6%	15%	12%	23%	6%	7%	100%

TABLE 2

BANDS AND TRIBAL COUNCILS
SELECTED FOR TELEPHONE INTERVIEWS

* An asterisk indicates a Band or Tribal Council that was selected on the recommendation of a Regional Office.

CATEGORY 1: Participants with AFA for 3 years or more.

<u>REGION</u>	<u>TRIBAL COUNCIL</u>
ALBERTA	Athabasca Tribal Corporation
ALBERTA	Yellowhead Tribal Council
SASKATCHEWAN	Meadow Lake Tribal Council
ONTARIO	Pwi-Di-Goo-Zing-Ne-Yaa-Zhing Non-Profit Advisory
<u>REGION</u>	<u>BAND</u>
B.C.	Boothroyd Indian Band
B.C.	Canim Lake Indian Band
B.C.	Cheslatta Indian Band
B.C.	Lax Kw-alaams Indian Band
B.C.	McLeod Lake Indian Band
B.C.	Sakimay Indian Band
YUKON	Champagne/Aishihik Indian Band
SASKATCHEWAN	Makwa Sahgaiehcan Indian Band
SASKATCHEWAN	Starblanket Indian Band
MANITOBA	Barren Lands Indian Band
MANITOBA	Fox Lake Indian Band
MANITOBA	Mathias Colomb Indian Band
MANITOBA	The Pas Indian Band
MANITOBA	Roseau River Indian Band
ONTARIO	Big Island Indian Band
ONTARIO	Hiawatha First Nation
ONTARIO	Moose Deer Point Indian Band
ONTARIO	West Bay Indian Band
QUEBEC	Montagnais du Lac St.-Jean
ATLANTIC	Chapel Island Indian Band
ATLANTIC	Lennox Island Indian Band

CATEGORY 2: Participants with AFA for less than 3 years.

<u>REGION</u>	<u>TRIBAL COUNCIL</u>
B.C.	Gitksan Wet'suet'en Tribal Council Association
ONTARIO	Mushkegowuk Tribal Council
<u>REGION</u>	<u>BAND</u>
B.C.	Campbell River Indian Band
B.C.	Cape Mudge Indian Band
B.C.	Williams Lake Indian Band

YUKON	Na-Cho Ny'A'K-Dun Indian Band
ALBERTA	Stoney (Chiniki) Indian Band
SASKATCHEWAN	Island Lake Indian Band
MANITOBA	Cross Lake Indian Band
MANITOBA	Peguis Indian Band
ONTARIO	Chippewas of Rama Indian Band
ONTARIO	Curve Lake Indian Band*
ONTARIO	Serpent River Indian Band
ONTARIO	Wapekeka Indian Band
ONTARIO	Wunnumin Indian Band
QUEBEC	Bande indienne des Montagnais des Escoumins*
ATLANTIC	Tobique Indian Band

CATEGORY 3: Bands and Tribal Councils in the process of entering into an AFA.

<u>REGION</u>	<u>TRIBAL COUNCIL</u>
ALBERTA	Lesser Slave Lake Regional Council
SASKATCHEWAN	Prince Albert District Chiefs' Council

<u>REGION</u>	<u>BAND</u>
B.C.	Iskut Indian Band
B.C.	Lower Kootenay Indian Band
YUKON	Kwanlin Dun Indian Band
ALBERTA	Fort McKay Indian Band*
SASKATCHEWAN	Hatchet Lake Indian Band
SASKATCHEWAN	Onion Lake Band
ONTARIO	Big Trout Lake Indian Band
ONTARIO	Chippewas of the Thames First Nation
ONTARIO	Matachewan Indian Band
ONTARIO	Six Nations of the Grand River Indian Band
ATLANTIC	Big Cove Indian Band*

CATEGORY 4: Bands and Tribal Councils with no AFA and not in the process of entering into one.

<u>REGION</u>	<u>TRIBAL COUNCIL</u>
B.C.	The Alliance Tribal Council
B.C.	Mus-Gamagw Tribal Council
B.C.	Treaty #8 Tribal Council*
SASKATCHEWAN	Battlefords Treaty #6 Tribal Council
SASKATCHEWAN	Yorkton District Chiefs' Council
MANITOBA	Southeast Resource Development Council
ATLANTIC	North Shore Micmac District Tribal Council

<u>REGION</u>	<u>BAND</u>
B.C.	Aitchelitz Indian Band
B.C.	Coldwater Indian Band
B.C.	Cowichan Indian Band*
B.C.	Doig River Indian Band
B.C.	Hartley Bay Indian Band
B.C.	Kamloops Indian Band

B.C.	Lakalzap Indian Band*
B.C.	Nicomen Indian Band
B.C.	Nuchatlaht Indian Band
B.C.	Pavilion Indian Band
B.C.	Qualicum Indian Band
B.C.	Shackan Indian Band
B.C.	Skwah Indian Band
B.C.	Sumas Indian Band
YUKON	Dawson First Nation
YUKON	Vuntut Gwitchin Indian Band
ALBERTA	Little Red River Indian Band
ALBERTA	Saddle Lake Indian Band
SASKATCHEWAN	English River Indian Band
SASKATCHEWAN	Gordon Indian Band
SASKATCHEWAN	Key Indian Band
SASKATCHEWAN	Lucky Man Indian Band
SASKATCHEWAN	Mushowekwan Indian Band
SASKATCHEWAN	Sweetgrass Indian Band
SASKATCHEWAN	Yellowquill Indian Band
MANITOBA	Dakota Plains Indian Band
MANITOBA	Fairford Indian Band
MANITOBA	Garden Hill Indian Band
MANITOBA	Red Sucker Lake Indian Band
MANITOBA	York Factory Indian Band
ONTARIO	Batchewana Indian Band
ONTARIO	Deer Lake Indian Band
ONTARIO	Golden Lake Indian Band
ONTARIO	Long Lake #58 (Penewatang) First Nation
ONTARIO	Mohawks of Awkesasne Indian Band*
ONTARIO	North Spirit Lake Indian Band
ONTARIO	Rat Portage Indian Band
ONTARIO	Sheguiandah Indian Band
ONTARIO	Wabauskang Indian Band
ONTARIO	Wawakapewin Indian Band
QUEBEC	Bande indienne des Abenakis de Wolinak
QUEBEC	Bande indienne des Atikamekw de Manawan
QUEBEC	Restigouche Indian Band
ATLANTIC	Eel River Indian Band
ATLANTIC	Pictou Landing Indian Band*

APPENDIX 11

Ochapowace First Nation: A Case Study Report For the Evaluation of the Long-Term Impacts of Alternative Funding Arrangements

**Evaluation Directorate
Policy and Consultation Sector
Department of Indian Affairs and Northern Development**

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1. INTRODUCTION

1.1 Purpose of the Report

This report is one of three case studies prepared as part of the evaluation of the Long-Term Impacts of Alternative Funding Arrangements (AFA). During the first evaluation of AFA completed in June 1989, a case study was conducted of the Ochapowace First Nation AFA. This study builds upon these earlier findings in order to assess the long-term impacts of AFA.

This case study examines the status of the AFA initiative as of October 1992. Specific issues examined include accountability (Ministerial and First Nations), the long-term impacts of AFA, assessment of Departmental controls, and potential improvements.

1.2 Methodology

The case study at Ochapowace First Nation was conducted over 3 days from October 7-9, 1992. The methods employed include interviews and file reviews, and a comparative analysis of the earlier case study conducted in 1989. The following interviews were conducted:

POSITIONS INTERVIEWED	NUMBER
Chief and Council	4
Band Administration	3
Former Chief	2
Households	2
TOTAL	10

The files reviewed as part of the case study included Band policies, Committee terms of reference and selected minutes, communications and reports, annual audits, three AFA agreements, and Departmental correspondence files.

2. PROFILE OF THE OCHAPOWACE INDIAN BAND

2.1 Location

The Ochapowace First Nation resides on one reserve which is situated in a rural area 200 kilometres east of Regina, Saskatchewan. The total land mass of the reserve is 34,624 areas.

2.2 History of the Band

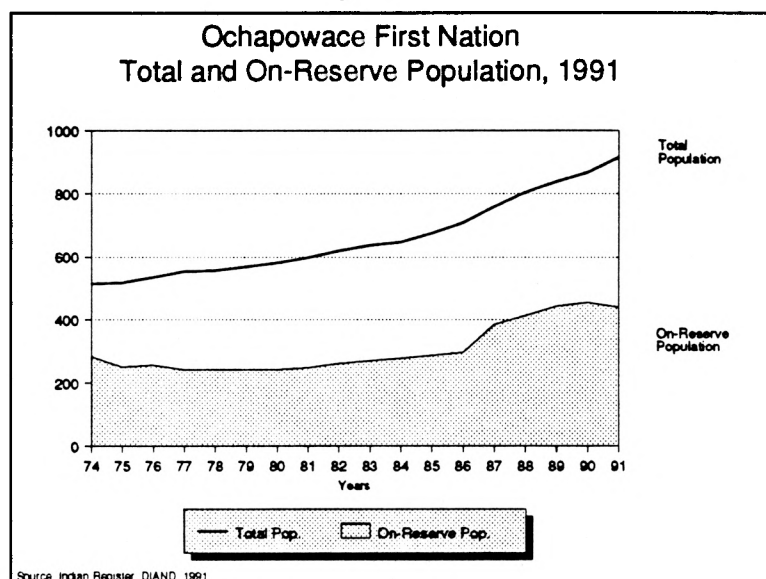
The Ochapowace Band are signatories to Treaty No. 4 1874. The Ochapowace Band was confirmed by an Order-in-Council in 1889. The Band belongs to the Algonquin linguistic group and its native language is Cree. Since signing their treaty, the Band has had 16 Chiefs.

2.3 Demographics

Figure 1 presents the population for the Ochapowace Band between 1974 and 1991. A more detailed accounting of this information is presented on Table 1 below.

As of December 1991, the total population of the Ochapowace Indian Band was 915 with 441 (48%) living on the reserve and 464 (52%) off-reserve.

Figure 1



Over the past eighteen years, the on-reserve population has more than doubled, from 283 persons to 441.

Table 1

Total Population On and Off-Reserve For the OCHAPOWACE BAND 1974-1991			
Years	Total Population	On-Reserve Population	Off-Reserve Population
1974	515	283	224
1975	519	251	266
1976	536	257	278
1977	554	243	311
1978	557	242	315
1979	569	242	327
1980	581	243	338
1981	598	249	349
1982	620	262	358
1983	637	270	367
1984	647	278	369
1985	675	287	388
1986	708	296	412
1987	758	385	373
1988	804	414	390
1989	838	444	394
1990	867	456	411
1991	915	441	464

Source: Indian Register, December 31, 1974-1991

Between 1977 and 1986, the growth in the on and off-reserve population was steady and relatively the same. Between 1986 and 1990, however, the rate of growth has been markedly different with the on-reserve population growing faster than the off-reserve population. As of 1991, these trends were reversed. The rate of growth in the on-reserve population declined by -3.29%, while the off-reserve population increased by 12.9% in the same year. This is the first decline in the on-reserve population in 12 years.

Figure 2

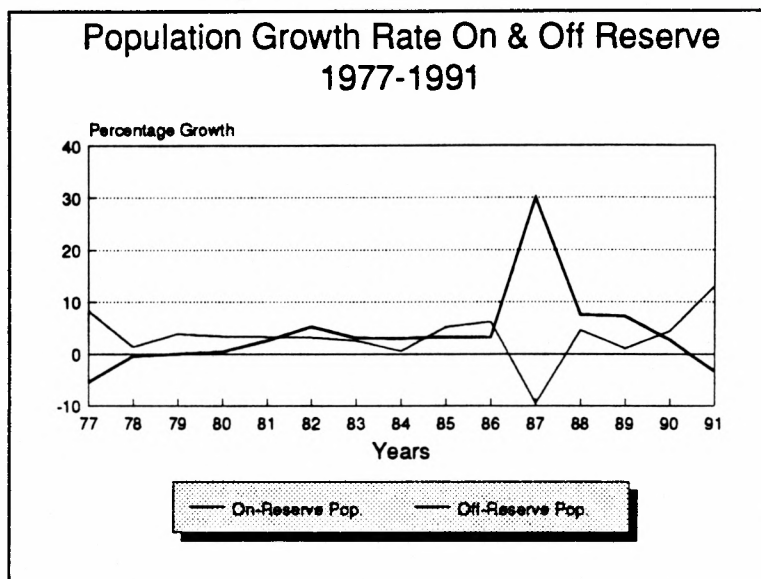
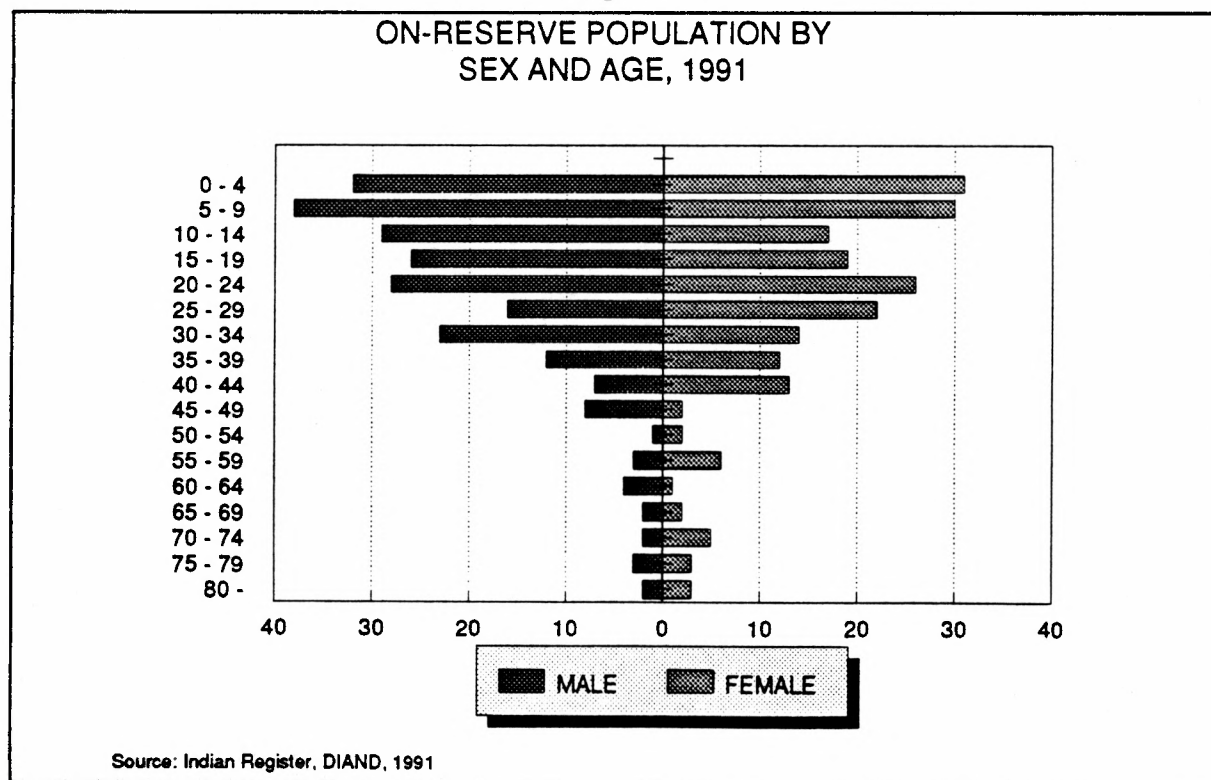


Figure 3, below, presents the on-reserve population by sex and age for 1991. As this chart reveals, the population of the Ochapowace Indian Band is predominantly young. In 1991, 49.2% of the on-reserve population was between the ages of 0 to 14 years old, 33.9% was between 20-39 years of age, and 9.3% was between 40-59 years of age. 53% of the on-reserve population is male, with the other 47% female.

Figure 3



2.5 Political Process

The Band is governed by Chief and Council who are elected every two years according to Section 78 of the Indian Act. Each Council member is responsible for a portfolio as described in Figure 4 below.

As stated in the Ochapowace Band Meeting Regulations, a minimum of two general meetings must be held per year in order to provide information to members regarding Band affairs, including the audited financial statements. These general meetings are guided by specific regulations including notice of meetings, quorum procedures, and rules for conduct.

Chief and Council maintain an active committee structure whereby individual Band members participate in the governing of the Band. Some of the committees include Recreation, Education, Social, Housing, Economic Development, Land Entitlement, Operations/Enterprises, and Business Development. The committees are responsible for developing priorities in their specific areas which are then sent to the Council for consideration. Terms of reference outlining items such as the committee's lines of authority, membership, and reporting relationship to Council have been developed for many of these committees.

As part of its consultation process, the Council maintains a ward system. Each council member is responsible for consulting with households within their ward. According to interviews, elders and specialists within the community are also consulted on an ongoing basis as part of the decision-making process. The Council is considering implementing a Custom Council for which draft terms of reference have been developed. It would consist of family heads, and its purpose would be to assist and advise the elected council.

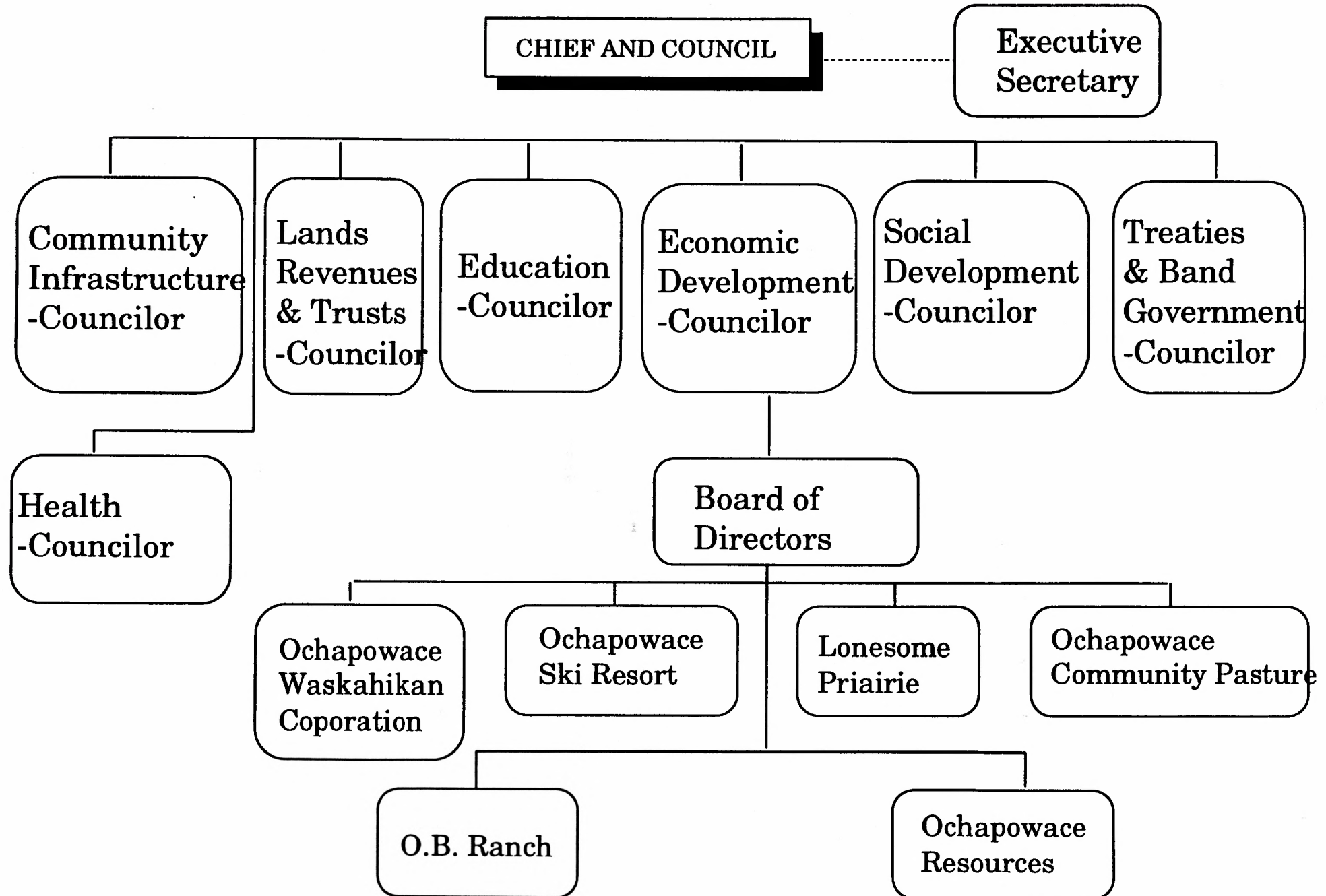
2.6 Administration and Organizational Structure

The political and administrative functions of the Band government have been separated. This new structural design is to enable the Chief and Council to concentrate and pursue the political agenda of the Band, without direct involvement in day to day business activities which are the responsibility of the administration. The administrative affairs are overseen by the Band manager and assistant Band manager. Overall, the Band has approximately 28 administrative employees. The administration reports to the Council monthly.

2.7 Economic Activities

The primary economic activities on-reserve include tourism, recreation, livestock and construction industries. The Ochapowace Band has a solid record in business and financial management as demonstrated through its various business ventures. Most notably is the Lonesome Prairie Sand and Gravel Co. with assets of 3 million dollars and annual contracts estimated at 2 million dollars. It maintains 22 employees. Other Band owned businesses include Ski Ochapowace

POLITICAL STRUCTURE



Incorporated, with 30 seasonal employees, Ochapowace Housing, Ochapowace Plumbing and Heating, Ochapowace Community Pasture, O/K Grocery Store, Ochap Fashions, and a video-outlet. Indian Time is another Band owned company. It sells monthly planners and time management systems and provides personal development courses to Native organizations.

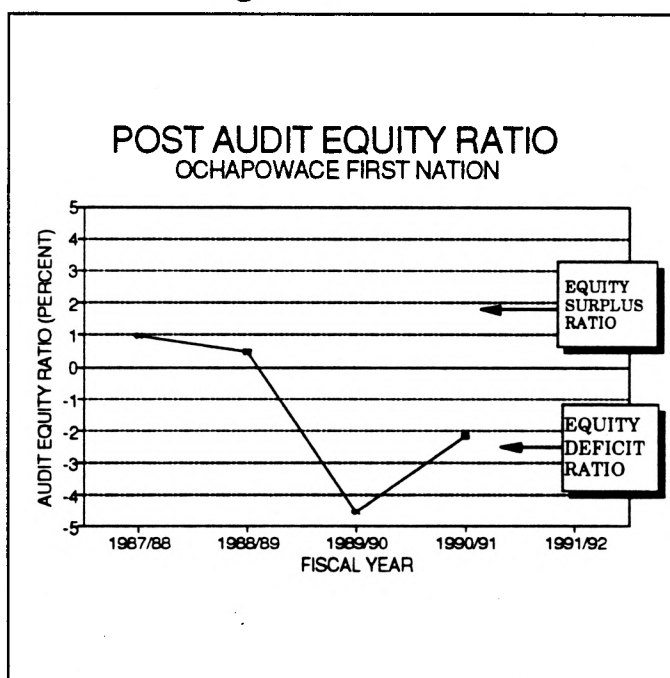
2.9 Financial Development

The Band signed its first AFA in 1987 for the duration of one year. Its second AFA was signed in 1988 for a three-year period between April 1988 to March 31, 1991 in the amount of \$6,371,695. The Band is currently under its third agreement which covers the period from April, 1991 to March, 1996 and is for the amount of \$16,659,459.

Overall, the Band's finances appears to be well managed, although it has moved from a small surplus for the fiscal years 1987/88 to 1988/89 to a deficit position in 1989/90 and 1990/91. The deficits were \$144,000 and \$79,000 respectively. However, the Band's audit equity ratio, as presented in figure 5, reveals that the Band's financial situation is within the Department guidelines of sound management. As this chart reveals, the Bands equity ratio position in 1990/91 was 2.16 percent.

The AFA entry assessment conducted in December, 1986, identified that the Band's accounting system is well-established and adequate, and that monthly financial statements are reviewed by the Council. Overall, it concluded that the lines of authority are centralized and clearly defined. Nevertheless, the assessment recommended that expenditure limits should be implemented and a procedure developed to delegate financial authority so that it is more clearly defined. The Band subsequently followed up on these recommendations by establishing financial policy and procedures¹. These regulations include council responsibilities, financial reporting guidelines, accounting systems, and specific policies for areas such as receipts and deposits, purchases, payments, contracts and tenders, travel, and audit.

Figure 5



¹

3. PROFILE OF THE OCHAPOWACE ALTERNATIVE FUNDING ARRANGEMENT

The Ochapowace AFA agreement was developed independently of the generic national agreement as it was developed at a later date. However, many of its clauses, the format, program terms and conditions and budgetary format were used to develop the national generic.

Initially, various programs were not included in earlier AFA agreements. The Band has taken the initiative in requesting the transfer of as many programs as possible under their AFA. This has been an ongoing process followed by the Band.

Table 2 on the following page outlines the Band's AFA: which programs under are under their AFA, resource allocation methods, and the reporting requirements of each respective program.

As this table reveals, only one program, social assistance, is fixed for the term of the agreement; otherwise, most programs are fixed on an annual basis. The amount of reporting the Band is required to undertake reflects this resource allocation methodology in that annual reporting is often required to adjust program budgets at year end.

The number of amendments made to the Band's AFA agreements is presented in figure 6.

The Band's second AFA was for the duration of three fiscal years. Over this time, ten amendments were made to the agreement. The agreement was initially signed for \$6,371,695. This amount was increased through amendments by \$2,187,537. This represents a 34% increase over the initial budget of the agreement signed in 1988.

Figure 6

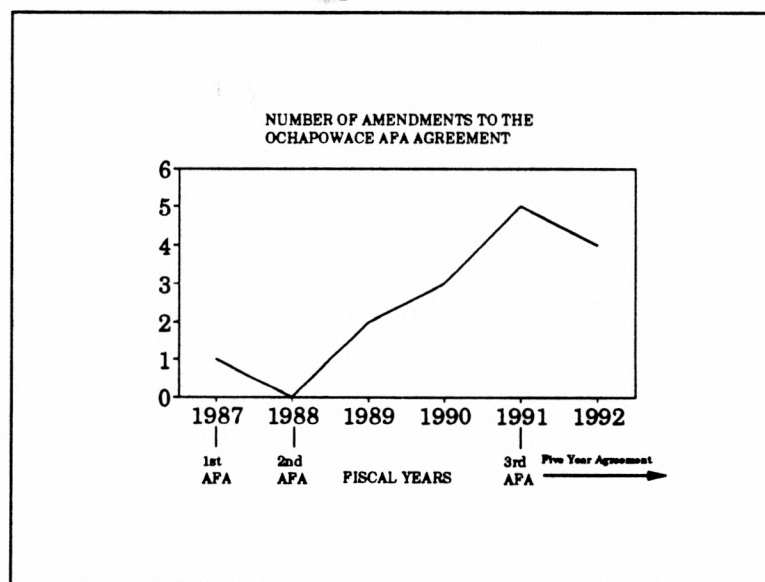


Table 2

OVERVIEW OF OCHAPOWACE ALTERNATIVE FUNDING ARRANGEMENTS					
	METHOD OF ADJUSTMENT			REPORTING REQUIREMENTS	
PROGRAMS INCLUDED IN AFA	FIXED FOR TERM	YEARLY FIXED	FUNDED PER ACTUALS	REPORTS	FREQUENCY
<u>Land, Revenues and Trusts</u> <ul style="list-style-type: none"> Membership-Indian Registry 		X		Band Lists	Yearly
<u>Elementary/Secondary</u> <ul style="list-style-type: none"> Instruction Services-Band Operated Schools Student Accommodation Transportation Services Student Financial Assistance Instructional Services-Prov. Instructional Support Services (Provincial) Guidance and Counselling 		X	X	Nominal Roll	- Sept. 30 - Jan. 15
<u>Post Secondary</u> <ul style="list-style-type: none"> Instruction Services Student Financial Support Univ/college Entrance Prep. & Counselling Support 		X		Post Secondary Data	- Oct. 31

Table 2/Cont...

OVERVIEW OF OCHAPOWACE ALTERNATIVE FUNDING ARRANGEMENTS					
	METHOD OF ADJUSTMENT			REPORTING REQUIREMENTS	
PROGRAMS INCLUDED IN AFA	FIXED FOR TERM	YEARLY FIXED	FUNDED PER ACTUALS	REPORTS	FREQUENCY
<u>Social Development</u> <ul style="list-style-type: none"> • Social Assistance & Welfare Services • Service Delivery 	X	X		Social Development Database	Annually, June 30th.
<u>Band Management</u> <ul style="list-style-type: none"> • Band Support Funding • IPPF 		X	X		
<u>Community Based Planning</u> <ul style="list-style-type: none"> • IMD 		X			
<u>Capital & Community Services</u> <ul style="list-style-type: none"> • O&M • Housing-Capital • Housing -O&M • Recreation 		X		CAIS	Annually, June 30th.
<u>Economic Development</u> <ul style="list-style-type: none"> • Flow-through Funding Service Delivery 		X		Project Report	Annually
General				Cash Flow Statement	Annually, January 31st
				Expanded Annual Audit	Annually, June 30th

4. LONG-TERM IMPACTS OF AFA

4.1 Impacts on Management and Services

- **According to most respondents, AFA has had a positive impact on the Band's administrative structure.**

Respondents viewed one of the impacts of AFA as being the separation of the political and administrative functions of the Band due primarily to the increased authority of the Band Council. This separation is viewed as allowing the Council more time to deal with political and membership issues.

Through the initial AFA assessment, and increased flexibility to modify programs, AFA has promoted the creation of more defined policies, specifically in the areas of personnel, financial and management policy, and social development. Respondents viewed the flexibility aspects of AFA as requiring structured, sound management to ensure service delivery. An additional impact on the Band's administrative structure has been the creation of more positions. The Band utilizes the flexibility of AFA to enhance the number of positions beyond that which they are funded for in order to meet their priorities.

- **Most respondents viewed AFA as having an impact upon the quality and quantity of services provided to Band members.**

According to respondents, prior to AFA, program areas were identified by the Department, but AFA is viewed as enabling the Band to focus on their own priorities such as recreation, youth services programs, and family violence through upgrading their NNDAP program.

Efforts towards separating the administrative and political functions was also viewed as promoting service delivery. It allows the Council more time to address the political issues, while providing the administration more room to address sensitive areas such as family relations. In addition, reduced reporting requirements under AFA are viewed as allowing the Band to spend more time on service delivery.

All respondents placed a high priority on recreation services. This is viewed as important for many reasons, but primarily to provide the community, and particularly the youth, with a sense of identity and self-worth. Respondents stated that without the AFA flexibility, this area could not be run at the level identified by the Band. Other areas respondents identified as being enhanced are senior citizen services, community development and employment programs.

- **AFA increases staff responsibilities and the required level of skills.**

With the implementation of AFA, the Band has experienced an increase in the responsibilities of their staff. Respondents noted that AFA has assisted them in responding to this increase in workload by enabling them to increase the number of staff positions by combining funds from different INAC programs and other Department's. For example, their Youth Worker is funded through a combination of INAC and Medical Services Branch (MSB) funds, whereas the family counsellor is funded through INAC Social Development program and NNADAP funds.

While the Band has always placed stress on the need for the best people to look after their affairs, they have experienced an associated increase in the skills level required of staff and the need for trained professionals.

However, according to respondents, the Band's needs in terms of the number of staff and their skills levels are not being fully met. Impediments identified were the Departments staffing allocation to the Band and their not being able to meet the salary levels required to induce qualified people to remain on-reserve. While the number of Band members graduating with post-secondary education is increasing, the Band cannot provide enough adequate positions or the required salary levels to induce their graduates to remain on-reserve.

AFA has assisted the Bands ability to meet their training needs in areas such as computer training, teamwork and personal development by allowing them the flexibility to allocate resources to this area. In addition, the Band offsets increased responsibilities, particularly in the area of policy development, through their volunteer committee structure. For example, in the area of Post-Secondary, their committee assists Council and Band staff in policy development, screening and monitoring entry procedures, as well as the general functioning of the program.

- **Respondents thought AFA has assisted in the overall management of their Band and viewed it as consistent with their efforts to take a more global approach to running their operations.**

According to respondents, the Band is beginning to take a more global approach to developing their community by integrating programs so that they feed into the goals of the community. AFA is viewed as positively impacting these efforts.

AFA also assists the Band to manage its workload over the course of the Agreement. For example, it schedules its maintenance program over five years so that it can benefit from economies of scale. Maintenance for housing can be scheduled so that the first year deals with plumbing and heating needs, while windows and doors are concentrated on during the second year.

4.2 Program Flexibility

- **The flexibility of AFA is viewed by respondents as its major strength.**

Respondents viewed the flexibility of AFA as its major strength. Although this flexibility of AFA has to a certain extent legitimized past practices, a major difference is with hiring -- now, the Band can hire more people through the use of its flexibility.

The Band utilizes the flexibility between various program areas depending upon need and community priorities. Areas cited where it is used are recreation, health and community development, and employment programs.

According to respondents, the Band also utilizes the flexibility of AFA to create programs such as the Home care program for seniors, and the Band's plumbing and heating business. The ability to modify program policy is also used by the Band. The Band possesses a wide range of policies and procedures to guides its management of programs. One example of how the Band has modified Departmental policy to better meet local needs is Social Development, particularly the criteria to receive and maintain benefits and the appeal procedures.

4.2.1 Impediments to Utilizing AFA Program and Financial Flexibility

Most respondents identified four main impediments to the use of AFA flexibility. The first is the immediate program needs versus funding limitations. Given existing resource levels, the Band finds it difficult to utilize the flexibility to move funding around and still meet the requirements within each program.

The restrictions upon using capital funds for capital purposes is viewed as another limitation. Respondents stated that they felt that such a restrictions go against the intent of AFA to allow the community to set its own priorities.

The increased used of reimbursement of actuals for programs such as Education and CAEDs is also viewed as a limitation to utilizing the flexibility of AFA. Some respondents went as far as to comment that with such limitations, AFA is loosing its differentiation from the Department's default funding arrangement (ie: Comprehensive Funding Arrangement, CFA) and that it is no longer an AFA. In addition, respondents agreed that more programs should be under AFA in order to increase Band control.

4.2.2 Response to Community Needs

- **Respondents generally thought that AFA has assisted them in more effectively responding to community needs.**

Through the flexibility of AFA, and its emphasis on long-term community and program planning, respondents felt that it has assisted them in responding more effectively to community needs. According to them, they can address problems more quickly rather than dealing with DIAND. For example, if a training program comes up in short notice, the Band can re-arrange its priorities and allocate the requisite funds.

4.3 Departmental Controls of Band Activities

- **Most respondents felt that there has been a reduction in the amount of control by the Department in Band Affairs as a result of AFA. Areas where control has been reduced include less contact with the Department and less reporting.**

Most respondents felt that there has been a reduction in the amount of control by the Department in Band Affairs as a result of AFA. Areas where control has been reduced include less contact with the Department and less reporting. However, they felt the Department still controls too much of the Band's affairs in how it allocates funds and controls over the use of these funds.

They noted that the transferring funds through an itemized budget, as opposed to an overall transfer payment based on simple indicators such as population, creates conflict between the Department and the Band. For example, O&M rates are not constant across all capital assets and the formulas for housing and recreation are viewed as not adequate.

Although AFA is viewed as laying the groundwork for government to government arrangements, the Band would like to move further in this direction and is wondering what is next.

4.4 Accountability

4.4.1 Accountability Practices and Mechanisms

Table 3 below outlines the formal accountability practices and mechanisms utilized by the Band as cited by respondents and found through the file review conducted as part of the case study.

FORMAL ACCOUNTABILITY PRACTICES AND MECHANISMS AT OCHAPOWACE FIRST NATION		
TYPE	PRACTICES	MECHANISMS
Financial Accountability	Reporting	<ul style="list-style-type: none"> ✓ Annual Audit submitted to membership ✓ Monthly budget statements to Council
	Meeting and Consultation	<ul style="list-style-type: none"> ✓ Committees outline priorities and submit to Council
	Policy and Procedures	<ul style="list-style-type: none"> ✓ <u>Financial Regulations, 1989</u>: These regulations include council responsibilities, financial reporting guidelines, accounting systems, and specific policies for areas such as recipients and deposits, purchases, payments, contracts and tenders, travel, and audit.
Political Accountability	Reporting	<ul style="list-style-type: none"> ✓ Annual written report to membership outlining results achieved ✓ Newsletters (quarterly)
	Elections	<ul style="list-style-type: none"> ✓ Held every two years as per the <u>Indian Act</u>.
	Meetings/Consultations	<ul style="list-style-type: none"> ✓ General membership meetings (Min. twice annually) ✓ Monthly council meetings open to the public ✓ Committee System ✓ Home meetings² ✓ Special general meetings held on specific issues³
	Oath of Office	<ul style="list-style-type: none"> ✓ Oath of Office ✓ Council Standards of Conduct
	Accessibility	<ul style="list-style-type: none"> ✓ Open access to books as per AFA Agreement ✓ Open door policy to Chief and Council ✓ Personal development training for Band members to assert their rights
Administrative Accountability	Reporting	<ul style="list-style-type: none"> ✓ Band Administrator reports to Council Monthly ✓ Ongoing monitoring by Council
	Policy and Procedures	<ul style="list-style-type: none"> ✓ Formal appeal processes, ⁴ Personnel Manual⁵l.

² Each counsellor is responsible for conducting home visits with the homes within their ward.

³ One example of this is the series of information meetings recently held on the Treaty Land Entitlement process.

The main accountability practices undertaken by the Chief and Council to the membership include reporting, meetings\consultations, policy and procedures, elections, and measures to ensure accessibility. The community maintains an elaborate committee structure which is viewed as providing individual Band members with an opportunity to participate in Band affairs.

Respondents also viewed developing the skills of individual Band members, such as public speaking and participating in meetings, as an important aspect of accountability. Such skills are viewed as assisting Band members to increase their self-esteem and feel confident in questioning and participating in Band affairs. As part of this personnel development, Council members have adopted the view that they must provide a role model to promote the integrity of the community. The Council has focused on increasing its own integrity via a code of ethics, an oath of office (as attached in Annex 1 of this report) as well as undertaking specific functions. For example, regarding the issue of alcohol and drug abuse, the Council issued a special newsletter on this issue and each member contributed a letter outlining their personnel views the subject.

Several accountability mechanisms such as the quarterly newsletter, annual report to the membership, and individual meetings between councillors and households, are viewed by respondents as important tools to inform the membership. The Band is also considering undertaking a strategic planning process which would involve their committees assisting the Council to establish program goals on a five to ten year planning horizon.

An important part of the Council's accountability to the membership is a function of the small size of the community. Generally, respondents viewed the close communication lines that exist in a small community, and the open door policy of Chief and Council, as the main basis of their accountability to the membership.

Notices for Band general membership meetings are posted and mailed to individual homes. Although the turnout to such meetings is said to depend on the type of issues being addressed, overall respondents noted that it is not very high despite their efforts to increase participation.

⁴(...continued)

⁴ Ochapowace Indian Education Authority, PSE Education Policy Guidelines, 1991 and Ochapowace First Nation Social Development Policy. For the Social Development Program, the appeal process is as follows: a Band member who wants to appeal a decision submits a written notice, "Notice of Appeal", to the issuing authority. Administration reviews the appeal with the Family Services Worker and the Councillor responsible for this portfolio. If it is not resolved, the appeal is sent to the welfare committee. If the appellant is still not satisfied, a written appeal is then sent to Chief and Council for a final decision.

⁵ The Band's Personnel Manual addresses topics such as recruiting, grievance procedures, job descriptions, leave, etc...

- **Opinions were split on whether AFA has had an impact on the way Chief and Council communicate with Band members.**

The opinions on whether AFA has had an impact on the way the Band government communicates to members was split. Most felt that the Band already maintains sufficient accountability mechanisms in place and that AFA did not affect these very much if at all. However, others felt that the introduction of AFA has had an impact on this area since there is more emphasis on the Chief and Council to consult with members as a result of the increased decision-making they undertake. Further, due to the flexibility, some respondents stated that there are now more dollars available for committee work and that the number of committees and people involved have subsequently increased.

Others stated that in general terms there is now more meetings, strategic planning, and more emphasis on the development of the people. The last several years has seen an increase in the sense of ownership by Band members, and an increased emphasis on developing people to actively participate.

- **Respondents felt that Band members have the opportunity to question decisions made concerning programs and that Council and staff try to involve the membership as much as possible.**

If a Band member has a problem, they are usually referred to the administration first. If it is not resolved at that level, they then go to Chief and Council. If the matter is still not resolved, the member can call a meeting. People felt that generally the membership is more aware of Band activities than in the past.

- **Most respondents felt that Band members are informed of decisions concerning Band programs.**

Although most respondents felt that Band members are informed of decisions concerning Band programs, one respondent questioned the manner in which the information was given and felt that it is provided too piecemeal which results in people not being aware its overall implications. For example, he thought that the budget breakdowns provided to the membership should be more in-depth and that the budget should have to go to the general membership for acceptance.

Another concern among respondents is that the newsletter has ceased. Council members viewed this as an interim situation as the person responsible has currently left his position.

4.4.2 Accountability to the Minister

According to respondents, the primary mechanism that the Band undertakes for accountability to the Minister is through the annual audit. Respondents noted that they feel that the Band is accountable for ensuring that they fulfil program requirements to meet their needs.

The Ochapowace Agreement is the only one in the country signed with a reference to the "fiduciary responsibility of the Crown". The Band wants this in the Agreement to ensure that the federal government maintains their fiduciary responsibilities.

Most respondents noted that AFA assists in clarifying accountability roles; however they felt that more work is needed in this area. Several respondents stated that they should not have to account to the Department as they see the funds as theirs by treaty and feel that they should only be accountable to Band members. They felt that the accountability relationship between the Band and the Department should be based on treaty and the Chief and Council to the people. Some felt that the Band should not be accountable to DIAND, and that funding should come directly from Treasury Board.

- **Respondents had divergent opinions when asked whether AFA has had an impact on the accountability relationship between the Band and the Department.**

Most respondents viewed AFA as the breaking point in their relations with the Department. According to respondents, before the stress was on the Department for making decisions, but now it rests with the Band which they view is in the best position to make decisions. Respondents noted that contact primarily occurs when amendments to the agreement are made.

Some respondents went further and noted that there are now better communications with the Department under AFA and more willingness to work together, except on specific issues such as funding formulas. The Agreement has made the Department become more accountable to the Band as it assisting in drawing the lines of responsibility.

4.4.3 Department Recipient Relations

According to recipients, the Band has always had good relations with Department. With the introduction of AFA, respondents feel that DIAND looks at them differently, and places more interest in their needs. Respondent think that the Department views them as more independent as they are now making their own decisions.

In terms of contact, the relationship with the Department under AFA involves less contact which the Band feels is a good thing. However, within the relationship, some respondents noted that the FSOs they deal with do not have enough understanding of the agreement's terms and conditions. Although, respondents felt that they get good cooperation from FSOs, they are often unable to field their questions or they do not have enough authority to deal directly with the Band.

In addition, there are areas in which the Band would like to discuss such as treaties and how they are to be implemented, which the Department does not want to discuss. According to the Band, at some point in time, this must change if there is to be a nation to nation relationship.

4.5 Functionality of AFA with Other Funding Mechanisms

- **Generally, respondents felt that AFA was functioning well with other funding mechanisms of INAC and other Departments, although they felt that improvements could be made to enhance its functionality.**

Respondents noted that generally the implementation of AFA with other departments' funding arrangements is working well as they can take advantage of other Departmental funding more effectively by combining funding sources.

However, according to respondents, the Department needs to be clearer on what items are funded through CAs and AFAs and the associated accountabilities of each. Respondents felt that it would be administratively easier and clearer if all items were delivered under one agreement.

Further, respondents noted that the funding process would be enhanced if other Departments would apply a similar funding mechanism. For example, MSB was noted as one example of how other Departments are not keeping up with funding mechanisms which respect Band management as it still uses a Contribution Arrangement to deliver funds. Further, some departments were viewed as potentially taking advantage of the flexibility provided to the Band through AFA. For example, recreation for senior citizens is not provided through MSB and has to be made up by the Band from INAC funded programs.

4.6 Other Impacts

Overall, most respondents felt that the impacts of AFA are positive. Respondents identified two additional impacts of AFA. The first is the psychological impact of AFA. The funding agreement is viewed as contributing to the general thrust of the community to promote a more healthier, stronger, independent community. AFA is seen as assisting in the development of strong leadership capabilities as the

Council is involved in making more decisions. While some of these decisions are not always liked, it is viewed as a positive experience with no major community disturbances.

Some respondents noted that AFA has had an additional impact of enhancing the ease at which the Band is able to access loans from financial institutes as it can demonstrate repayment based upon its long-term agreement. However, one respondent questioned whether this was indeed an impact as the Band already had good relations with financial institutes and felt AFA has had little impact in this area.

5. IMPROVEMENTS SUGGESTED BY RESPONDENTS

- **According to respondents, the resource allocation method, program activities eligible for funding, and the level of resources under an AFA should be modified.**

The Band feels that the items eligible for funding by the Department should be reviewed. There are two main concerns in this area. This first concerns the operating and maintenance subsidies for capital assets developed by the Band on their own initiative, and the second involves the cost of insurance which they currently fund through their own revenue.

The Band also feels that the Department's funding formulas need to be changed. Several forms of alternatives were identified by respondents. These included global transfer payment, a needs basis, or on Treaty in current dollars. Respondents felt that all federal government funding should be made through their AFA and that this should come from Treasury Board. Finally, respondents felt that the levels of resources they receive limit their ability to utilize their AFA and should therefore be increased to better meet community needs.

- **When communicating with other Bands, the Department should explain its motivation for using AFA and market it on the basis of enhancing management and accountability of Bands to their people.**

Initially, the Band did not know why the Department was marketing AFA and for this reason demanded that the "fiduciary clause" be inserted into its Agreement. The Band felt that the Department should clearly communicate its motivations for using AFA and market it on the bases of it being a tool to assist bands in being better managers and more accountable to their people.

- **Increased information on Departmental funding formulas would assist Bands in verifying and projecting its funding base.**

Respondents noted that they would like to be informed of all the funding formulas utilized by the Department to derive their budget. According to them, the provision of this information would allow them to ensure that no mistakes are made, and would enable them to forecast their funding levels.

- **Respondents think that the timing and amendment aspects of the AFA Process should be improved.**

According to respondents, the actual amendment documents are difficult to understand. In addition, the process of recording amendments on the part of the Band and Department needs improvement as it is difficult to know whether an amendment affects the base budget and should be carried forward or if it is just a one time funding item. Further, being able to ensure that changes to the base budget are carried forward needs to be simplified.

The second aspect of the process identified as requiring improvement is the timing of agreement renewal. The Band feels that agreements should be renewed before the end of the fiscal year.

With respect to reporting, the statistical return portion of the expanded audit appears to provide information that is already collected through program reporting done throughout the year. The Band is unsure of its intent and regards it as a duplication of effort.

- **Respondents thought that the Department should maintain the original intent of AFA.**

The Band feels that it is important that the original intent of AFA not be lost. From their perspective, it appears that it is moving away from its original intent. They point to items like the Education program being moved from fixed in their first two agreements to reimbursement of actuals for their third agreement, Capital being funded on a yearly basis, and the increased reporting requirements such as the requirement for a five year capital plan as examples of how AFA is moving away from its intent of long-term budgeting and reduced reporting to the Department.

6. OBSERVATIONS AND CONCLUSIONS

Table 6 on the following page presents a brief overview of the findings of the current case study with the one conducted in 1989 as they pertain to the intended impacts of AFA.

Table 4

COMPARATIVE ANALYSIS OF THE FINDINGS FORMER AND CURRENT CASE STUDIES OF OCHAPOWACE AFA AGREEMENT		
INTENDED IMPACTS	OVERVIEW OF SELECTED FINDINGS	
	SHORT-TERM IMPACTS	LONG-TERM IMPACTS
Band's management skills highlighted	Improved management, control and planning mechanisms in response to increased program and budget responsibilities	✓
Increased amount of activities administered and managed by Band	✓	The emphasis towards using reimbursement of actuals, as opposed to fixed budgets, is viewed as limiting the extent to which the Band manages its affairs.
Increased flexibility for Bands to modify programs to suit their needs	✓	The flexibility of AFA is still viewed as the arrangement's strong feature; however, according to respondents, barriers to its use, such as resource limitations, are increasing.
Enhanced accountability of Band Council to their constituents	No major impacts.	No major impacts.
Unintended Impacts	Band morale increased.	AFA continues to contribute to morale, however, Band views the thrust of AFA as becoming reduced.

When the initial case study was conducted of the Ochapowace AFA Agreement in 1989, the main short-term impacts identified were improved control and planning mechanisms, increased authority on the part of Council to administer programs, and better services to community members as a result of AFA's flexibility. At that time, AFA was found to have positive impacts on both the morale of the community, as well as relations between the Band and the Department. No major impacts were found on the accountability systems of Chief and Council to their members, as they were already deemed by Council to be sufficient.

While the current case study found similar findings of these impacts, what has changed is the extent to which they have occurred. Some of the initial impacts have intensified, while others have reduced over time. In particular, is the areas administered by the band as many of the programs that were formerly funded through fixed budgets for the term of the agreement, are now funded on a yearly fixed basis. This results in the need for an annual reporting regime to the Department in order to adjust budgets. The two main reasons cited for moving from fixed to yearly-fixed or reimbursable of actuals is that the Department and Band had difficulty on agreeing to appropriate escalators and secondly, some programs like capital and education are only funded by the Department on an annual basis.

While the Band remains positive about its AFA arrangement, it is concerned that AFA maintain its original intent. The Band is also wondering what is the next generation of funding arrangement they can access in order to further their goal for independent, government to government relations between the Department and the Band.

Annex 1

**Council Oath of Office and
Standards of Conduct**



OCHAPOWACE INDIAN BAND No. 71

P.O. Box 550, Whitewood, Saskatchewan S0G 5C0

Phone (306) 696-2637

OCHAPOWACE INDIAN BAND

OATH OF OFFICE TO THE OCHAPOWACE BAND COUNCIL

I, _____, DO DECLARE AND TESTIFY
THAT I AM DULY QUALIFIED TO BE ELECTED A MEMBER OF
THE OCHAPOWACE BAND COUNCIL.

I, _____, DO SWEAR THAT I WILL BE
FAITHFUL AND BEAR TRUE ALLEGIANCE TO THE OCHAPOWACE
BAND.

FURTHER, I, _____, DO HEREBY DECLARE THAT
I SHALL BE HONEST AND SHALL FAITHFULLY EXECUTE AND
ABIDE BY THE LAWS, CUSTOMS, AND TRADITION OF THE
OCHAPOWACE INDIAN BAND DURING MY TERM OF OFFICE AS
A CHIEF/COUNCILLOR OF THE OCHAPOWACE BAND COUNCIL.

CHIEF/COUNCILLOR

WITNESS

DATE

Draft

STANDARD OF CONDUCT

As long as I am a Council member of the Ochapowace Band, I shall be committed for the duration of my term to:

- * be motivated by a desire to serve the people of Ochapowace to the full extent of my ability;
- * do my best to attend all Council and committee meetings;
- * recognize that expenditures of Ochapowace Band funds is a public trust and I will ensure that our funds are expended efficiently and economically in the best interests of the Band and the people we serve;
- * not use Ochapowace Band resources or any of its services for my own personal advantage or for the advantage of my friends;
- * abstain from alcohol and/or illegal drugs;
- * work to maintain the integrity, confidence and dignity of the Council position I hold;
- * listen to what Council members, those affected and others have to say before I make a final decision;
- * do my best to avoid rancor and bitterness, to observe proper procedures and behaviour, to encourage full and open discussion in all matters, and to treat all members and employees of the Band with respect and consideration;
- * not conceal or withhold any matter or consideration with which the Council and/or people should be concerned;
- * make no disparaging remarks, in or out of a Council meeting, about other Council members, employees or members of the Band. However, I reserve the right to make honest and respectful comments;
- * recognize that the Band's authority rests with the Council and not with its individual Council members and I will act accordingly;
- * abide by majority decisions of the Council when they have been made and I will accept and support these decisions so long as I am a Council member. However, at the time I seek re-election to the Council I shall be free to repeat and support the minority opinion I upheld at the time the decision was made;
- * not discuss the confidential business of the Council in my home, on the street or in my office. My discussion of these matters will be restricted to Council meetings only, unless otherwise directed;
- * complete my duties to the best of my ability in order that the Band staff can effectively implement the serve and programs approved by the Council;
- * approach all Band issues with an open mind;
- * make the best decisions for the whole Band;
- * not do anything to violate the trust of those who elected me or those who we serve;
- * focus my efforts on the mission of the Band and not on my personal goals;
- * never exercise authority as a Council member except when acting at a meeting with the full Council or as I am delegated by the Council;
- * act and maintain a behaviour that will not be a disruptive influence at work and/or in the community;
- * abide by the laws, customs and tradition of the Ochapowace Indian Band; and
- * agree to abide by the disciplinary action set out by Council.

APPENDIX 12

Kitigan Zibi Anishnabeg First Nation: A Case Study Report For the Evaluation of the Long-Term Impacts of Alternative Funding Arrangements

Prepared by

Égériex Inc.

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INTRODUCTION

This study is part of a National evaluation of Alternative Funding Arrangements (AFAs) carried out by the Department of Indian Affairs and Northern Development. Its objective is to report to the Treasury Board on the long-term effects of AFAs, with special attention to departmental and band accountability.

Objective of this report

This report contains the results of the case study conducted in the community of Kitigan Zibi Anishinabeg, located in the Maniwaki region.

Methodology

Two methods were used: a series of interviews with members of the administration and band members and a review of all band files relating to the administration of AFAs.

The following people were interviewed:

- the chief
- the band manager
- the education director
- the director of health and social services
- the administrator of lands, revenues and trusts and membership
- the administrator of construction and housing maintenance
- those responsible for finances
- the finance clerk
- the external auditor.

In addition, five band members were interviewed in person and approximately forty telephone interviews were done randomly from the list of residents.

1. PROFILE OF THE KITIGAN ZIBI ANISHINABEG COMMUNITY

1.1 Geographical Location

The community of Kitigan Zibi Anishinabeg is located 130 km north of Hull, very close to Maniwaki, on the west bank of the Gatineau River. The reserve is accessible from Hull on Highway 105 and from Montreal on Highways 107 and 117. Total land area is 10,997.4 hectares.

1.2 History

The Algonquin settled in the region in the mid-nineteenth century. The reserve was created in 1853. Today, Kitigan Zibi Anishinabeg is Quebec's largest Algonquin community.

1.3 Demography

The total population of Kitigan Zibi Anishinabeg is 1,994 registered Indian people, 945 men (47%) and 1,049 women (53%). Twelve hundred people live on the reserve and 794 live off-reserve. Projections indicate that the population will reach 2,375 in the year 2006. The increase is a result of a high birth rate and the introduction of new members under Bill C-31. Table 1 shows the change in population from 1977 to 1992. Table II shows total population according to age and sex.

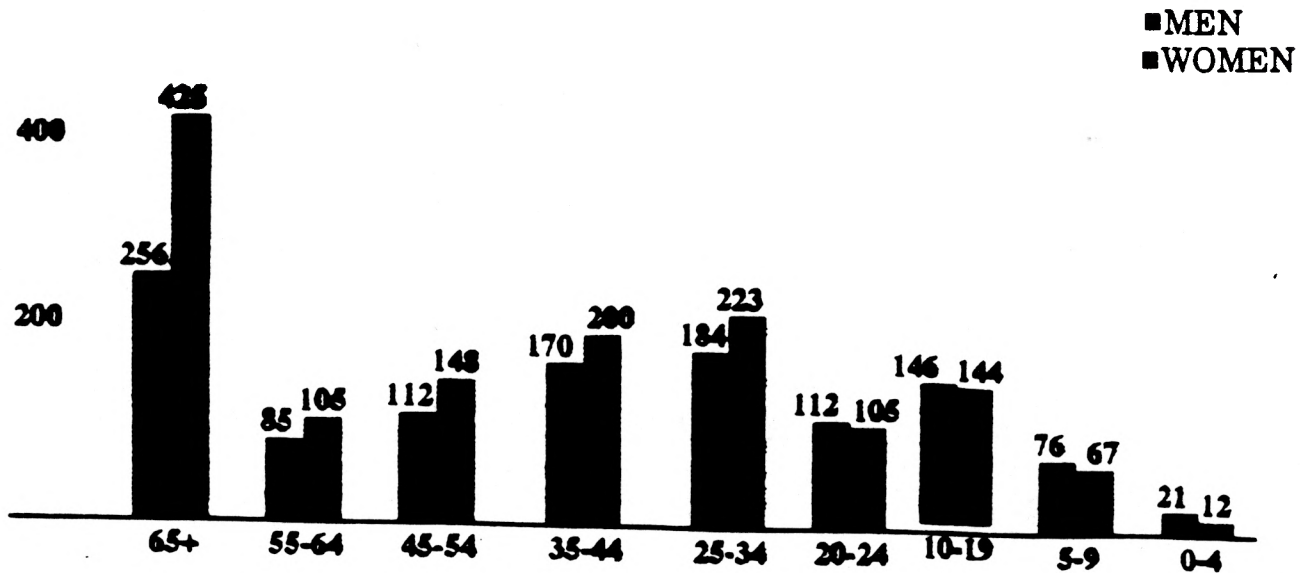
TABLE I
POPULATION
COMMUNITY OF KITIGAN ZIBI ANISHINABEG
1977-1992

	TOTAL POPULATION	POPULATION ON RESERVE	POPULATION OFF RESERVE
1977	1,078	795	283
1978	1,096	821	275
1979	1,112	833	279
1980	1,131	873	258
1981	1,159	891	268
1982	1,177	906	271
1983	1,211	944	267
1984	1,252	984	268
1985	1,267	989	278
1986	1,479	1,043	436
1987	1,616	1,070	546
1988	1,757	1,101	656
1992	1,994	1,275	719

Source: Indian Register

TABLE II

TOTAL POPULATION ACCORDING TO AGE AND SEX¹



Source: Register, Community of Kitigan Zibi Anishinabeg

1.4 Education

According to the 1986 census, forty-two percent (42%) of the total population aged 15 years and over have less than a grade-nine education. Thirty-three percent (33%) have between ninth and thirteenth grade educations, thirteen percent (13%) are university graduates and five percent (5%) hold occupational training certificates. A study commissioned by the Education Directorate to determine the community's current educational levels is currently underway. Publication of the study is expected in November 1992.

The band has administered the education program since 1972. The school, built in 1980, goes from kindergarten through Secondary V. It is 4,215 square meters in size, composed of 2 kindergarten classes, 6 elementary classes, 5 secondary classes, 1 gymnasium, 1 science laboratory, 1 computer room and a common room. In addition, a small building beside the school houses a centre for immersion in the Algonquin

¹ Table II shows a total population of 2,591. According to information provided by the band, there were 597 deaths in 1992, giving a figure of 1,994 members.

Programs and curricula are developed, assessed and amended by the band. The diploma is recognized by some CEGEPs or colleges and by anglophone universities. The Quebec Department of Education does not recognize the diploma. However, Ontario accepts equivalents for students wishing to pursue studies in a provincial school.

In Kitigan Zibi Anishinabeg, several education programs are included in the AFAs. AFAs covering pre-school, elementary, secondary (including school-bus transportation) and post-secondary education are reviewed each year. Programs such as adult education (for drop-outs) are negotiated with Employment and Immigration Canada and not as a part of the AFAs. The negotiating process for AFAs is as follows:

1. Review of programs with DIAND: agreement on funding formulas.
2. Planning of new programs.
3. Negotiation
4. Preparation of a first-draft AFA
5. Review
6. Signing

Up to now, negotiations have always proceeded without major problems. Over the years, the education administrators have established a good relationship with DIAND staff. However, the respondents expressed concern over the effect that DIAND reorganization may have on future negotiations. Will the band have to re-establish their relationship and credibility with the new DIAND personnel?

1.5 Political Process

The Kitigan Zibi Anishinabeg community is managed by a chief and four councillors, elected for a two year term in accordance with Section 74 of the Indian Act. The current political structure is stable. The council meets regularly and a general band meeting is held monthly.

Brochures are distributed to all homes in the community, informing the members of meeting agendas, the various services available and council decisions. Annual financial statements are also distributed to each home. Members wanting additional information can speak directly to the chief or a councillor.

1.6 Organizational Structure

Kitigan Zibi Anishinabeg's administrative structure is decentralized. Each major file administered by the band is the responsibility of a committee: health and social services; education; police. The purpose of these committees is to inform and involve as many people as possible in the community's affairs. All the committees are decision-making. The band council determines direction and the committees develop

policies. However, their power is limited to acting within the band budget. Table III shows the community's organizational structure.

With respect to the committees, the band manager acts solely as financial controller. However, the manager has full authority over other operations under his or her control. Invoices signed and approved by the sector directors are paid through the central financial system. Each director receives a monthly report showing their expenditures and the manager and the band council receive a consolidated report.

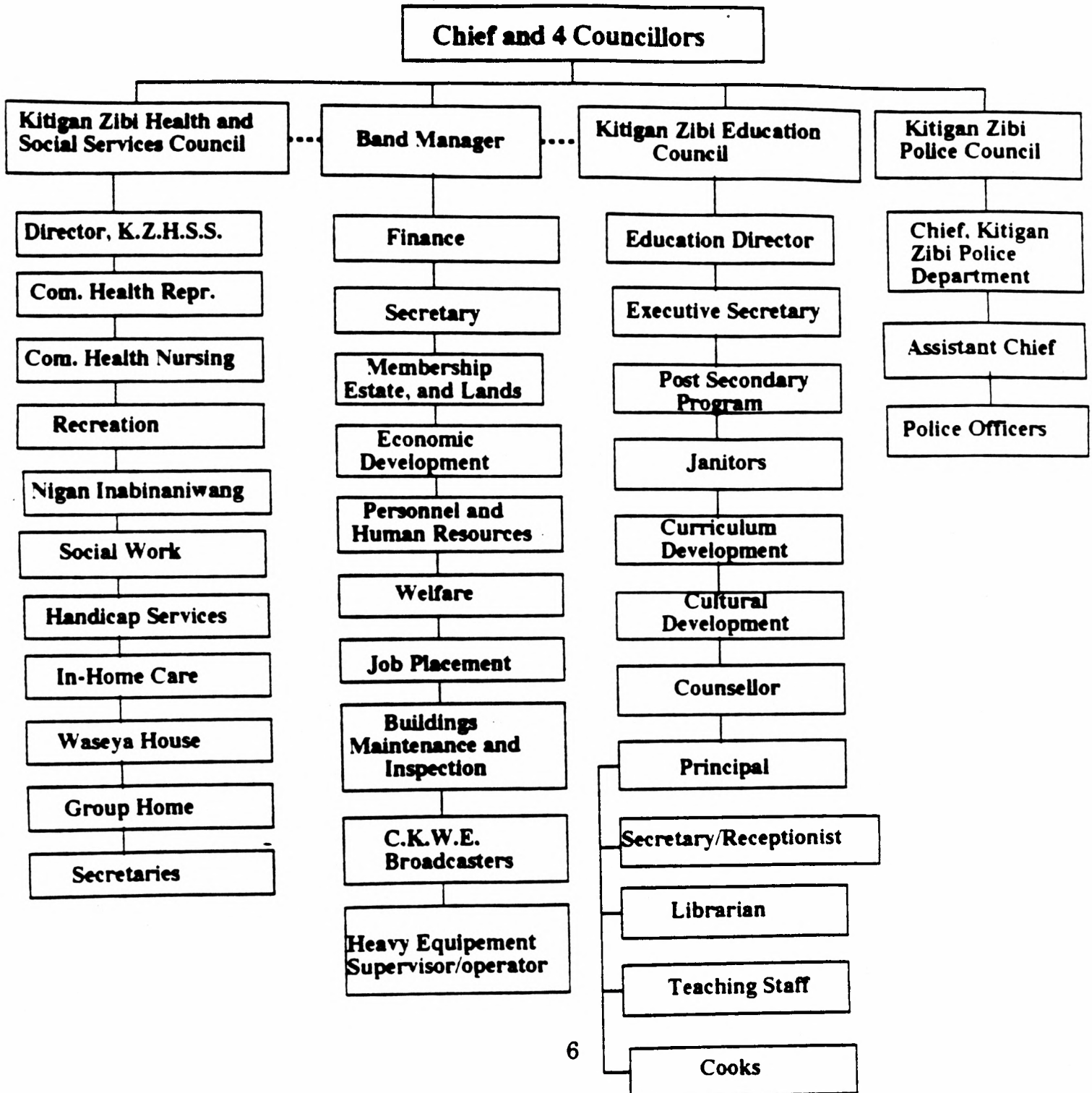
Before the beginning of each fiscal year, the band hires a consultant and reviews employee salaries. The band has a general policy covering all employees. However, the education sector presents specific requirements: all employees sign an annual contract and the general policy is adapted to meet the teachers' working conditions.

The negotiation of AFAs is done mainly by the chief. The directors are consulted in order to establish base budgets for each sector. The negotiating process is as follows:

1. Base budgets for each sector are submitted to DIAND;
2. A first draft of the AFA is provided by the director of each sector to DIAND;
3. Negotiation (much of this is done by telephone);
4. Signing

TABLE III

ORGANIZATIONAL STRUCTURE
COMMUNITY OF KITIGAN ZIBI ANISHINABEG



1.7 Economic Activities

According to the 1986 census, there are 290 employable persons in Kitigan Zibi Anishinabeg. Of this number, thirty-three percent (95) are unemployed.

Two hundred eighty-five (285) men are employable. Of this number, 175 are in the labour force (61%) of which 135 are employed (77%) and 45 are unemployed (23%).

Two hundred fifty-five (255) women are employable. Of the one-hundred and ten women in the labour force (45%), 70 are employed (64%) and 40 are unemployed (36%).

With respect to economic development, the community of Kitigan Zibi Anishinabeg includes:

- 1 restaurant;
- 1 grocery store;
- 2 contractors;
- 3 artisans;
- 4 truckers;
- 3 craft stores;
- 1 forestry contractor;
- 15 persons owning forestry machinery.

1.8 Employment Opportunities

The government services sector is the largest employer. In 1986, this sector accounted for 36% of employed workers. Other major employers are in the service sector and employ 80 workers (27%). A traditional primary industry like trapping accounts for only 3% of the jobs in the community.

Requirements for band positions have become more stringent over the years. University degrees are now required for certain administrative positions. The respondents observed that, since 1989, the pool of available personnel with degrees has grown.

The respondents see potential in the area of tourism (Indian village), outfitting (an existing outfitter would have to be purchased), wood chip transportation and, within the context of self-government, casinos.

1.9 Financial Development

Before signing an AFA, the Kitigan Zibi Anishinabeg community administered, under contribution agreements, an education budget of \$2.9 million. Moreover, the

community offered services in the lands, revenues and trusts, community services, band support, community facilities and housing sectors.

On October 27, 1987, the community was the first band in Quebec to sign an AFA in the amount of \$14,808,581 allocated over three years. The AFA's term was from January 7, 1987 to June 30, 1990.

On June 26, 1990, the band negotiated a second AFA for \$32,978,768 over five years. The term is from January 7, 1990 to June 30, 1995. The sectors covered by the AFA are: land, revenues and trusts, elementary/secondary/ post-secondary education, social development, band management, fixed assets and community services. The band also manages the social assistance budget which went from \$527,676 in 1986 to \$777,281 in 1992.

2. IMPACT OF AFAS

2.1 Impact on Administration and Services

Surpluses generated by AFAs paid for the hiring of additional personnel. A construction technician and a personnel officer now work full-time at the band office. There has also been an increase in the number of homemakers assigned to senior citizens.

The flexibility of AFAs allows the band to adapt programs and services to the needs of the band members. The respondents noted that as a result, the quality of services has improved. AFAs have also funded the purchase of more sophisticated office equipment.

With respect to workload, the respondents noted that there has been a significant change in the number of reports required by DIAND. Before signing the AFA, the band had to submit a monthly report; now, they are required to submit an annual report. However, the respondents noted that the time thus saved must be devoted to administering new programs. Therefore, in terms of day-to-day work, the AFAs have not made a significant difference in the office workers' workload.

2.2 Flexibility

All the respondents acknowledged that the AFAs offer more administrative flexibility, thus allowing the band to plan in advance and meet the specific needs of the community.

In the education sector, the band has used AFA funds to build an Algonquin language immersion school, enlarge the gymnasium, purchase computers, hire remedial teaching and psychology specialists, work on curriculum development and implement policies for post-secondary education which are more stringent than DIAND standards.

Under the new AFA agreement, planning is done over a five-year period. Thus, the flexibility of the AFA allows the band to more adequately respond to housing needs. For example, surpluses funded the construction of a group home for seniors. In addition, the AFA may be used as collateral for loans so that housing construction projected for subsequent years can be moved ahead.

Welfare surpluses are used to fund local work (environmental) to keep people from staying on welfare for long periods of time. Between 30 and 40 people are hired each year in this way.

Interest from investments are used for housing repairs for seniors who would not have access to funds under existing programs. Interest is also used to pay band lawyers' fees.

With respect to inter-program flexibility, the respondents mentioned that the program directors do not want their surpluses to go to other departments. However, some deficits have been absorbed by the band administration budget, as was, for example, the land, revenues and trusts deficit. This decision was made by the band manager and approved by the council.

2.3 Departmental Monitoring of Band Activities

The respondents mentioned that the implementation of AFAs has decreased the number contacts with DIAND officials. The number of reports to be submitted has also decreased substantially, particularly in the area of statistics required by DIAND. Some respondents mentioned that under AFAs, the band seems more accountable to their members than to DIAND officials.

2.4 Accountability

2.4.1 To community members

The community of Kitigan Zibi Anishinabeg has not changed its accountability system with the advent of AFAs. The current system has been in place for many years.

Information meetings are held monthly. Each year, the band council distributes the auditor's report to each home in the community. It should be emphasized

that this annual report includes non-AFA activities. Information can also be obtained informally either by telephone or directly from the band council office.

When a position at the band office is open, an independent committee is formed so as to avoid favouritism or nepotism. The committee ensures that the candidates do not have any privileged relationships with committee members.

In the education sector, the annual budget is first presented to the education committee and subsequently amended to make it accessible to the band council and band members. In addition, meetings are held four times per year and information about the school year is sent to each home. A student newspaper is also published monthly.

Personal and telephone interviews with band members show that they feel well-informed by the council. Those interviewed also believe that the Kitigan Zibi Anishinbeg band council is accountable to its members. They all affirmed that they always receive responses to questions put to council members. Moreover, those respondents knowledgeable about the AFA considered the impact of the AFAs on the quality of services (especially education) and the number of jobs available in the community, as being positive.

2.4.2 To the Minister

For internal purposes, the Kitigan Zibi Anishinbeg band still uses the Financial Reporting Guide for First Nations, 1991-92, used for contribution arrangements, which they believe better ensures the administration's accountability vis-à-vis band members. According to the auditor, if he presented financial statements based on the model proposed for AFAs to the chief, the chief would probably consider them to be incomplete and would request more information.

Furthermore, it would seem that the statistics provided by the band cannot be verified by the auditor. For example, the auditor is not able to confirm if the children included in the statistics actually attend the band school.

It can thus be said that at this time, the reports provided under the AFAs do not sufficiently ensure departmental accountability as defined in the Indian Act.

2.5 Other Effects

On the whole, the respondents described the impact of the AFAs as being positive. However, although AFA philosophy is supposed to increase flexibility, they criticize current financing formulas for limiting flexibility.

Certain AFA terms could well have a direct effect on the band's financial capacities, especially in cases where the AFA does not provide for adjustments over its term. For example, the AFA covering community wells was negotiated three years ago. However, because the Council did not allow for price indexing, it may well find itself in a deficit position with respect to wells at the end of the AFA's five year term.

With the implementation of AFAs, the band recognizes that DIAND is no longer available to respond to all their needs as was the case under contribution agreements. For example, there has been a change in the procedure for household waste pick-up. Previously, the landfill site was located on the reserve. Now, waste is sent to a regional landfill site, meaning that the band needs a truck. A funding application was submitted to DIAND. DIAND refused the request on the grounds that it was not in the spirit of AFAs and that the band would have to find the necessary funds in the AFA budget.

3. SUGGESTED IMPROVEMENTS

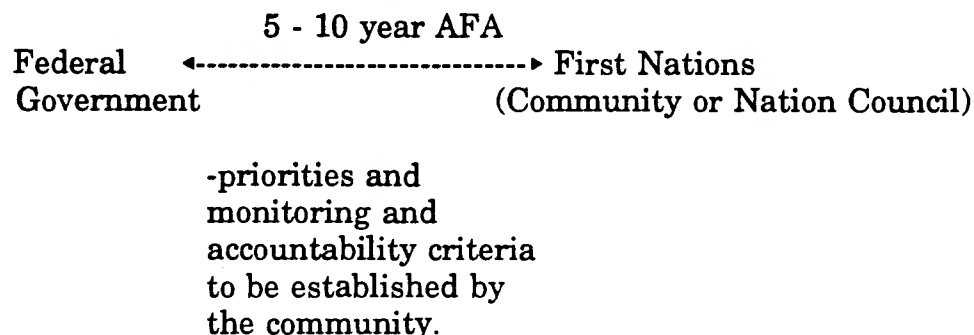
The following suggestions came from interviews with the respondents:

1. DIAND should allow First Nations complete control over the development of educational policies. The relationship should allow for an exchange of information rather than DIAND implementing policy without any consultation. In addition, the funding formulas (band school and high cost) should be developed in terms of actual needs rather than according to budgets (e.g. special needs: DIAND does not have a special needs policy and they do not appear to be handling special needs).
2. There seems to be a lack of information about new DIAND programs. Following departmental reorganization, the respondents would like to have effective contact with DIAND through valid representatives.
3. With respect to health, 10 year projections are considered feasible. It could therefore be possible to negotiate an agreement for 10 years.
4. With respect to occupational training, a five-year, rather than an annual budget, would be preferable.
5. According to the respondents, the AFA is negotiated in the same way as the contribution arrangements were. Thus, they condemn DIAND's lack flexibility in negotiations and suggest that amendments be made to the negotiating process and to the funding formulas.
6. The respondents would like to see an AFA model which corresponds more to complete self-government. They believe that, in reality, there is no real need for

a regional office to act as intermediary, and prefer a single formula which takes the community's location into account. Table II presents a diagram of the preferred model.

TABLE III

AFA MODEL PROPOSED BY THE
KITIGAN ZIBI ANISHINABEG COMMUNITY



As evidenced in the proposed model, the respondents believe it important that activities be monitored. The community should therefore clearly establish a model of accountability before signing the AFA. For its part, the federal government should abolish the Indian Act and include legal accountability of First Nations in the Criminal Code. The chief, councillors and all main band administrators should be accountable for their administrative actions under the Criminal Code.

The respondents are willing to submit to federal government or external audits. In addition, the government must reserve the right to respond to complaints originating from the community. From now on, Ministerial accountability would be limited to guaranteeing that the audits set forth in the AFA are performed correctly.

The implementation of the proposed model has the potential to significantly reduce abuses. For example, the budget for patient transport went from \$12,000 in 1976 to \$2,000,000 in 1992 without a proportionate increase in population. In this sector, the government pays the bill and does not really monitor the situation. If the budget was administered by the communities under long-term AFAs, the communities would have an interest in controlling expenditures so as to guarantee service and have access to surpluses. In addition, the possibility of criminal proceedings could well have the effect of substantially reducing abuse.

4. OBSERVATIONS AND CONCLUSION

We conclude from our observations that the administration of the community of Kitigan Zibi Anishinabeg seems to be open and effective. The officers have demonstrated their capabilities in long-term planning and complete accountability for their actions. The AFAs are only a logical next step on the path to self-government proposed long ago by the band council. The education programs are specifically developed to meet the needs of the community. The band's organizational structure allows for the involvement of a large number of community members. The proposal for a funding model based on a lump-sum formula is consistent with the evolution and the current wishes of the community.

According to the respondents, the band would be at the same point today if AFAs had never existed. Compared to contribution agreements, AFAs simply provide access to more complete self-government.

Since 1989, the band has acquired solid experience in the administration of AFAs and also demonstrated an administrative capacity for self-management. In such a context, it is probable that, in the short term, AFAs represent, for the Kitigan Zibi Anishinabeg community, an impediment to complete self-government.

APPENDIX 13

Norway House First Nation: A Case Study Report For the Evaluation of the Long-Term Impacts of Alternative Funding Arrangements

Prepared by:

T. Gussman and Associates

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NATIONAL AFA EVALUATION Phase II
CASE STUDY: Norway House

1. INTRODUCTION

1.1 PURPOSE OF THE REPORT

This report is one of four case studies being prepared as part of the phase two evaluation of the Alternative Funding Arrangements (AFA) initiative. The first evaluation, completed in June 1989 looked at the implementation process and the initiative's short term impacts. The case studies being examined in phase two are River Desert in Quebec, Norway House in Manitoba, Ochapawace in Saskatchewan, and Nu Chah Nulth in British Columbia.

The Manitoba review and case study examines the status of the AFA initiative up to August, 1992. Specific issues of interest were accountability (Ministerial and First Nations), the long-term impacts of the initiative, assessment of departmental controls and the strengths and weaknesses of the AFA process.

1.2 METHODOLOGY

The Norway House case study was conducted over five days from August 23-28, 1992 with the aid of interviews and file reviews. Individuals interviewed were as follows:

INTERVIEWS AT NORWAY HOUSE	NUMBER
Chief and Council	6
Band Administration	3
Program Directors	2
Elders	1
Household Members	9
TOTAL	21

Notes:

- a) The "number" of interviews means the number of individuals participating in an interview. In some cases, more than one individual was interviewed in a sitting.
- b) "Band Administration" includes Finance, Director of Operations, Policy Director.
- c) "Household Members" reflects responses from 7 households

The instruments utilized for the interviews were prepared by DIAND's Evaluation Directorate and reviewed by the consultants. The following interview guides were prepared:

- a) Band Administrators
- b) Councillors and Program Directors
- c) Households

In addition to the interviews, a file review was conducted at Norway House. Specific files examined were: reports regarding AFA both from the department and the band; minutes of band meetings; and correspondence.

2. PROFILE OF THE NORWAY HOUSE FIRST NATION

2.1 LOCATION

The Norway House reserve is located 450 kilometres north of Winnipeg at the intersection of the Nelson River and Playgreen Lake. The reserve is linear in shape spanning approximately 14,577 acres with an outstanding entitlement of approximately 56,897 acres.

2.2 HISTORY OF THE RESERVE

Norway House originally received its name when the Hudson's Bay Company established a northern post near the north shore of Lake Winnipeg in recognition of the Norwegian labourers recruited as construction workers. The post was built to serve as a depot for the company's fur brigades. In 1824, the original outpost burned down and a new fort was constructed near the current reserve. The new post was an administrative centre for the company as well as a major depot for collecting furs for shipment to the east. The establishment of a Methodist mission (eventually named Rossville in honour of Donald Ross, the chief factor of the Hudson's Bay Company) in 1840 added significantly to the growth of the outpost. By the late 1860s, a prosperous Indian settlement had been created with the encouragement of the company in its building of a school, church and parsonage.

In 1874, after Confederation, the Canadian government was considering negotiating a treaty with the native populations surrounding Lake Winnipeg. In September 1875, the Treaty No. 5 Commissioners started to meet with the settlements surrounding Lake Winnipeg. On September 24, 1875, the Commissioners met with the Indian settlement at Norway House and discovered there were two distinct groups in the community, those who were Christian at Norway House, and the "Wood" or Pagan Indians from Cross Lake. Part of the Norway House settlement wished to relocate and it was arranged for that group to move to Fisher River. The treaty recognizing both communities was signed that same day.

In 1877, the Norway House reserve was surveyed (as per the instructions of the Lieutenant Governor) and determined to encompass 18,400 acres. Between 1878 and 1908, the community expressed dissatisfaction with the surveyed lands and negotiated for an improved settlement. In 1908, an extension was granted for the reserve which encouraged the Fisher River settlement to formally join Norway House. In 1910, another survey was completed and new boundaries formally agreed upon. The reserve was finally recognized by the Government of Canada on December 10, 1923 by an order-in-council. In the 1950s, basic amenities such as electricity, telephone and roads were created for the community.

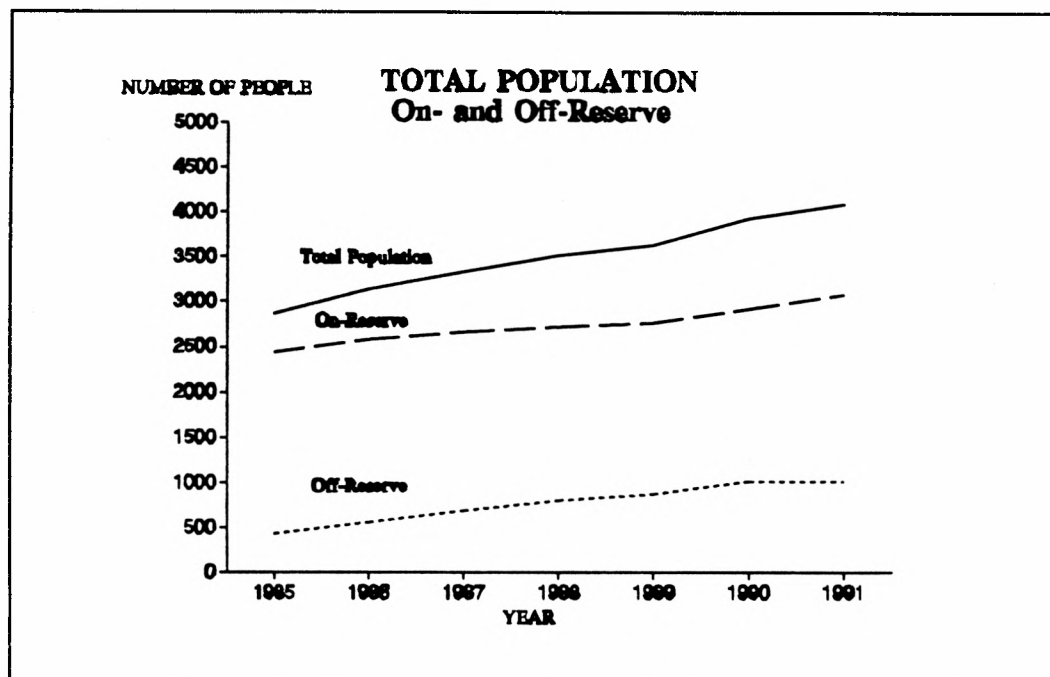
2.3 DEMOGRAPHICS¹

From 1985 to 1991, the total population of Norway House grew from 2,870 members to 4,084, a 42.3 per cent increase. Over this period, there were marginal increases in the on-reserve population except in 1990 to 1991 where it grew by more than 5 per cent. This growth has been attributed to the effects of Bill C-31 and increases in the number of transients. Substantial gains are noticeable in the off-reserve population although the rate of increase has been slowing consistently since 1985. Total population growth on-reserve over the period was 25.9 per cent compared with 136.1 per cent for the off-reserve population. Table 1 summarizes total population growth from 1985 to 1991. Chart 1 illustrates the trends in these population series.

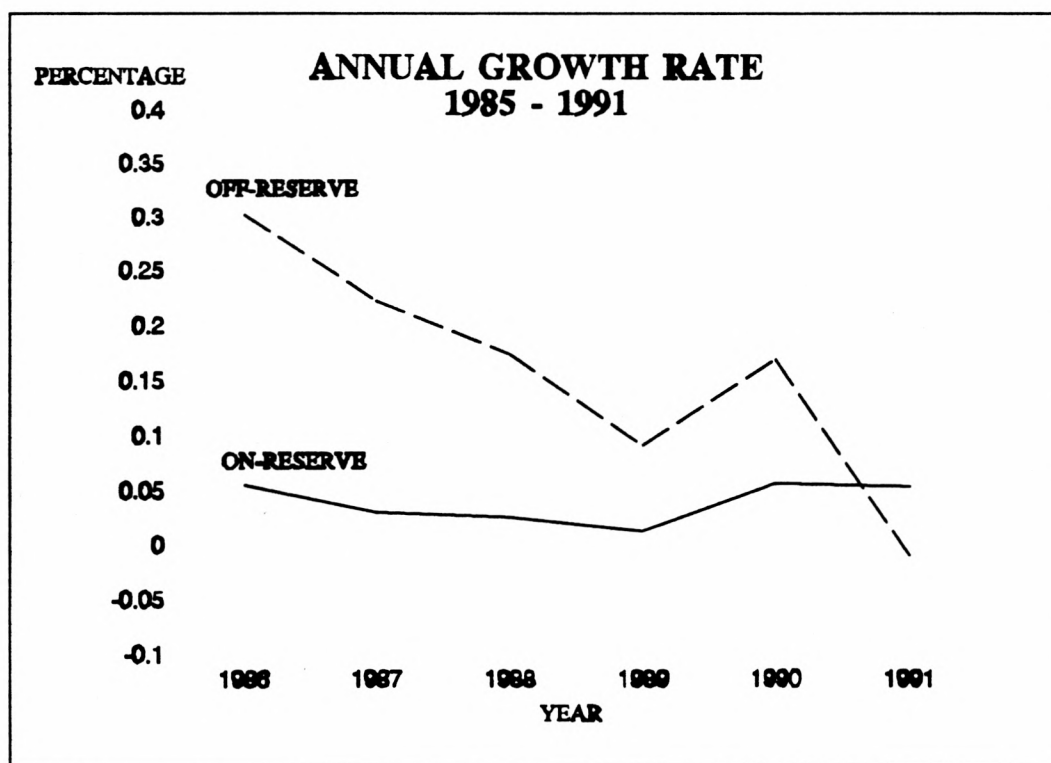
TABLE 1
TOTAL ON- AND OFF-RESERVE POPULATION GROWTH FOR NORWAY HOUSE

YEAR	Total Population	On-Reserve	Change (%)	Off-Reserve	Change (%)
1985	2,870	2,443		427	
1986	3,135	2,579	5.6	556	30.2
1987	3,339	2,659	3.1	680	22.3
1988	3,525	2,727	2.6	798	17.4
1989	3,633	2,762	1.3	871	9.1
1990	3,937	2,919	5.7	1,018	16.9
1991	4,084	3,076	5.4	1,008	-0.1

¹Source: *Indian Register*, December 31, 1985-1991.

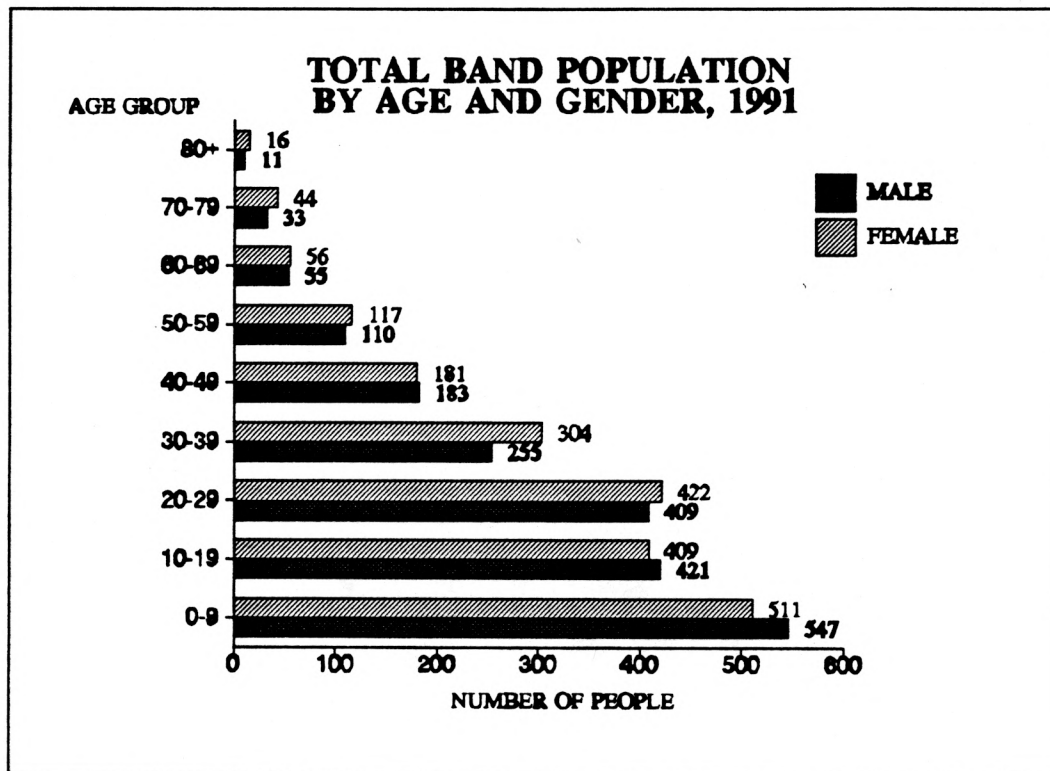
CHART 1

As Chart 2 illustrates, the largest increases in the off-reserve population were in 1985 to 1986 at 30.2 per cent. The on-reserve population also grew at a higher rate than average that year at 5.6 per cent. After 1990, the off-reserve population appears to be growing at a more constant pace and showed no growth in 1991.

CHART 2

As of December 31, 1991, 66.6 per cent of the population of Norway House was under the age of 29, and 80.3 per cent was below age 40. A substantial proportion (40.7 per cent) of the population was between the ages of 10 and 29. It is quite apparent that the population at Norway House is very young. With respect to a breakdown by gender, 50.4 per cent of the population is female compared with 49.6 that are male, essentially the same as the general Canadian population. Chart 3 shows the total band population delineated by age and gender.

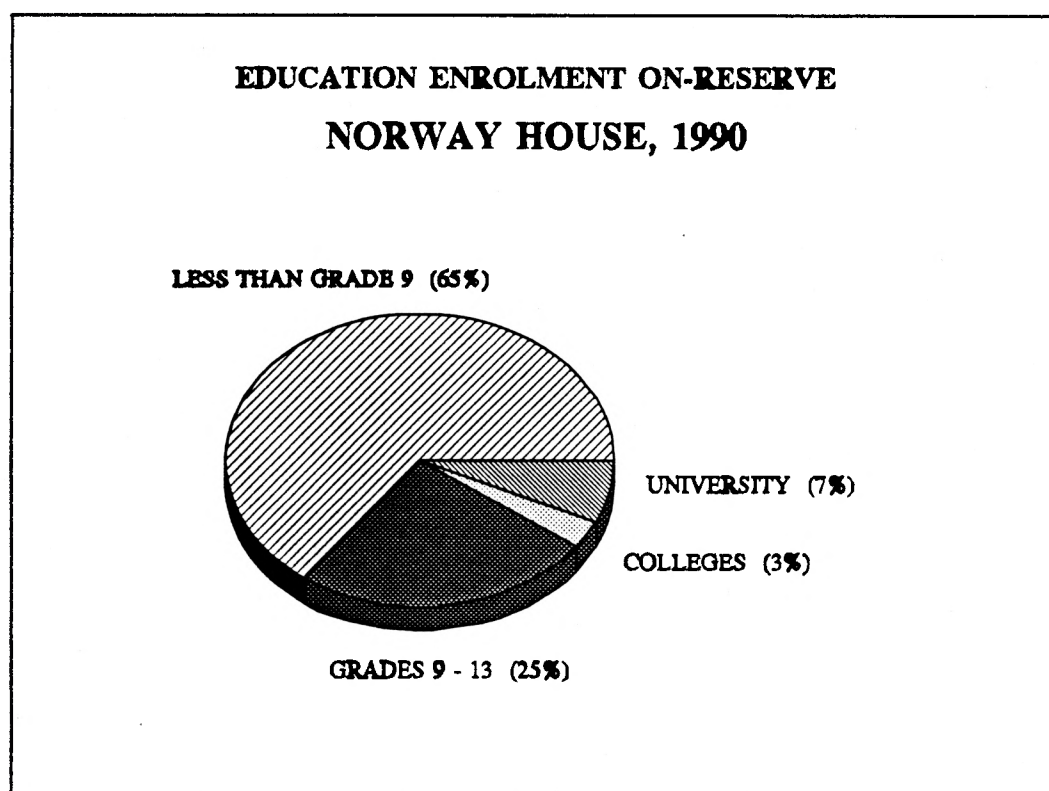
CHART 3



2.4 EDUCATION

Chart 4 below profiles the distribution of elementary to post-secondary 1990 educational enrolment for the on-reserve population (Note: the 1991 Census figures are not yet available).² Earlier studies of band education have painted a disappointing picture with regard to achievement on province-wide examinations and attendance.³ The Chief and Council have made education one of their highest priorities. From all indications, there appears to be an increase in the overall level of education among band members. At this point, in fact, there is a waiting list for individuals wishing to attend post-secondary institutions. There are attempts on-reserve to allow as many students as possible the ability to attend universities or colleges.

CHART 4



²This information was provided by the Management Information and Analysis Division, Quantitative Analysis and Socio-Demographic Research Directorate, DIAND.

³Norway House Kenasao Sipi Development Corporation, "Economic Profile of the Norway House First Nation", 1989, p.9.

2.5 POLITICAL PROCESS

The Band membership elects a Chief and six councillors every two years according to Section 78 of the Indian Act. The reserve is organized into two electoral districts, Rossville and Jack River (3 councillors per district). The most recent election was held in March 1992. The Chief and Council set band policy and oversee the operation of the band administration office. Generally, band meetings are held once or twice per year to discuss the band's financial position as well as community priorities.

2.6 ADMINISTRATION AND ORGANIZATION STRUCTURE

Pursuant to the recommendations of the Management and Accountability Assessment under AFA, the organization of the Norway House administration has been restructured. The band utilizes a functional organization structure where the Director of Operations is responsible for overseeing the activities of six divisions or programs, each led by a director. The Director of Operations is accountable to the Chief and Council. Other band administrators include the Director of Finance and Personnel and the Director of Policy. These three principal officers comprise the Band Management Group.

Each of the program divisions also has committees that administer its routine activities. All of the councillors are responsible for a specific program portfolio and are ex-officio on each of the divisional committees. The purpose of such an arrangement is to provide a free flow of information between the bureaucracy and the political levels. An organization chart for the band is provided in Exhibit 1 (following page). The reader should note that Norway House is a member of the Northern Flood Agreement (N.F.A.) with Manitoba Hydro, which provides for compensation from flooding.

The band is engaged in two business enterprises: the Pinaow Wachi Corporation (home for the elderly) and the Playgreen Development Corporation (PDC). The PDC was created as a construction company on-reserve responsible for road construction and maintenance, and bridge repair. The PDC also has the capacity to purchase land for the reserve when required.

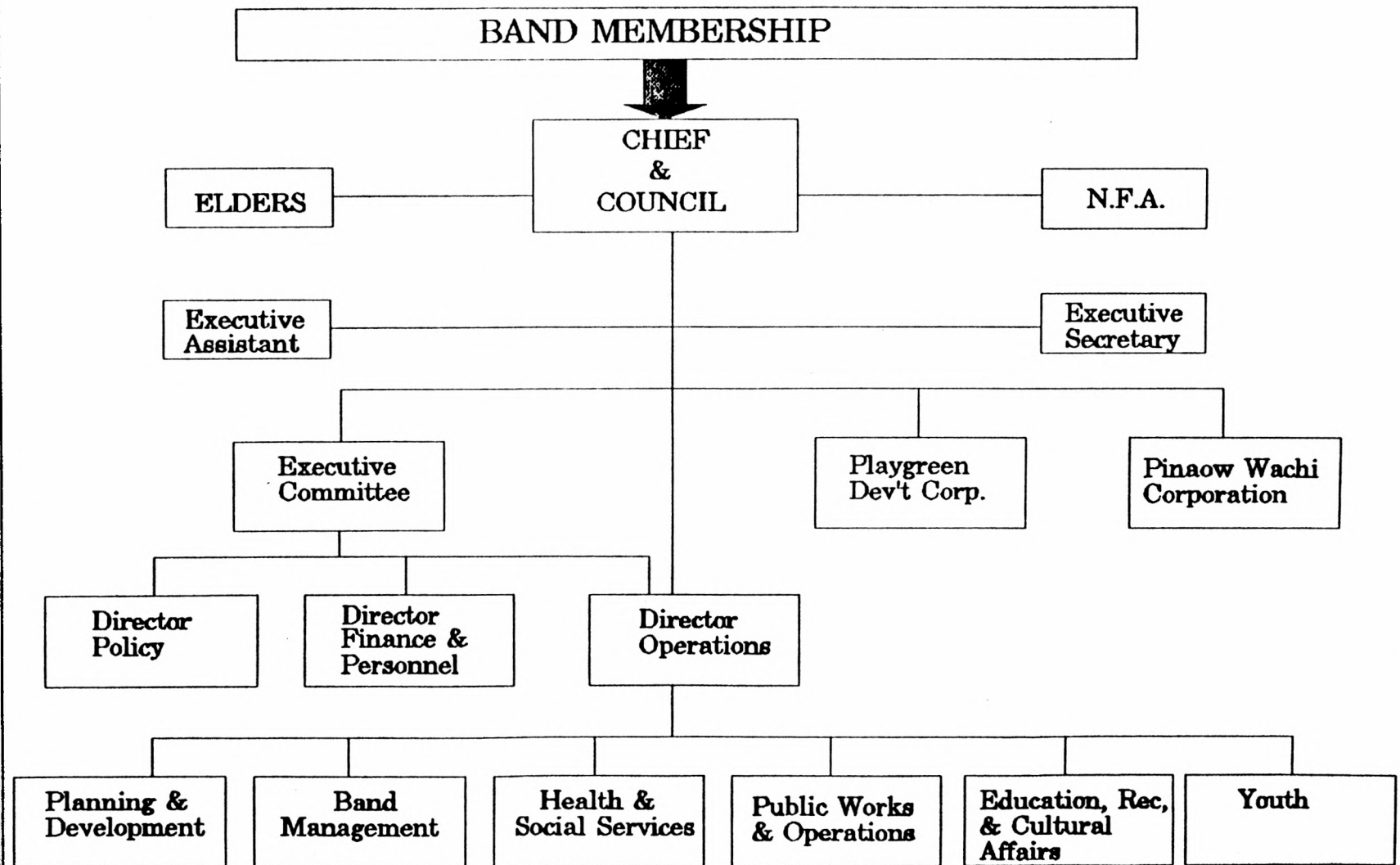
Norway House has also created the Kenasao Sipi Development Corporation responsible for economic development on-reserve. Its mandate is:

To promote the economic and social welfare of persons of native origin who are members of the Norway House Indian Band and to provide support for recognized benevolent and charitable enterprises, federations, agencies and societies engaged in assisting the development, both economic and social, of native people who are members of the Norway House Indian Band.⁴

The overall objective of the corporation is to achieve a level of economic self-sufficiency in the community, to provide technical and financial support for business development, to deal with unemployment, and to attract government services to increase employment opportunities. The development corporation was created in response to the Management and Accountability Assessment conducted through the department.

⁴Norway House, "Articles of Incorporation: Kenasao Sipi Corporation Ltd.".

NORWAY HOUSE BAND ADMINISTRATION



2.7 ECONOMIC ACTIVITIES

Norway House relies on more than 74 employers, located both on and off-reserve that generate over 800 full and part-time jobs. The government services sector generates the largest share of employment on-reserve, accounting for more than 50 percent of employment (ie. federal, provincial, band). The presence of the federal government on-reserve consists of Canada Post, Medical Services, Canada Manpower, and the RCMP. The provincial government provides a variety of services including education, Family Services, Highways and Transportation, Northern Airports/Marine Operations, Community and Youth Correctional Services and Natural Resources. The band government is the largest employer on-reserve providing jobs in administration, band services and public works.

The retail sector on-reserve comprises more than 14 percent of employment primarily through the local grocery store, and the two Northern stores. There are also a number of taxi services, and a number of companies providing air services including two regional carriers and two locally-owned carriers. The local community sustains a few gas bars, a garage and a laundromat. Other more traditional sources of employment include trapping for approximately 140 people, fishing for more than 52 commercial fishermen and their assistants, and some 30 or more guides who provide services for tourists seasonally. The churches on-reserve also provide some employment in administration and services.⁵

2.8 EMPLOYMENT OPPORTUNITIES

Unemployment is a major problem on-reserve. More than 75 percent of the labour force is either unemployed or working on a seasonal or casual basis. Almost 45 percent of the labour force is completely without work. To exacerbate this, the limited range of community jobs includes carpentry, general labour, homemaking, maintenance, home care services, fishing, trapping, cooking, plumbing and handicrafts. It was estimated that the average household income in 1989 was \$10,000 to \$15,000 which is well below national averages.⁶ Table 2 below shows the composition of the labour force on and off-reserve.

TABLE 2
TOTAL NORWAY HOUSE LABOUR FORCE

Treaty Population On-Reserve	1,599
Non-Treaty Population On-Reserve	117
Off-Reserve Labour Force	419
 Total Labour Force	 2,135 ⁷

⁵Norway House, Kenasao Sipi Development Corporation, *Op.cit.*, pp. 18-19.

⁶*Ibid.*, pp. 25-26.

⁷*Ibid.*, p. 17. Off-reserve labour force includes those of Métis descent. Figures are current to December 31, 1989. Labour force is defined as that part of the population aged 16-65.

The economic development corporation identified some potential opportunities for development particularly within the retail sector. It believes there is a need on-reserve for such services as personal and commercial banking, funeral services, auto repair, dry cleaning, legal and accounting services, mechanics and electricians. Natural resource industries such as forestry and fishing were isolated as high priority areas for development (the reserve is surrounded by an abundance of lakes, rivers and forests). Tourism, manufacturing/processing, and handcrafts were also regarded as high growth areas.⁸ A large population base is seen as an asset in the development of these types of industries.

Specific economic barriers that currently exist on-reserve are: the scarcity of investment capital; lack of adequate infrastructure such as a bank or native lending institution; and, a dearth of entrepreneurial expertise. Advantages identified on-reserve are an increase in the educational level of the population, and population's relative youth.

2.9 FINANCIAL DEVELOPMENT

Prior to AFA, financial control for the band was based primarily on the terms and conditions of its contribution agreements and related reporting requirements with the department. With its application to AFA, a management and accountability assessment was completed which recommended that its financial control and expenditure process be restructured. The band proceeded to act upon the recommendations, the first of which was to computerize its systems. A more fundamental shift for the band was a restructuring of the roles and responsibilities of the band council, program managers and financial officer. A weakness discovered at Norway House was the absence of a year-end forecast by program managers of program requirements. This particular problem is still being resolved today.

Recommendation 1 in the assessment outlined those items to be considered for organizational redesign. Recommendations 3 and 8 indicated that an "authority matrix" be considered to formally display the delegation of authority for such tasks as planning, budgeting and financial control. Finally, Recommendation 5 expressed the need for the creation of an executive committee to "provide continuity in the flow of information between the band council and staff in regard to ongoing operation".⁹ All of these recommendations have since been implemented by the band.

A summary of balance sheet items since fiscal year 1987 (ie. as of March 31) is presented in Table 3 (following page). It indicates that over the life of the AFA agreement, the Norway House band has been financially solvent. The 1991/92 deficit appears to be due to exceptional circumstances relating to large capital expenditures and should be taken in the context of overall results from 1987, which are generally positive.

⁸*Ibid.*, p. 24.

⁹Indian Affairs and Northern Development, "Management and Accountability Assessment: Norway House Band", Winnipeg, pp. 3-6.

TABLE 3: FINANCIAL POSITION STATEMENT (BALANCE SHEET)**ASSETS**

ITEM	1992	1991	1990	1989	1988	1987
Cash	5,067	530,582	1,449,472	3,738,219	689,360	891,234
Accounts Receivable	1,004,499	497,601	975,031	1,484,209	1,267,572	266,347
Term Deposits	437,312	458,321	-	-	-	-
Loans and Advances	18,303	5,330	35,075	5,213	5,836	12,836
Prepaid Expenses & Deferred Charges	1,956,643	552,725	20,907	14,785	7,117	708,078
Advances to Band Enterprises	63,117	19,853	13,305	69,000	131,448	176,793
TOTAL ASSETS	3,484,941	2,064,412	2,493,790	5,311,426	2,101,333	2,055,288

LIABILITIES

ITEM	1992	1991	1990	1989	1988	1987
Bank Loan/Overdraft	965,156	-	155,798	226,294	218,724	235,000
Accounts Payable	3,580,045	385,487	145,781	2,413,000	401,856	674,962
Employees Payroll Deductions	-	6,279	20,778	13,567	2,525	4,192
Loans Payable	-	-	30,000	60,000	90,000	120,000
Deferred Revenue	437,312	1,487,931	1,646,233	2,662,261	1,729,217	1,460,000
Other Liabilities	-	-	-	8,805	-	-
TOTAL LIABILITIES	4,982,513	1,879,697	1,998,590	5,383,927	2,442,322	2,494,154
UNAPPROPRIATED SURPLUS/(DEFICIT)	(1,497,572)	184,715	495,200	(72,501)	340,989	438,866

3. IMPACTS OF AFA

3.1 IMPACTS ON MANAGEMENT AND SERVICES

A prerequisite to the implementation of the AFA was a reorganization of the band administrative structure.

As described above under "Financial Development", the band reorganized from a system based on committees according to the various contribution agreements of the department to one premised on a functional structure divided according to program portfolios. With the shift of program delivery functions from the department to the band, including administrative functions, more staff have had to be hired to compensate for the increased workload. Examples provided by the respondents included the increase in finance personnel to take care of payroll, receivables, and payables functions. In addition, more staff were hired to handle increased caseloads as a result of Bill C-31.

Now that the band provides services directly to the band membership, it has been demanding more qualified staff.

The respondents explained that throughout the course of the first AFA agreement, the band has been in a state of transition, having to become accustomed to the new administrative structure and to the provision of services. To aid in this regard, the band has become involved in many training programs (eg. computer skills, reception, finance, management). Qualified people capable of providing counselling services and economic development functions have been involved in comprehensive training courses. Although the respondents argue that much more work remains to be done, the community's skill base is believed to be increasing consistently over time.

As a result of the increased training, it is believed that the quality of services provided by the band has also improved. Higher-skilled individuals are better able to service the needs of their community. These new skills combined with a deep understanding of the nature of the community, provide for what the respondents believe to be more effective service delivery. Program planning appears to be improving as individual program managers gain an improved understanding of the need to plan and budget both human and financial resources.

Respondents believe that the efficiency of management has been improving steadily since the implementation of the AFA.

From a community perspective, the respondents have argued that managers' skills have been improving. Under the "old system", managers were used to "shooting from the hip" rather than following prescribed procedures for taking management decisions. In this regard, band members have stated that the system provides the potential for impartiality in decision-making. The organization of boards of directors (eg. economic development) and the creation of procedural guidelines (eg. social development) have positively impacted the community in that such developments lend greater credibility and legitimacy to administrative decisions. Opinion differs somewhat as to whether these boards and manuals are serving the community's best interests or whether elements of patronage or favouritism persist and become legitimized according to new administrative structures.

Opinions differ between political and administrative officials regarding roles and responsibilities.

All respondents indicated that there has been much discussion over the roles and responsibilities of Chief and Council and program managers. Some respondents attribute the differences of opinion directly to the implementation of AFA, arguing that such a structure was required prior to entry into the program and not clearly defined. The key issue appears to be whether councillors should be involved in the everyday business of the program or play more of a planning role on council. Most respondents believe that this should be resolved in the short run in order to further improve the efficiency of program management and operations.

3.2 PROGRAM FLEXIBILITY

Program flexibility has enabled greater responsiveness to community needs.

It was suggested that the band historically sought to direct funds to areas of greatest need and the AFA has legitimized this activity. Given the band's ability to direct funds, flexibility has been reflected primarily in program redesign. Most redesign activity has occurred in social development and band administration.

The community, through Chief and Council, is better able to gauge its needs and direct funds accordingly. Specific areas where this has occurred are youth unemployment and recreation, planning, housing, and social programs such as home care, solvent abuse and the native employability training centre. An example of a new program provided by one respondent was a summer student employment program (\$55,000 allocated) which has been described as quite successful in recent years.

Another example of a new program jointly funded by the federal government and Norway House is the Ayamiscikewikamik (which means "reading place") Public Library organized in 1989/90. It is a pilot project carried out through the Frontier School Division on-reserve. Treasury Board approved a grant of \$20,000 for the first year, with a matching grant with the band of \$10,000 for year 2 of the project. The library provides services to both adults and children. For adults, it offers programs in driver preparation (written course), prenatal classes, and various crafts and language courses. Children's services are offered through three programs: pre-schoolers program (Sundays during school year); a boys and girls club (Sundays during school year); and, a reading club for all students during the summer months. The agreement between the band and the federal government is provided in Appendix A.

3.3 DEPARTMENTAL CONTROLS OF BAND ACTIVITIES

DIAND is believed to exert less control over band activities since AFA.

When the respondents were asked whether there has been a change in the amount of influence exerted by the department over the band, almost all said the department wields much less influence now. There is much less contact both in-person or by telephone with DIAND officials. Although the funding services officer appears from time to time, the band views this individual as a resource person. The only "controls" the respondents could identify with the department were the annual audit and statistical report and the overall regulations as defined by the Indian Act. In most cases, they felt the audit and statistical report to be necessary and appropriate. Much more discussion was generated with respect to the Indian Act which many respondents thought required an evaluation of its own particularly with respect to elections and by-laws.

Many respondents believe that the reduction of departmental influence was too rapid.

Many respondents believed that the department has relinquished too much control all at once and that the process should have been more gradual. Given the level of change on the reserve since 1988, such as the reorganization of band administrative and program structures, many argued that rapid change has led to current confusion over roles and responsibilities. They note that administrative procedures have been created, but are not always adhered to in practice. Some respondents point to various elements of band administration (political and bureaucratic) arguing that disagreement over responsibilities limits program effectiveness. In addition, respondents indicated that more controls are required in such areas as social development or the use of emergency funds. The underlying criticism appears to be that there was no discernible transition period between the implementation of AFA and a lessening of departmental influence.

3.4 ACCOUNTABILITY

Of all questions posed, those relating to accountability, particularly within the band, generated the most discussion. The following observations have been summarized according to general themes.

3.4.1 Accountability to Band Members

Many respondents, particularly members of households, believe that AFA has centralized decision-making authority in the Chief and Council.

The most noteworthy observation made by most households and a few other respondents, was that AFA appears to have centralized decision-making with the Chief and Council. In their view, AFA overall is a sound program since it gives the band greater control over the direction of funds to identified areas of need. However, the AFA program's recommended reorganization of the band administrative structure placed the authority for funding and general decision-making in the hands of Chief and Council which concerns the membership because of the band's historically low degree of public accountability. Many individuals suggested accountability is not likely to improve given the relative infrequency of meetings. They believe that the almost complete transfer of responsibility for band operations from the department to the community was premature since there was insufficient time to learn how to incorporate accountability into band routine.

Many household members and officials interviewed, regardless of politics, believe that the limitations of management accountability stem from a reluctance to schedule public meetings, which have invariably generated much conflict. Almost all respondents believe that DIAND's influence has been diminished and that the Chief and Council are now directly responsible for community decisions. Some observers view the reluctance to consult openly as stemming from the newness of their responsibilities. This underscores the fact that AFA implementation has been a learning process and that all parties must be patient with the situation until such questions are resolved over time.

Viewpoints differ as to the usefulness of various means of band accountability to the community.

The respondents discussed the following means of establishing accountability in the community:

- a) Band meetings (one or two annually)
- b) Newsletter items including financial statements (monthly, economic development)
- c) Bulletin board in the band office
- d) Occasional announcements and interviews on local radio and TV stations
- e) Personal meetings with Chief and/or councillors

All respondents agreed (albeit for different reasons) that band meetings were not very useful. The principal reasons given were that they were too highly controlled; the community is fractionalized and disagreements tend to dominate the meetings; or the agenda is too restricted. The newsletter was viewed as a positive tool in the community for information regarding current events, financial and administrative items, and economic development projects. The major criticisms of the newsletter, however, were that the language is often difficult to understand, and that it should be bilingual (Cree and English).

Although the bulletin board was viewed as a good idea, the information is not always helpful. As well, it appears that more boards are needed around the reserve. The radio and television announcements were viewed generally as a good idea, but it was felt that community leaders should make a more concerted effort to appear on the local media and discuss issues of general interest. The personal meetings with Chief and Council were seen as the most effective way of influencing band decisions. A significant observation was that community leaders should be more visible in the community (eg. radio, television, newsletter, band meetings).

Overall, the respondents could not agree on the effectiveness of band accountability. Those in leadership positions felt that accountability on-reserve was relatively adequate, while those in the community were either indifferent or believed that information regarding band decisions was often not available. In general, accountability between the band office and the community at-large appears to be of concern.

Most household respondents believe that band council decisions are difficult to challenge.

When asked how band members go about voicing an opinion regarding band decisions, responses included: there is no way to challenge decisions; elders are the formal means of influencing decisions; or, band meetings are the forum for providing feedback on decisions. With a paucity of band meetings, in their view, most thought this forum was inadequate. Others explained that the elders provide a means of influencing decisions, but there was disagreement as to whether they were effective in this role.

3.4.2 Accountability to the Minister

Most officials interviewed believed that accountability to the Minister was adequate but that there were concerns still to be resolved.

The respondents explained that accountability to the Minister was assured in various ways:

- a) Audit and Statistical report
- b) Audit analysis at the regional office
- c) Various program reports including membership, education (nominal roll) etc.
- d) Capital Asset Inventory System (CAIS)

All believe that AFA has affected the accountability relationship with the Minister. They believed that their relationship has evolved to the point where the department is a partner in the development of aboriginal communities. Some concerns that were expressed, however, were that the department has to be more diligent in its efforts to ensure that new programs are communicated in a timely manner to the bands, and that the Minister, through the department, fulfils all of its obligations according to the agreement.

3.5 FUNCTIONALITY OF AFA WITH OTHER FUNDING MECHANISMS

Those respondents in administration believe the functionality of AFA with other arrangements to be problematic.

Respondents explained that there are some programs on-reserve that require a contribution agreement such as the public library, and some new social programs which are not included in AFA. They argue that AFA is premised upon flexibility but that such programs, although required on-reserve, pose administrative difficulties since they require separate reporting mechanisms. According to the respondents, separating such programs from the scope of the AFA is regressive since it sends a mixed signal of trust between the department and the community to govern its own affairs. The mixing of reporting, accounting, and control mechanisms is argued to be contrary to the philosophy and efficiency of AFA.

Most respondents argued that all capital funding should be made available under AFA.

Although the respondents understand the reasons why there is a restriction on capital funding to the band (ie. projects exceeding \$1.5 million exempt from AFA), they argue that operationally, the restriction is regressive. The argument posited was that the band has been entrusted with substantial annual budgets and yet there is a restriction on capital dollars. This they believe to be in conflict with the precepts of the program. Clerically, the control on capital dollars places an undue burden on both the department and the community.

3.6 OTHER IMPACTS

The increase in autonomy is having a positive psychological effect on the community.

Some of the respondents commented that as a result of the training programs, and more planning and self-direction for setting community priorities, the community in general is benefiting psychologically as a result of greater autonomy provided through programs such as AFA. Individuals explained that the self-confidence of many of the band administration and council staff has improved markedly since the implementation of AFA. Although no one could be certain as to the source of this psychological effect, they attribute part of it to the concepts engrained in the AFA.

5. OBSERVATIONS AND CONCLUSIONS

In 1991, the Norway House Band, along with other First Nations and related organizations, participated in a regional workshop on AFA. The report of the workshop which contains observations and recommendations on AFA is attached in annex 2 of this report. The recommendations of this report address topics such as the AFA process including second generation renewals, training, relations, funding formulas and communications.

In general, respondents believe the AFA process and impacts have been "positive" on the operations of the band.

Overall, the respondents prefer the flexibility and self-direction of the AFA to the contribution agreement methods. In their view, the AFA has encouraged the community to upgrade various skills associated with management, program delivery, finance and counselling. In addition, a change in the "general morale" of the community has been of benefit. Considerable difficulty arise with respect to band accountability. If this were improved, many concerns raised by households in particular would likely diminish. This would depend on the extent to which band administration viewed increased accountability as a positive part of band routine.

The band is preparing to renegotiate its AFA agreement.

Since March 1992, the band has been preparing for renegotiation of its AFA agreement. Numerous meetings with DIAND officials have focussed upon clarifying specific aspects of the agreement which the band believes to be important. The band has expressed some concern about general issues such as the lack of guidelines for negotiating second generation agreements as well as specific issues including the "straight-lining" of economic development. To date, band officials believe the preparation time to be useful and have commented that DIAND officials have been cooperative and informative.

Departmental reorganization has had an effect on AFA.

With the recent reorganization, the Field Service Officer is now the primary contact with the Band. When these people do not have the answers or the authority to make decisions during agreement renewal, the process for developing agreements is extended.

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APPENDIX A

AYAMISCIKEWIKANUK PUBLIC LIBRARY

AGREEMENT

BETWEEN PUBLIC LIBRARY SERVICES, FRONTIER SCHOOL DIVISION AND THE MANAGEMENT COMMITTEE OF NORWAY HOUSE PUBLIC LIBRARY

BACKGROUND:

In December, 1989, Treasury Board approved a grant of \$20,000 to be paid by Public Library Services Branch, Department of Culture Heritage and Recreation, to support a pilot project on Norway House Indian Reserve. The project, to be carried out in cooperation with Frontier School Division and a committee of people representing the Band and the Northern Affairs Community of Norway House, would help to establish what changes would need to be made to the Public Libraries Act in order to institute public library services for Manitoba's aboriginal peoples.

Approval was given in principle for a second, matching grant of up to \$10,000 to finance year two of the project.

At the time of writing the first grant has been paid, book purchases have begun, a staffing action to fill the position of librarian is planned, and two summer students are at work conducting a summer reading program designed to publicize reading and the library. An official opening is slated for the fall of 1990. The matching grant will be paid at that time.

PURPOSE OF AGREEMENT:

The purpose of the present agreement document is to clearly define the expectations of the three participants - Public Library Services, Frontier School Division and the local residents' Committee which represents the Band Council and the Council of the Northern Affairs Community. The document is organized under a number of headings: Governance, Personnel, Collection and Maintenance.

GOVERNANCE:

Although the specifics will have to be changed, Indian Band public libraries will be governed by the same sort of board described in sections 15, 17 and 21 of the Public Libraries Act. The board will have the responsibility to "govern, supervise, control, operate, and manage" the band library. Monies collected or granted to operate the library will be kept separate and managed by the board; staff will be hired and supervised by the board; policies for the operation of the library will be set by the board; and the board will include representatives of the general public as well as representatives of the Band Council and the Northern Affairs Community Council.

PERSONNEL:

Staff should be hired, trained, supervised, and evaluated by the board, with consultation from Public Library Services.

COLLECTION:

Selection and ordering of books and magazines for the library collection is the primary responsibility of the librarian, under the general supervision of the board. Public Library Services staff are available for consultation in this area.

Public Library Services offers a cataloguing service for non-fiction books. Training on cataloguing, book processing and circulation procedures is available from P.L.S. staff.

APPENDIX B

Report on the AFA/Community Human Resource Development Workshop

**REPORT ON THE AFA/COMMUNITY
HUMAN RESOURCE DEVELOPMENT
WORKSHOP**

September 24 - 27, 1991

Winnipeg

**SALASAN ASSOCIATES INC.
732 - One Nicholas Street
Ottawa, Ontario
K1N 7B7**

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Abbreviations

AFA	Alternative Funding Arrangement
GST	Goods and Service Tax
INAC	Indian and Northern Affairs Canada
ISG	Indian Self-Government
MSB	Medical Services Branch
O&M	Operations and Maintenance
SCTC	Swampy Cree Tribal Council

1.0 INTRODUCTION

1.1 Background

In August 1990, Salasan Associates Inc. was asked by Dorothy Crellin, then Director of ISG/AFA, to submit a proposal to design and deliver a workshop on how First Nations "plan and develop goals and strategies to meet community needs, particularly in the area of Community Human Resource Development". Subsequently, Ms. Crellin was reassigned within INAC and Mr. Harry Morrisseau, Manager AFA, assumed responsibility for the initiative.

In February, Mr. Morrisseau asked Salasan to meet with the Working Group in Winnipeg to begin work on the initiative. Salasan met with the Working Group and INAC representatives to review the proposal in Winnipeg in February.

At the Working Group meeting, concern was raised about the AFA in general and a call for a workshop dealing with the AFA was made. INAC rejected this idea. The Working Group then reviewed Salasan's proposal, endorsed it and asked that a morning session on the AFA be incorporated into the workshop.

INAC was not able to develop a contract for the initiative and the Swampy Cree Tribal Council (SCTC) agreed with INAC to administer the contract. On May 2, 1991 Salasan entered into a contract with SCTC to deliver a three day workshop on community human resource development planning. The workshop was delivered on September 24-27 in Winnipeg.

1.2 The Workshop

The workshop agenda is included as Appendix A and a list of participants is included as Appendix B.

Participants come to the workshop with an expectation that the AFA was to be the primary focus. The consultants then adjusted the agenda so that approximately 50 percent of the time was spent on community human resource development planning and 50 percent of the time was spent on barriers and solutions to the AFA.

Participants worked in groups to develop plans for their actual work that included, among others:

- development of a Day Care Centre;
- development of a LEA;
- strategic plans for First Nations and Tribal Councils;
- construction of a school; and
- exiting from the AFA.

Participants also developed a list of recommendations and strategies for improving the AFA. These are listed in detail in the next section.

Mr. David Lawson and Mr. Don Cook of INAC agreed to attend the last afternoon of the workshop in order to allow participants to present their concerns. Oliver Nelson of Roseau River and Maria Moore of the SCTC presented the participants' concerns and a round table discussion ensued.

INAC agreed to consider the recommendations but stressed that the AFA was a funding arrangement and not an agreement between two parties. Salasan agreed to send this report to the SCTC who would then distribute it to participants and INAC.

2.0 WORKSHOP FINDINGS: RECOMMENDATIONS FOR IMPROVING THE AFA

The issues and recommendations in this section were developed by the participants during the workshop.

2.1 Entry and Agreement

2.1.1 Preparation for Negotiation of AFAs

Statistics

Issue:

- There are differences in the statistical records of INAC and bands (Ottawa has a third set!).

Recommendation:

- INAC should work with the bands to get accurate figures at the local level.

Database

Issue:

- AFA bands/social services are not included in data base, therefore there are no funds for reimbursement of administrators beyond the initial forecast.

Recommendation:

- Improve data base for use in negotiations. There should also be joint development of acceptable numbers.

**Define
Minimum
standards**

Issue:

- Application of the "minimum standards" is inconsistent and ill-defined.

Recommendation:

- Minimum standards must be clarified and rationalized.

**Make formula
known**

Issues:

- All specific driving factors for the formula (e.g. infrastructure) are not made explicit.
- Formula content is not known, especially for infrastructure.

Recommendation:

- Funding formulas must be explained/clarified.

**AFA as a self-
government
initiative**

Issue:

- The AFA is seen as a step towards self-government by First Nations.

Recommendations:

- Community-established standards must be accepted (according to the tenets of the Treaty).
- The funding arrangement is a legally binding contract between the First Nation and the Government (treaties are the basis for this).

AFA Preparation

Issue:

- Bands are not prepared to enter the AFA process.

Recommendations:

- (1) INAC should provide orientation workshops to Bands considering entry into the AFA process.
- (2) Bands considering or entering the AFA process should examine their needs in each programme area before negotiating. This may involve:
 - pretransfer agreements, which include the cost of preparation and training for new roles
 - evaluation of the formula
 - meetings
 - money
 - travel
 - preparatory package
 - redesign
 - legal advice
 - policy development & consultations
 - research & development initiatives

Otherwise this preparation has to be done at local expense. This could be done as part of second generation agreements.

- (3) Establish and fund pre-AFA preparation agreement, including:
 - second generation policy
 - programme re-design
 - research and evaluation
 - legal costs
 - formula development
 - minimum standards definition
 - protocols for adjustment consultations
 - training and involvement of delivery people.

2.1.2 Consultation on Agreements

**Review
Committee**

Issue:

- There is not enough consultation, especially with regard to formula, capital needs, and options within the AFA.

Recommendations:

- A review committee of experienced AFA First Nations or Tribal Councils should be set up and funded to complete evaluations and develop responsive new AFA policy, o.g. regional evaluation by Tribal Council areas. Third party independent involvement is necessary.

2.1.3 Negotiation of Agreements

**Responsible
Negotiations**

Issues:

- There is no negotiation in establishing agreements.
- Agreements end up limiting proper funding.
- Negotiations at a senior level do not involve programme delivery people for a "reality check."
- INAC negotiators from different departments within INAC have different interpretations of AFA - i.e. internal disagreements within INAC with regard to AFA.
- Internal reviews at the local level are not done. Negotiations ignored the middle managers' responsibility for delivery.

Recommendation:

- That INAC determine areas for negotiation in the AFA agreements and/or fund Bands to prepare for negotiating the AFA agreement.

Issue:

- Entry process is adversarial.

Recommendation:

- Establish a partnership approach to agreement, train INAC staff and make the AFA a two-way agreement.

2.1.4 Funding and Formulas

Funding Level

Issues:

- Old formula and INAC statistics do not allow actual flexibility - i.e. surpluses and flexibility are an illusion because of limited overall funding.
- Formula continues to drive inadequate funds.

Recommendation:

- Funding must be adequate to meet established minimum standards described in the AFA.

Cost Areas

Issue:

- Formulas for individual cost areas (for example, administration) are a "cut down" version of normal standards.

Recommendation:

- Going into AFA, bands should seek a formula specific to AFA, rather than use models from other funding arrangements, e.g. tribal council funding.

***Real World
costs***

Issues:

- Functions expected of the local administration are similar to those currently expected of INAC, but funding does not allow for the same number of staff to cover these same functions (functions such as audit management, etc.).
- Professional fees for such things as audits do not recognize added travel costs to northern communities.
- Northern isolation and the additional costs of transport, materials, and building costs, etc., are not recognized.

Recommendation:

- Re-examine and improve formula to reflect "real world" costs in each programme and for administration overhead, including inflation, north and south, large and small.

**Minimum
Standards**

Flexibility

Issues:

- Band "minimum standards" may differ from INAC's.
- Minimum standards in the AFA are not actually honoured in practice, but are used as "filler" to protect INAC and not to achieve actual standards on the ground. (For example, \$29,000 is allocated for a house, where \$60,000 is needed to meet the real minimum standards.)
- Inflation factors do not fully recognize actual inflation (e.g. O&M costs formula.) Capital is frozen for five years.
- Formulas are "classified" so that the results are known but not the factors.
- "Flat rate" projections of five years lead to problems with the funding level in the latter years of the AFA.
- Original 1989 AFAs were rushed to meet an artificial deadline, thus not enough attention was given to the details of funding levels.
- The clause allowing funding recognition for new programmes or increased costs is not actually used.
- Provincial government tuition rates are a fourth party to Education AFAs.
- Interest costs on deficit are currently assumed by the Band, not INAC.

Recommendations:

- Mid-term review of entire AFA for each First Nation etc.
- Recover interest costs on deficits by building them into the Agreement.

2.1.5 Inconsistencies in the Interpretation of Agreements

Issues:

- Terms are not understood and applied uniformly.
- Agreements contain inconsistencies from clause to clause.

Recommendations:

- Train INAC staff to ensure consistent administration of AFA.
- Invite a group of interested First Nations to review the agreement and present findings to Manitoba AFA Committee.

2.1.6 Discretionary Changes to the Agreements

**Unilateral
Changes**

Issues:

- Unilateral changes are made by INAC.
- Minister of INAC has the authority to make changes (the "Minister may..." clause) but First Nations do not.
- INAC personnel may interpret and apply clauses, calculate numbers, or time activities in a way which differs from the intent of the AFA (for example, cash flow projections, errors of calculation, errors of judgement). This may be sabotage or incompetence. AFA is supposed to develop a more professional relationship between INAC and band counterparts - but unilateral decisions and lack of respect still persist. (For example, the Winnipeg office set up its own rules for flowing ad hoc money into agreements) therefore, the integrity of the AFA is vulnerable.

Recommendations:

- Brief a Treasury Board analyst on how the AFA process is really being conducted.
- Consider direct approaches to Treasury Board.

2.1.7 Second Generation Agreements

Recommendation:

- Prepare for Second Generation AFAs by:
 - Full access to INAC documentation
 - Joint review of independent evaluations of experience to arrive at recommendations for policy improvements.

Recommendations:

- Recommendations for Second Generation Negotiations
 1. Training component for delivery staff.
 2. Funding for local level infrastructure staffing/facilities.
 3. New initiatives e.g. Pathways to Success should be included in AFA.
 4. Flexibility in the department formula.
 5. Policy on second generation programmes should be driven by consultation.
 6. Need for in-service training recognition for new teachers i.e. high costs of training in first years.
 7. Training is also needed for boards, committees and chief and council.
 8. No cost training alternatives (e.g. Canadian Executive Service Overseas) should be recruited by INAC and First Nations.
 9. Building standards must recognize variation in actual needs and location.
 10. Training in contracting out for construction for band managers.

2.1.8 Recommendations to Enhance Self-government***Self-
government
process*****Recommendations:**

- AFA should be recognized as a step towards self-government. It should therefore fund and enable councils and bands to begin to develop their own policies, by-laws, regulations, and standards.
- The National Evaluation should be distributed to all First Nations.
- A follow-up review of the National Evaluation should be conducted by a third party.
- Community level evaluations should be financed by INAC.
- All statutes, regulations, and formulae, must be appended as referenced to in the Agreement.
- Treaty rights should be referred to in the agreements.
- The AFA should be a direct transfer process.

***First Nation,
AFA and
Treasury Board*****Issue:**

- There can be many AFA agreements (INAC, MSB, CEC).

Recommendations:

- Make concerns known to the Royal Commission,
- One AFA agreement with Treasury Board.

**Treasury Board
submission**

Issue:

- Preparing Treasury Board submission.

Recommendations:

- Second generation AFAs should allow First Nations to make Treasury Board Submissions.
- Training on process, negotiations, etc.

**INAC
Performance**

Issue:

- Performance of INAC.

Recommendations:

- Auditor General should send annual report to First Nations/Tribal Councils and other aboriginal organizations.

**Government
performance**

Issue:

- Performance of other government programmes serving Aboriginal people.

Recommendations:

- Auditor General to report dollars spent by departments on behalf of Native people.
- Include reporting requirements in AFA.

**Surplus and
deficit**

Issue:

- Surplus from one programme applied to deficits in another programme.

Recommendations:

- That each programme be dealt with on its own.

**Lessons
learned**

Issue:

- sharing lessons learned from the AFA process.

Recommendation:

- Bands to meet two times per year; and communicate through newsletter and fax.
- INAC should fund a networking initiative through an Aboriginal organization.

2.2 Finances and Impact on Band Capacity

2.2.1 Training

**Capacity
building**

Issues:

- No specific funding for staff capacity to deliver programmes.
- Training of capacity to deliver programmes is not recognized in the formula.
- No way to recognize staff needs in formula since insufficient base dollars.

Recommendations:

- There should be an explicit section of the formula to include:
 - training for programme delivery staff
 - standard base numbers of programme delivery staff
 - standard base facilities for programme support
- The formula for education should recognize the high in-service training needs of new teachers.
- Training of boards, authorities, committees, chief and councils should be a recognized cost.

2.2.2 Administration

Institutional Development

Issues:

- No staff complement formulas to drive the formula, therefore chronic underfunding for administration.
- Administration funds are usually insufficient. Open to negotiation for additions to administration complement, but small!
- Flexibility to reallocate funds is an illusion, since there are insufficient funds in the first place.

Recommendation: AFA must incorporate the fundamental cost of operating First Nation institutions (e.g. legal services, executive services, training support, etc.).

2.2.3 Construction

Real World Recognition

Recommendations:

- AFA bands must have access to INAC financing for new/additional initiatives (e.g. CMHC housing support costs).
- Construction standards must be flexible enough to recognize variations in need and inflation in the costs of materials and labour.
- Formula components should be indexed to research-based realistic costs for buildings that meet code and quality criteria.

**Grievance
Mechanism**

- There must be an AFA grievance resolution board:
 - comprised of AFA band representatives and government representatives
 - financed by federal government [e.g. the Public Service Staff Relations Board (PSSRB)]
 - terms of reference to be established by stakeholders.
- INAC must administer the AFA according to the terms and conditions - e.g. cash flow projections must be honoured.
- The terms and conditions of AFA must be different for bands under section 74 of Indian Act from bands under band custom.
- Inflation index should be built into the funding process.
- Bands must have the opportunity to receive funding for unforeseen events e.g. disasters, changes in employment patterns.
- Second generation AFA policy must not be implemented without extensive consultation.

Statistics

Date Base:

- develop a mutually acceptable negotiated data base

Formula:

- mutual examination of formula ~~nnnnnnnnnn~~
overhead and training needs
- deal with each program on its own for each fiscal year

Flexibility:

- responsiveness to inflation, units, newly identified needs over the life of the AFA
- deficit recovery at end of AFA
- cash flow management

2.3 Programs and Services

Staff Delivery Needs

Issue:

- Insufficient staff and resources to deliver programs.

Recommendation:

- Recognition of administrative and delivery personnel requirements in the AFA.

Staff Training Needs

Issue:

- Staff (i.e. new people) require training in delivery.

Recommendation:

- First Nation controlled training for administrative and delivery staff.

Expectations vs Resources

Issue:

- Increased expectations with diminished resources (over life of AFA) to meet expectations.

Recommendation:

- Dollar tools to go beyond annual appropriation.

Small AFA Impact

Issue:

- Little impact on programs and services.

Recommendations:

- Flexibility to add new programs and services within the life of the AFA.
- Boards should define needs to drive programs versus INAC formulas.

Redesign

Issue:

- Re-design is frustrated by minimum standards and INAC interference.

Recommendation:

- Minimum standards to be determined by the First Nation and implemented through local by-laws.

**General
Recommend-
ations**

Recommendations:

- Educate INAC staff to AFA.
- INAC to respect local level statistics.
- More flexibility for Social Services funding (inflation, population, needs, GST, etc.).
- Relationship should be a partnership.
- Negotiate on a government to government basis.

2.4 Summary

The participants' main concerns with the AFA are:

- it is not administered by INAC as a self-government initiative;
- INAC is inconsistent in its administration of the AFA;
- INAC minimum standards require revision and sufficient resourcing;
- there is little preparation for entry into the AFA process;
- it hides an insufficient resource base; and,
- re-design initiatives are frustrated by the minimum standards and the exclusion of program staff in the development of AFA agreements.

The participants main recommendations are:

- that the AFA be recognized as an agreement between two parties;
- that INAC staff receive training on the AFA and that INAC be evaluated on its performance in administering the AFA,
- that minimum standards be developed by the First Nation that meet community needs;
- that the AFAs be subject to mid-term reviews;
- that the AFA entry process include preparation activities and training;
- that the AFA include resources for the development of the First Nations' infrastructure, human resource capacity and delivery of staff training; and
- that local statistics be considered in the determination of the database.

3.0 CONCLUSIONS

- Participants received or generated a confused message on the purpose of the workshop. Participants did not consider the workshop to be a consultation on the AFA.
- Community human resource development planning is seen as important by the First Nations. Participants established plans for activities they were working on or will be working in the future. INAC should ensure that First Nations are made aware of the Pathways to Success community planning initiatives.
- First Nations will need to decide whether to institutionalize a planning process or to create planning projects by program or service.
- The impacts of the AFA are mostly administrative. Programs and services have largely been untouched since INAC and the First Nations have done little preparation for the transition from a Contribution Agreement to an Alternative Funding Arrangement.
- The positive aspects of the AFA are in terms of increased expectations and community interest. The negative aspects of the AFA are unilateral decision making, lack of meaningful negotiations, cumbersome minimum standards and insufficient resourcing.
- First Nations at the workshop concluded with the following:
 - the INAC and First Nation relationship should be a partnership;
 - the AFA is an agreement and contract between two parties;
 - the AFA is a step towards self-government;
 - community established standards must be acceptable; and
 - a second-generation AFA must not be implemented without extensive consultation.
- The challenge for First Nations and Tribal Councils under the AFA is the wise use of scarce resources.
- The AFA requires First Nations to administer scarce resources and undertake capacity building without sufficient training and supports for these tasks for either INAC or First Nations.
- The AFA is seen as a self government initiative by First Nations but as an administrative mechanism by INAC.

- Future training initiatives must be determined through a needs assessment process that is supervised by First Nations and is followed by a consultation process to ensure ownership of the training.
- Future training initiatives should include both INAC and First Nation staff as participants.
- Financial planning and management, training program managers is a key to the AFA.
- The development of a local information system (human resource, housing, education, social services etc.) should be a priority for First Nations and Tribal Councils.

APPENDIX A

AFA PARTICIPANTS - SEPTEMBER 24 - 26, 1991

1. Francis McGillivray	Swampy Cree Tribal Council
2. Elizabeth Head	Swampy Cree Tribal Council
3. Nelson Leaske	Swampy Cree Tribal Council
4. Sean Post	Swampy Cree Tribal Council
5. Maria Moore	Swampy Cree Tribal Council
6. Jeannie Carriere	Swampy Cree Tribal Council
7. Ronald Leveille	Swampy Cree Tribal Council
8. Philip Dorion	Swampy Cree Tribal Council
9. Edwin Jebb	Opasquiak Ed. Authority
10. Patsy Bersler	Opasquiak Ed. Authority
11. John Thunder	Buffalo Point
12. Carl Dushin	Buffalo Point
13. Brenda Fontaine	Keewatin Tribal Council
14. Loretta Hewlett	Keewatin Tribal Council
15. Rebecca A. Ross	Cross Lake
16. Doug Ross	Cross Lake
17. J.H. Bagacki	Cross Lake
18. William Paupander	Cross Lake
19. William Young	Southeast Resource Tribal Council
20. Madelain Hardisty	Southeast Resource Tribal Council
21. Verna Colomb	Mathias Colomb
22. Rose Bighetty	Mathias Colomb
23. Carl Roberts	Roseau River
24. Oliver Nelson	Roseau River
25. Karl Pashe	Dakota Tipi
26. Janice Moar	Crane River
27. Wallace Moar	Crane River
28. Alfred Bighetty	Barren Lands
29. George Bighetty	Barren Lands
30. Neil Gummond	Fort Alexander
31. John A. Church	Fort Alexander
32. Janet Soldier	Swan Lake
33. Brian McKinney	Swan Lake
34. Lloyd Cameron	Swan Lake
35. Don Daniels	Swan Lake

36. Richard Cameron	Swan Lake
37. Cynthia Deauchamp	Swan Lake
38. Carolyn Constant	The Pas Band
39. Walley Cowley	The Pas Band
40. Connie Pringle	The Pas Band
41. Wilfred Mousseau	Dakota Ojibway Tribal Council
42. Geraldine Perswain	Dakota Ojibway Tribal Council
43. Elienne Robinson	Manitoba Keewatinowi Okimakanak
44. Darlene Bird	Peguis Band
45. Daphne Stevenson	Peguis Band
46. Colin Williams	Peguis Band
47. Leonard McKay	Norway House
48. Ivin Swanson	Norway House
49. Sylvan Chadee	Norway House
50. Ron Evans	Norway House
51. Peter Albert	Norway House
52. J. Brightnose	Cross Lake
53. Garry Melean	Pinemuta Place
54. Don Cook	Indian & Northern Affairs Canada
55. David Lawson	Indian & Northern Affairs Canada

APPENDIX B

WORKSHOP GOALS AND OBJECTIVES

GOALS:

- band/community planning and accountability mechanisms;
- band capacity training needs assessment to enter and deliver AFA programs;
- overview of AFA structure and potential

OBJECTIVES:

Participants will:

- gain an appreciation for the potential that AFA offers First Nations towards taking responsibility for meeting the needs and priorities of their communities;
- be introduced to a Training Needs Assessment Framework to assist them in identifying areas within their Band administration where training is needed;
- gain an appreciation of the importance of 'community planning' in effectively implementing AFA;
- gain an appreciation for how community planning could be pursued in their communities by:
 - (a) being introduced to a Community Planning Model and,
 - (b) applying the model to different scenarios;
- develop a planning tool which they can use in their work;
- receive a comprehensive Guide Book that provides them with models and tools that they can use in initiating community planning in their communities.

AGENDA

Day 1

- Morning:**
- Introduction
 - AFA Framework
 - Training Needs Assessment Format
 - Band/Tribal Council Experience with AFA
- Afternoon:**
- Introduce Community Planning Model
 - staff planning approach
 - Introduce Planning Scenario 1
 - band housing stock and allocation
 - Small Groups Apply Planning Model to Scenario 1
 - Conduct Post-Mortem

Day 2

- Morning:**
- Review Community Planning Model as Used in Scenario 1 and Build on it to complete it.
 - community involvement and guiding principles
 - Introduce Planning Scenario 2
 - Education program and services to fit with community vision
- Afternoon:**
- Small Groups Apply Community Planning Model to Scenario 2
 - design a community involvement process
- Evening:**
- Conduct Mock Community Forum on the Proposed Plans

Day 3

- Morning:**
- Critical Review of Community Planning Model and Adaption to Local Circumstances
 - Focus on: Program Scheduling, Workplans, Records, Monitoring, Reporting
- Afternoon:**
- Develop a Specific Planning Tool
 - e.g. project wall chart for home or office, decisions for Chief and Council to make to start planning process.

APPENDIX C

OUTLINE OF WORKSHOP PRESENTATION TO INAC

Self Government:

- transfer payments
- access to TB
- First Nations' policy development

Second Generation Policy:

- consultation
- evaluation
- preparation - research; legal; programme redesign; standards; training
- transfer payment

INAC Administration:

- partnership
- training
- consistency
- protocol on changes

Dispute Resolution Mechanism:

- grievance resolution board

Statutes and Regulations:

- documents to be appended
- funding formula to support standards

Other Programmes:

- single/multi programmes

Standards:

- based on First Nation community custom

INAC Commitment:

- consultation vs unilateral action
- to honouring agreements

APPENDIX 14

Summary of the Accountability Review: Saskatoon District Tribal Council, Muskeg Lake and Muskoday First Nations

**Evaluation Directorate
Policy and Consultation Sector
Department of Indian and Northern Affairs**

EXECUTIVE SUMMARY

I. INTRODUCTION

The appendix provides an overview of the findings of the accountability reviews of the Saskatoon District Tribal Council, and the Muskoday and the Muskeg Lake First Nations. It provides a description of current accountability practices and examines the long-term impacts of AFAs.

2. METHODOLOGY

The data for this review was collected through in-person interviews with members of the Tribal and First Nation Councils and administration. In addition, household interviews with members of the Muskeg Lake and Muskoday First Nations, file reviews and Elders' discussion groups were conducted.

3. FINDINGS

The Tribal Council views itself as an extension of the First Nations and, as such, is accountable directly to the First Nations. The SDTC is accountable to the Treaty Assembly, which derives its legislative authority from the First Nation Governments and their respective constituents.

The SDTC accounts to the First Nation Chiefs. The Chiefs are viewed as the legitimate representatives of the Treaty Assembly, the First Nation Governments and the First Nation members.

The ultimate authority rests with the First Nation electorate. The people elect the First Nation Government representatives who then form the Treaty Assembly. The SDTC is accountable to the First Nation members through their respective First Nation representatives. The SDTC Convention Act provides the Treaty Assembly with the legislative authority to govern SDTC activities.

The First Nation accountability conditions as set out in the AFA Transfer Agreement are redundant. The Convention Act supersedes this financial arrangement and, as such, adherence to the conditions of the Agreement is merely perceived as a "means to an end". The SDTC recognizes the sovereignty of the First Nations and has provided appropriate accountability mechanisms to support this constitutional process. Adherence to any conditional financial contract with the Government of Canada is perceived as little more than an imposition and a precondition to self-government.

The AFA reporting requirements are minimal and have had little impact on the SDTC practise. The SDTC maintains formal and regular reporting lines to the SDTC Chiefs and complies with the legislative requirements as set out in the Convention Act. In addition, it maintains communication and feedback mechanisms to the SDTC First Nation members.

The SDTC is very clear on the source of its accountability although it is acutely aware of the conditional requirements imposed through the AFA Transfer Agreement. As noted, the SDTC does not recognize any inherent legislative responsibility to the Minister, but as the AFA accountability conditions are generally compatible with the SDTC requirements, adherence to the Agreement provides access to funding without compromising the constitutional integrity of the Treaty Assembly.

The contact with the Department is minimal. The SDTC generally complies with the reporting requirements set out in the Agreement and the Department maintains a "hands off" position.

In the absence of governing legislation similar to the Convention Act, it is plausible that AFA Agreements might enhance accountability, but in the absence of strict and enforced accountability measures, the actual practise is more likely to be a result of the personal wishes and styles of the member First Nation leaders. First Nation governments are generally small and lack the more sophisticated checks and balances afforded larger senior governments. As a result, power tends to gravitate towards the more dominant personalities and depending on the circumstances, this can lead to varying degrees of autocratic rule.

The absence of a clear delineation of authority between the SDTC political and administrative levels has led to misperceptions as to roles and responsibilities. The result is a decision making process which can best be described as a "bottom-up" process, that is, issues which might be dealt with at an administrative level may well "float" to the top if they are perceived to be "politically" sensitive.

The electorate vests responsibility with the Council and, as such, views the Chief as being accountable for the SDTC's actions. The membership tends to equate accountability with decision making and evaluates the performance based upon the Chief's ability to "intervene" in these politically sensitive issues. In this respect, direct accountability may well reduce the effectiveness of the overall organization.

In general, AFA have been viewed as a positive step in the evolution to self-government. In the case of the SDTC, the accountability and reporting

mechanisms preceded the AFA requirements. The SDTC has developed and instituted appropriate constitutional accountability to its constituents. As such, the benefits of AFA are largely associated with financial enhancements.

F. RECOMMENDED ACTION

On the basis of the findings of the three case studies it is recommended that the following changes be made :

- Adopt AFA as the standard funding mechanisms and do away with the more restrictive and conditional contribution arrangements.
- For new AFA entrants, the Agreements could be limited to a one year term to assure an effective transition with little or no impact on the long term financial position of the First Nation. Longer term renewals would only be pursued with those Nation's who demonstrate capacity and accountability.
- AFA Agreements should provide up front resources to prepare realistic management development plans. First Nations must develop and demonstrate their capacity to work with long term AFA funding mechanisms and ready themselves for future self-governing initiatives. The funding would also provide sufficient resources to fully address the issue of program design and modification to make full use of the AFA provisions.
- In conjunction with the above, the First Nations must initiate some policy development as a step towards future self-government legislation. The First Nations will require some mechanism to empower their governments and begin to develop policies which will allow them to govern their own affairs.
- Initiatives and resources should be made available to both DIAND and the Band/Tribal Councils to provide assistance and support to assure development of management capacity at the First Nation level. This may well prove to be a very long term cost effective use of departmental funds.

1. Introduction

1.1 Purpose of the report

This report provides a summary of three case studies undertaken by the Saskatoon District Tribal Council, Muskeg Lake and Muskoday First Nations as part of the national evaluation of the Long-Term Impacts of AFA.

1.2 Purpose of the study

The purpose of this study is to describe First Nations' accountability practice as well as to assess the long-term impacts of AFA. The methodologies utilized, background, and the main findings and suggested improvements are provided below. Appendices to this report provide summaries of the data from the household interviews with First Nation members, the Muskoday Elders' discussion group and the interviews with Band and Tribal Council members.

1.3 Methodologies

The study was overseen by an Advisory Sub-Committee consisting of representatives from the Saskatoon District Tribal Council, Muskeg and Muskoday (John Smith) Bands, Saskatchewan Regional and District offices, Transfer Payment Directorate at Headquarters and the Evaluation Directorate. The study was managed by the SDTC with Cree consultants collecting the interview and discussion group data.

The accountability review consisted of in-person interviews with Saskatoon District Tribal Council members; Chiefs and Councillors of the Muskeg Lake and Muskoday First Nations; and Tribal and First Nation administrators. Household interviews were conducted with members of the Muskeg Lake and Muskoday First Nations. All household residents over the age of eighteen were included in the interviews at the selected households. File reviews at Tribal Council and First Nations offices focused on AFA management assessments, financial statements, financial and personnel policy manuals, program work plans, relations with DIAND and accountability practices. A discussion group was held with the Elders of the Muskoday First Nation. Table 1 provides an outline of the issues and questions examined in each instance.

2. Background

2.1 History of administrative relationship with DIAND

During the 1970's and early 1980's the Federal government adopted a policy of reestablishing Indian control over the affairs of their own communities.

Table 1
Questions and Methodologies

Issues and Related Questions	In-person Interviews		Household Interviews of Band Members	File Reviews: Tribal Council & Band offices	Elders' Discussion Groups
	Tribal Council, President, Chief and Councillors	Tribal Council/ Band Administrators & Personnel			
1. Existing accountability mechanisms within the Tribal council and member Bands:					
a) Organizational and political structures and functioning	✓	✓	✓	✓	
b) Types of accountability	✓	✓	✓		✓
2. Accountability mechanisms to the Minister, and other organizations:					
a) Reporting requirements	✓	✓		✓	
b) Accountability procedures	✓	✓		✓	
c) Other governments and orgs.	✓	✓			
3. Effects of AFA on Accountability:					
a) Enhancement to Accountability	✓	✓		✓	
b) Changes in reporting	✓	✓	✓	✓	✓
c) Information & Constituent Input	✓	✓	✓		✓

Table 1 continued

Questions and Methodologies

Issues and Related Questions	In-person Interviews		Household Interviews of Band Members	File Reviews: Tribal Council & Band offices	Elders' Discussion Groups
	Tribal Council, President, Chief and Councillors	Tribal Council/ Band Administrators & Personnel			
4. What have been the impacts of AFA at the political level of the Tribal Council and Member Bands? ✓			✓		✓
5. What impacts have occurred from AFA on the Tribal Council and Member Bands' management capacity? ✓		✓		✓	
6. What have been the impacts of AFA at the administrative level of the Tribal Council and Member Bands? ✓		✓	✓	✓	✓
7. What other impacts have occurred as a result of AFA?					
- Self-government development ✓		✓		✓	✓
- Indian Act ✓		✓		✓	✓
- Treaties ✓		✓		✓	✓

This policy resulted in transferring responsibility for the administration of many government programs and services to the Indian councils. The process improved responsiveness to local needs and improved the administrative and management skills of those in the Indian communities. However, the Indian councils continued to be required to administer programs according to Federal requirements and were unable to transfer funds between programs. This limitation on the council's authority resulted in their being accountable to government departments instead of to their own constituents.

In October of 1983, the Penner report made three recommendations that would result in greater Indian autonomy. The report recommended constitutional changes that would entrench the right of Indian peoples to self-government, legislation to recognize the First Nations and to establish a legal framework for their operation, and administrative and policy changes to enhance self-government where possible under current legislation.

In November 1985, the federal Cabinet authorized the use of Alternate Funding Arrangements (AFA). AFAs operate within current legislation, as per the third recommendation of the Penner report. AFAs allow Indian Councils to modify and redesign federally funded programs, as long as they meet the minimum program requirements as specified in the agreement. Except for capital funding, they also allow the Councils to transfer funds between programs. The agreements are for up to five years, subject to annual appropriations, which gives greater continuity and improves the timeliness of funding. The system is intended to enhance the accountability of the Chief and Council to their Bands while maintaining the Minister's accountability to Parliament.

The Saskatoon District Tribal Council (SDTC) entered into an AFA in 1990, the Muskoday First Nation in 1986, and the Muskeg Lake First Nation in 1989. Prior to the AFA, each received funding through contribution agreements. The former system of financial arrangements was unsatisfactory as they required extensive annual negotiations which caused frequent delays in approval and disbursement of funds, and offered little in the way of promoting the devolution of authority to the Indian councils.

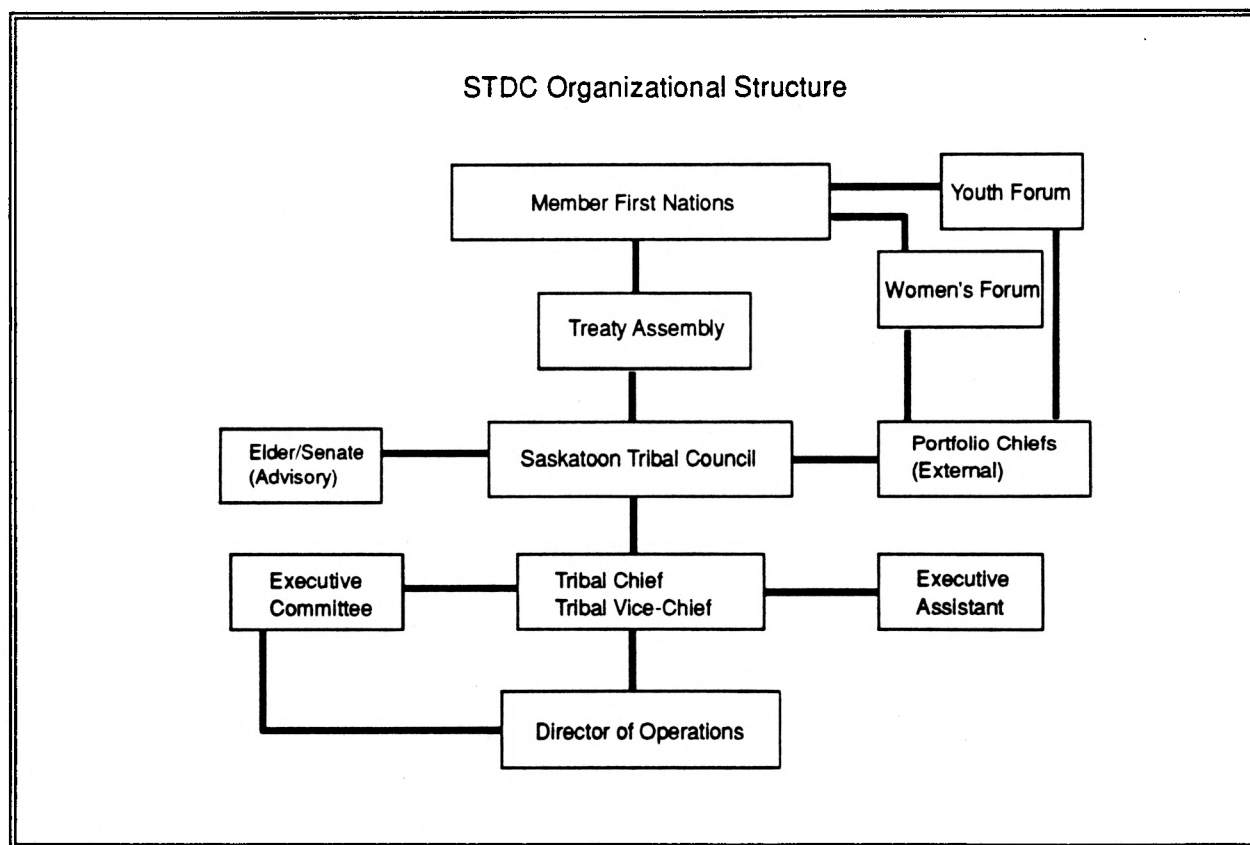
2.2 Organizational and political structures

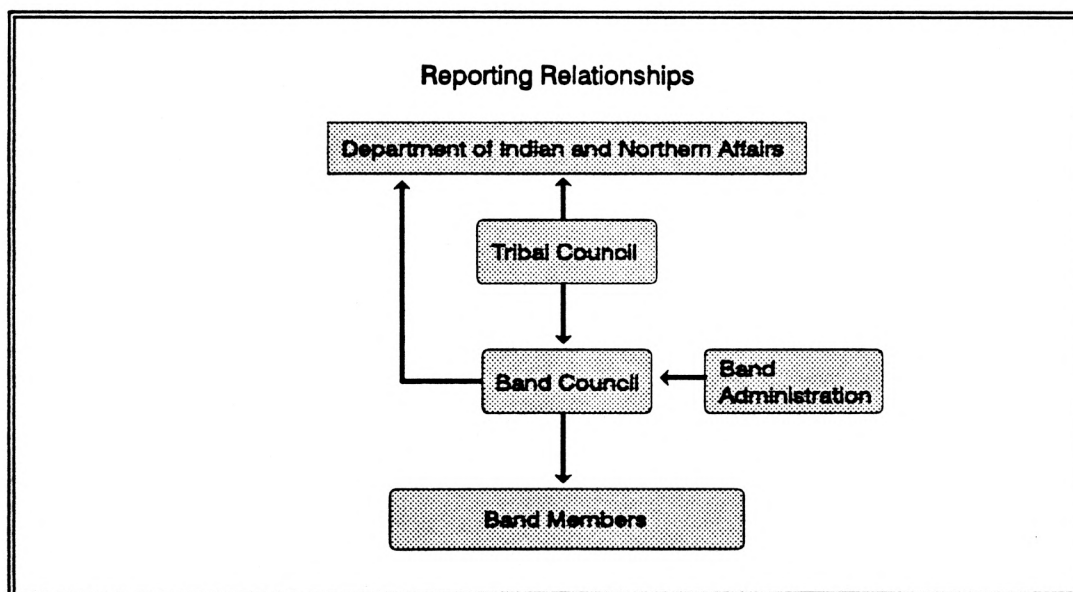
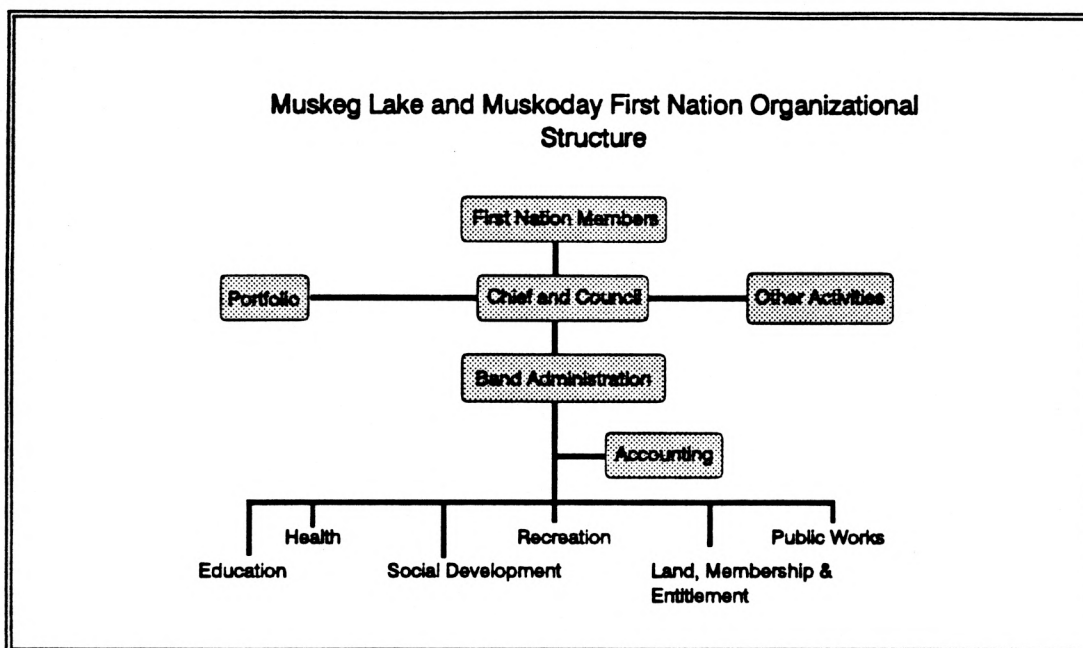
2.2.1 Saskatoon District Tribal Council

The Saskatoon District Tribal Council is a legally incorporated body created in 1982. It is made up of seven member bands, the Muskoday, Kinistan, Mistawasis, Moose Lake, Muskeg Lake, One Arrow, and Yellowquill. Total membership of the seven member First Nations is 6,524 persons, of which 2,669 live within the reservation communities.

The purpose of the SDTC is to promote and protect the common political, social and economic interests of the Member First Nations. In addition to identifying and pursuing the common goals of all the Member First Nation, the SDTC seeks to provide uniform services in a economical and efficient manner. The sharing of common resources provides the individual First Nations with additional organizational and management capacity which would not otherwise be available on an independent basis. The main programs delivered by the SDTC include Education, Band Advisory Services (Economic Development, Technical Support, and Financial Advisory Services), Health and Social Development, Planning and Development. The annual operating budget of the SDTC is approximately six million dollars and it employs about 90 full-time staff.

The diagram below illustrates the organizational structure of the SDTC. The diagrams on the following page outline the organizational structure of the bands and show the reporting relationships between the band councils, the SDTC, the Department and the band members.





The Treaty Assembly is comprised of the seven First Nations including the Chiefs, Councillors, Senators, Elders and members of the Women and Youth Forums. The Council is made up of Chiefs elected from each of the seven member First Nations. Portfolio Chiefs are those Chiefs on the Council designated as representatives to

the Federation of Saskatchewan Indian Nations. They are advised by a Women's Forum and a Youth Forum. Elders are traditional, spiritual First Nation members who act to advise the SDTC, as does the Senate. Each member First Nation appoints an individual to each of these advisory bodies.

An executive committee is made up of a Chief from the Council who has been elected as the Tribal Chief, one elected as Tribal Vice-Chief, and one other Chief from the Council appointed on a rotating basis. Operating under the direction of the Executive Committee is the Director of Operations. The Director is responsible for the overall management of the SDTC operations through the various program directors.

2.2.2 Band Councils

The Muskeg Lake and Muskoday First Nations are headed by an elected Chief and seven Councillors. Each Councillor chairs a separate portfolio committee, with additional representation on each committee coming from other Councillors, administrative staff and band members. The Band Administrator is responsible for the overall management of band operations, receiving direction from and performing duties as prescribed by the Chief and Council.

3. Accountability Practice

3.1 Saskatoon District Tribal Council

The Saskatoon District Tribal Council has a formal constitution, the Convention Act, which clearly establishes the position of the Tribal Council as an extension of the seven Member First Nations. The Convention Act states that each Member First Nation has the inherent right to self-government and self-determination. It also lays out the purpose of the Council and provides a framework for the reporting and accountability mechanisms that govern the affairs of the Council. The Convention Act provides regulations for the election and appointment of personnel to executive and administrative positions, and the monitoring of such elections and appointments. It determines the powers and scope of authority of the executive committee. The Act also sets out the requirements for the auditing and reporting of SDTC financial affairs. The Convention Act can only be amended by resolution of the Treaty Assembly. Ultimate authority rests with the First Nation electorate. The people elect their First Nation Governments who are then their representatives to the Treaty Assembly.

The SDTC is accountable to the First Nation Chiefs and Treaty Assembly, and through them to the First Nations members. The Chiefs are viewed as legitimate representatives of the First Nation governments and First Nation members. First Nation members are informed of SDTC affairs through their government

representatives on the Tribal Council, and through SDTC newsletters, workshops and annual reports provided to the Treaty Assembly. A First Nation member with a concern or grievance regarding the SDTC would bring it to their First Nation Government. The matter would then be brought to the attention of the SDTC. The person could also bring the matter directly to the attention of SDTC personnel.

In addition to the accountability mechanisms provided in the Convention Act, the AFA agreement with the SDTC holds the Tribal Council responsible to its member bands for its leadership, sound management and for the effective and efficient delivery of services. Under the agreement, the SDTC is required each fiscal year to provide the member bands with copies of financial statements, the report from an independent auditor and any other data which may be of interest to band members.

The Saskatoon District Tribal Council Convention Act

"The First Nations comprising the SDTC recognize their inherent and natural rights to First Nation self-determination and First Nation self-government as bestowed upon them by the Creator."

"The jurisdiction of the First Nation Governments of the First Nations is exercised over all their respective citizens."

"The SDTC strives to maintain the social, economic and political bases of the First Nations represented herein, including the rights to land and resources, culture, language, self-government and self-determination."

"A financial plan and budget shall be presented to the SDTC Chiefs for ratification by April 30 of each fiscal year."

"There shall be an auditing firm who shall be appointed by the Chiefs and responsible to the Treaty Assembly"

"The accounts of all departments... shall be audited by the auditing firm..."

"The Chiefs of the SDTC shall have access to all financial books, records or returns at any given time."

The accountability requirements of the AFA agreement are largely redundant. The terms of the Convention Act supersede the AFA, and as such, the conforming to the requirements of the Agreement is seen as merely a means to an end. The SDTC recognizes the sovereignty of the First Nations and has provided appropriate accountability mechanisms to support the relationship. Adherence to any conditional financial contract with the Government of Canada is perceived as little more than an imposition and a pre-condition to self-government.

In the survey of Muskeg Lake and Muskoday First Nation members, only 11% of the Muskeg Lake felt that the Tribal Council was accountable to the band

members. This is consistent with the reality of the situation in that the SDTC views itself as accountable to the Chiefs, not directly to the band members. Fourteen percent of the Muskeg Lake saw the accountability of the Tribal Council increasing as a result of the AFA.

While the Tribal Council is only indirectly responsible to the band members, communication and feedback are essential. Many of the First Nation members who were interviewed expressed dissatisfaction with the extent to which they were kept informed of the decisions of the Council. Some were not even sure what the Tribal Council was or what it did. The perceptions of the members would indicate that some additional effort in this area would be beneficial.

The AFA agreement requires that the Minister provide funding under the conditions of the agreement, without relieving him of his existing obligations under the Indian Act. In return, the AFA recipients agree to provide the Minister with a detailed annual audit to ensure that the funds are being used in accordance with the terms and conditions of the agreement. The reporting requirements under AFA are substantially less than those required under the previous funding arrangement it nevertheless remains a conditional funding mechanism and as such does not represent a significant change in government policy regarding the funding of Indian Governments. The SDTC does not view itself as being constitutionally accountable to the Minister. Compliance with reporting requirements is largely for the sake of expediency and in anticipation of future self-government initiatives.

3.2 Band Councils

Both the Muskeg Lake and Muskoday First Nations Councils see themselves as independent and autonomous governments, accountable directly to their respective constituents. However, the councils are defined and regulated by the Indian Act and are therefore also accountable to the Crown. This sets up a system of dual accountability for the councils. The Band Councils generally govern in response to the needs of their electorates, while being aware of federal legislation and conditional financing arrangements. When conflict arise between the policies of the Federal Government and the wishes of the Band members, the Councils acts to negotiate a compromise with DIAND and/or their constituents.

Band Councils are held accountable to their constituents through a system of feedback mechanisms that include newsletters, workshops, general band meetings and one-on-one encounters with Council members. Elections of Indian Councils are generally held every two years. This provides the electorate with an appropriate and periodic accountability. As is often the case with relatively small communities, the Band Councils perform a variety of functions. They are the governing bodies, the senior management, judiciary and complaints department.

The Band Councils have an open door policy with constituents being free to give their input directly to the decision makers.

The accountability measures of the Band Councils that were in place prior to the AFA agreements continued unchanged after the agreements were made. About 40% of the Muskeg Lake members thought that the AFA resulted in greater accountability of the Band Council to its members.

4. Impacts of AFAs on accountability mechanisms and practices

4.1 Saskatoon District Tribal Council

The SDTC is accountable to its member First Nation Governments who are in turn accountable to their respective First Nation members. The Convention Act of the SDTC addresses the issue of constituent accountability making the accountability requirements as set out by their AFA agreement unnecessary. In the absence of legislation similar to the Convention Act, it is possible that AFA Agreement requirements could enhance accountability. First Nation governments are generally small and rarely operate strictly within their formal organizational and political structures. This lack of adherence to defined roles and responsibilities at the political level leads to a 'hands on' approach in the administration and delivery of services and can mean that power gravitates to those with more dominant personalities.

AFA reporting requirements are minimal and have had little impact on SDTC practice. The SDTC maintains formal and regular reporting lines to the Chiefs of the SDTC. In addition, it maintains communication and feedback mechanisms with the members of the SDTC First Nations.

4.2 Band Councils

At the Band level, the Indian Act provides accountability through the election process. The Indian Act requires elections every two years, allowing a periodic accounting to the members. In addition to elections, the band members have a variety of feedback mechanisms with which to provide input into Council decisions. These include participation in semi-annual general membership meetings, attending monthly Council meetings, and the accessibility of the Chief and Council. The First Nation members are also kept apprised of Band affairs through annual written reports and audits.

AFA reporting requirements to constituents are minimal and have had little impact on accountability practices. The Muskeg Lake and Muskoday Councils and administrations maintain formal and regular reporting lines to their members and comply with the conditional requirements as set out in their AFAs.

5. Long-term impacts of AFA

One of the primary concerns upon the introduction of AFAs was that of accountability. Under the Contribution system of funding the lines of accountability were clear; the band and tribal councils were responsible to the Minister. Under AFAs that strict Ministerial accountability was to be replaced with accountability to constituents. The consequence is that the councils currently have a dual accountability system. They see themselves as being primarily responsible to their constituents for their decisions, but they are also required to make an accounting to the Minister. The reporting requirements to the Minister have decreased under AFAs but accountability to the members has not changed as a result of AFAs. A majority of the First Nation members interviewed believe that the Band Councils are accountable to their members.

AFAs were seen as status symbols for those Indian Councils who evidenced good financial accountability and were ready to advance to the next level towards self-government. In many cases AFA agreements simply legalized what was already happening. The Auditor General of Canada has made repeated claims that contribution agreements were not being adhered to. AFA agreements provided the necessary flexibility to overcome this issue.

The AFA agreements provide longer-term financial stability, improving the planning process and reducing the largely unproductive efforts expended in annual negotiations. They improve the predicability and timeliness of cash flow and offer greater flexibility to tailor programs to local needs.

AFA does little to further the political autonomy and self-government initiatives. It remains as a conditional funding mechanism with accountability to the Minister. AFA does not provide the financial or management resources to address new policy and planning issues. Nor does it enhance the planning and managing capacities of the recipients, as funding for the education and training of staff is not readily available.

There is little evidence that AFAs have altered or influenced the political structure of the recipients. It has had an impact though, on the financial planning function. The political level is aware of the increased financial flexibility and of the greater need for longer term financial planning to encompass the longer funding period. While AFA agreements have altered priorities and provided motivation to improve cost efficiency, the lack of financial and management resources coupled with the minimum program requirements of the agreements have generally resulted in a continuation of federal programs and policies.

The main benefits of AFAs were that they were designed to be multi-year agreements that would enhance accountability to constituents, provide the

flexibility to modify and re-design federal programs, allow the transfer of funds between programs. In actuality the ability to modify or re-design programs has been limited due to the lack of new resources and the inclusion of agreement conditions. AFAs have had little impact on the accountability to constituents.

The multi-year nature of the agreements combined with the reduction in reporting and monitoring requirements have decreased the expenditures necessary to maintain funding and improved the relations with DIAND. There is, however, some distrust regarding the Department's long-term motives. Some suspect that prudent financial management will lead to reduced levels of funding in future years. Among the Muskoday Band Council there was concern over the multi-year nature of their AFA. As the Councils are elected on a two year cycle, they felt that a newly elected Council should be able to amend or renegotiate the agreement.

The introduction of AFAs have been deemed as a positive step in the evolution to self-government. It represent a vast improvement over the Contribution arrangement, but falls short of what was envisioned in the Penner Report. In the absence of specific legislation and/or constitutional changes, AFAs will not alter the status of the Indian Act or treaties.

6. Conclusions/Recommendations

Barring constitutional reform and/or appropriate legislative change, some form of conditional financial arrangement with accountability to the Minister will remain. The AFA is the most advanced form of the more common mechanisms and has provided for new enhancements not found in previous funding arrangements.

Initially, the AFA was perceived as the instrument of new autonomy, as a real transfer of power and responsibility, but it is now evident that it fails meet self-government criteria. Even so, it has resulted in a new relationship between the Government of Canada and the Indian First Nations, one more step in the evolutionary process.

The AFA is a product of "existing legislation" and these observations are consistent with the scope of this authority. Specific legislation is required to support and clarify the new role of the Department and the First Nations under AFA. The issue of accountability is clouded, and without an adequate mandate, the accountability relationships will continue to pose risks.

AFA are intended to enhance accountability to the recipient's constituents, but the Agreement is not specific on the mechanisms to assure this outcome. In the case of the SDTC, it's Convention Act provides the basis for a constitution and contains appropriate accountability mechanisms and remedial measures to assure

adherence. In the absence of formal measures, the accountability mechanisms between First Nation Governments and their constituents will essentially be defined by those in power, the only remedial action being the election process itself. In this respect, AFA may well be an accident waiting to happen. As the accountability to the Minister wanes, the mechanisms between First Nation Governments and their constituents must assure appropriate checks and balances to protect their interests. This process should ultimately empower the Indian Council to govern the affairs of its members, an issue which remains the subject of continued debate.

The issue of management capacity remains. The evolution process was founded on the recognition that Indian Governments needed to develop their management capacity before adding new responsibilities, but AFA fails to provide resources to further this cause. Adequate management capacity is the basis for responsible self-government and the development process must continue if the evolution is to succeed. New initiatives are required to enhance this essential process.

Little effort has been made in the area of program design and modification. AFA recipients need a forum to exchange information and to discuss new options and alternatives.

It would be appropriate to include other federal government services within a single AFA Agreement. The most significant of these are the programs provided through Medical Services Branch of Health and Welfare Canada.

The move towards self-government can only begin with the development of management capacity and AFA provides the additional flexibility to initiate this process. By adopting AFA as the standard funding mechanisms and doing away with the more restrictive and conditional contribution arrangements this development will be facilitated. The current Management Accountability Assessment is largely a test of the First Nation's ability to manage its financial resources and AFA is the reward for acceptable performance. For new AFA entrants, the Agreements could be limited to a one year term to assure an effective transition with little or no impact on the long term financial position of the First Nation. Longer term renewals would only be pursued with those Nation's who demonstrate capacity and accountability. This would introduce the AFA to all First Nations allowing for additional responsibility as the situation warrants.

If self-government is a desirable goal, the AFA Agreements should provide up front resources to prepare realistic management development plans. First Nations must develop and demonstrate their capacity to work with long term AFA funding mechanisms and ready themselves for future self-governing initiatives. This should be an essential component of any AFA Agreement. In addition, funding

would provide sufficient resources to fully address the issue of program design and modification to make full use of the AFA provisions.

In conjunction with the above, the First Nations must initiate some policy development as a step towards future self-government legislation. The First Nations will require some mechanism to empower their governments (an eventual replacement for Indian Act), and they must begin to develop policies which will allow them to govern their own affairs.

DIAND is currently proceeding on a number of fronts. It provides enhanced financial arrangements through AFA while proceeding on other fronts to develop self-government initiatives. This is an evolutionary process and would best be served through a single mechanism. The AFA could begin as a one year agreement with new entrants - this would introduce the new mechanism with little risk to either party. More important, it would initiate the management and policy development process with the First Nation governments.

In time, the Agreements would be extended for longer terms so that First Nations could make full use of the AFA provisions. As policy and management develops, AFA would move to a second generation which may or may not require legislative changes, but each step would move closer to the ultimate objective.

Initiatives and resources should be made available to both DIAND and the Tribal Councils to provide dedicated assistance and support to assure development of management capacity at the First Nation level. This may well prove to be a very long term cost effective use of departmental funds.

Annex A

Summary of Band Member Interviews

Muskeg Lake John Smith
Percentage of **Yes** responses

Program Awareness

- | | | | |
|----|---|-----|-----|
| 1. | Are you aware that your Band is operating under an Alternative Funding Arrangement (AFA)? | 32% | 76% |
|----|---|-----|-----|

Impacts on Service

- | | | | |
|----|--|-----|-------|
| 2. | Have you noticed any change in the number of services provided by your Band Government since the AFA has been implemented? | 62% | 95%* |
| 3. | Have you experienced any change in the quality of services provided by your Band or Tribal Council since AFA implementation? | 59% | 100%* |

Accountability

- | | | | |
|----|--|-----|-----|
| 4. | Are you informed of the decisions made by your: | | |
| | i) Band Government | 38% | N/A |
| | If so, how? (number of individuals) ^a | | |
| | General meetings | 2 | 16 |
| | Monthly publications | 10 | 26 |
| | Annual publications | 0 | 12* |
| | Access to Elected Representatives | 2 | 30 |
| | Informal community discussions | 0 | 17 |
| | Other | 2 | 7 |
| | ii) Tribal Council | 11% | 8% |
| | If so, how? (number of individuals) | | |
| | General meetings | 0 | 0 |
| | Monthly publications | 3 | 2 |
| | Annual publications | 0 | 0 |
| | Access to Elected Representatives | 1 | 38 |
| | Informal community discussions | 0 | 2 |

- | | |
|----|---|
| 5. | Are you given an opportunity to provide |
|----|---|

input during the decision making
process?

22%

37%

Percentage of Yes responses		<u>Muskeg Lake</u>	<u>John Smith</u>
6.	To your knowledge, are there any mechanisms in place to challenge the decisions made by the Band/Council?	30%	32%*
7.	Overall, do you think that your Band Council is accountable to its members?	63%	85%*
8.	Overall, do you think that your Tribal Council is accountable to its members?	12%	27%
9.	As a result of the introduction of AFA, do you think that the Band Council is more accountable to Band members?	39%	0%*
10.	As a result of the introduction of AFA, do you think that the Tribal Council is more accountable to Band members?	14%	27%

- * Percentages may be inaccurate due to incomplete reporting of responses.
 * More than one response possible.

Annex B (Major Comments)

Elders' Discussion Group - Muskoday First Nation

Accountability mechanisms within the Band Government

- System of program committees which include members of the community
- Chief and Council accessible
- Band government accountable first to Band members and then to funding agency
- Administrative personnel accountable to the Band Council
- Band members not directly informed of Tribal Council decisions
- Suggested improvements for making members aware of the decisions of the Band Government (eg. mailings of minutes to members homes)

Impacts of AFA on Tribal Council and Band Governments

- Improvements in funding over contribution system, but no funding arrangement will be sufficient without more land in recreational, urban and natural resource areas to increase the Bands' economic development opportunities.
- More money and better service since AFA
- AFA has helped somewhat in the move towards self-government but it is not a substitute for genuine self-government
- Higher education levels among Band members (not clear whether this is a result of AFA or a variety of other factors)

Other major comments and concerns

- Band needs a formal constitution to protect members from autocratic Chief and Councils and to protect Treaty rights
- No discussion or consultation with Elders about AFA prior to implementation; recommend workshops with Elders and Band members before negotiating new agreement
- Didn't believe that the Tribal Council offered any benefits to the Band and that it takes too much money away from the Bands
- Concern that DIAND is using AFA to back out of Treaty obligations
- AFA should be expanded to include off-reserve members
- They would like to see the next AFA and all other agreements include specific protection of treaty rights

Appendix C

Summary of Interviews with Tribal and Band Council Members

Accountability mechanisms to members

- Annual audit, Band Council meeting minutes, band meetings & forums, community newsletters, public notices, Chief and Councillors available to members.
- Council is ultimately accountable to the membership through the election process - it maintains an open door policy. There are no formal dispute mechanisms.
- Council governs by consensus - constituent feedback through elected representatives. It's a small community, word travels fast, the opinion poll is ever present.

Accountability mechanisms to Minister

- Annual audits, monthly Social Assistance statistics, membership lists provided to the Department.
- DIAND has taken a "hands off" position - we operate in accordance with the agreement.
- SDTC is an extension of the First Nations and, as such, accountability to the Minister is secondary. The relationship is defined in the AFA and the formal reporting requirements are maintained.

Effects of AFA on accountability

- AFA forces accountability to DIAND first and the Band members second
- AFA has not changed our perception of accountability to our membership - we have not done anything different that we would not have done in the absence of AFA.
- AFA could impact on some First Nations that do not have good communication/reporting mechanisms.
- AFA has had no impact on the SDTC accountability mechanisms - governed by the Convention Act.

Effects of AFA on politics

- The current AFA pre-dates the election of the current Council; Council needs the ability to make amendments AFA in effect when a new Council is elected.
- Dual accountability, Council must report to Indian Affairs, particularly on financial matters, but only the membership can elect the Council.

Effects on management capacity

- Greater flexibility in long-term program planning, but because of under-funding, any shift of funds from year to year will hurt an already minimally funded program.
- Increased management costs in terms of money for salaries and training, equipment and office space.
- More training of personnel is required before they are fully qualified to do their jobs. DIAND should provide the funds to provide the necessary training.
- Able to set own program priorities.
- AFA necessitates a strong financial management function.

Effects on administration

- Improvements in service delivery.
- Faster delivery of programs.
- Band is not receiving enough money to implement all of the programs and services that they want.
- Not enough allowance for inflation, unexpected cost increases.
- AFA needs to include programs for members residing off-reserve.
- AFA has had no impact on the management and delivery of our programs but it does have implications in the area of financial management/administration.

Other Issues

- AFA does not offer any additional political autonomy.
- AFA does not go far enough in supporting self-government initiatives.
- AFA needs to address the needs of off-reserve members.



Notes sur les œuvres

Les habitants de la Côte Ouest

(Photo en bas à gauche)

Les Indiens qui demeurent présentement le long de la Côte Ouest du Canada sont de la même descendance d'habiles marins qui ont navigué sur l'océan du Nord Pacifique, bien avant l'arrivée des Européens, dans des canots taillés à la main. Afin d'assurer leur subsistance, ces habitants affrontaient quotidiennement les risques d'une région fréquemment appelée le "cimetière marin du Pacifique". Le "Westcoasters" est un hommage visuel pittoresque à la volonté indomptable et courageuse des habitants de la Côte Ouest.

et sur les artistes ...

Roy Henry Vickers

Roy Henry Vickers, un Tsimshian de la Côte, a passé son enfance à Kitkatla, un ancien village Indien situé sur une île à l'embouchure de la rivière Skeena en Colombie-Britannique. Plus tard, sa famille s'installa dans la région de Victoria où il suivit des classes d'art. Il ne pouvait pas comprendre les peintres européens et les "grands maîtres". Ainsi donc, il se tourna vers l'art de son patrimoine Tsimshian et c'est ici qu'il découvrit sa créativité.

Dans peu de temps, ses œuvres d'art donnèrent de grandes espérances et il fut admis à l'institution "Gitanmax School of Northwest Coast Indian Art" à Ksan, Hazelton en Colombie-Britannique. Suite à deux années d'études sérieuses à Gitanmax, Roy a évolué en un artiste de forte compétence et possédant une aptitude prononcée à sensiblement marier les formes contemporaines et traditionnelles. (Roy est aussi un talentueux conférencier à l'Université et acteur de télévision.) Ses sculptures et peintures font partie des grandes collections publiques et privées au Canada, aux États-Unis et au Japon.

Creation

(Photo du milieu)

Si nous utilisons les paroles de cet artiste "... les créations significatives sont guidées par les œuvres du Créateur et sont considérées sacrées. C'est de la nature que les peuples autochtones adoptent le symbolisme." Ainsi, la "Création" devint la première de ses peintures Iroquoises. C'est un œuvre qui décrit en symboles physiques une vision d'anciens concepts spirituels Iroquois : l'Île Tortue — la Terre, le Grand Arbre de la Paix — Fraternité et Unité, l'Aigle Gardien — le Gardiennage du Créateur, et le Soleil — notre Frère Aîné.

Arnold Jacobs

Arnold Jacobs est un artiste Iroquois des Six Nations qui se révèle en tant qu'interprète et historien de la culture abondante de son peuple. Suite à ses études en art spécialisé à l'école Central Technical de Toronto, Arnold continua de développer ses techniques distinctes au cours de treize ans d'expérience dans le domaine de l'art commercial. Ses travaux sont reconnus au niveau international.

L'expression créative d'Arnold est centrée sur les symboles de la terre et du ciel — tels que les eaux, les quatre vents, le tonnerre et le soleil. Pour lui, ces éléments et phénomènes vitaux sont aussi des forces spirituelles qui devraient nous inspirer une juste reconnaissance au Créateur.

**Traduction:*

"... meaningful traditions are governed by the works of the Creator, and are believed to be sacred. It is from nature that the Native peoples adopt symbolism."

"The Goose and the Mink"

(Photo en haut à droite)

L'oie et la martre du Nord offrent une représentation vive symbolisant la lutte interminable et universelle entre le bien et le mal, les forces de la vie et de la mort.

Nous voyons dans la création animée et inanimée — dans celle de la proie et du prédateur ainsi que dans les variations entre les soleils éclairci et obscurci — une accentuation du conflit continu entre ces forces et le sentier qui les divise.

Jackson Beardy

Jackson Beardy est le cinquième fils d'une famille de 13 dans la communauté indienne isolée d'Island Lake quelques 600 kilomètres au nord de Winnipeg au Manitoba.

À l'âge de 7 ans, il fut privé de son chez-lui et de son langage et passa douze années désorientées et traumatisantes dans un pensionnat. Jackson a donc vécu son adolescence à lutter pour se réconcilier avec les deux mondes des indiens et des blancs. C'est à ce temps-là qu'il partit vers le Nord en vue de réapprendre les usages et les préceptes de son peuple.

Plus tard, méconnu et ne connaissant aucun autre artiste Indien au Canada, il développa une forme d'art particulière décrivant les légendes traditionnelles et la nature en images créatives, symboliques et d'une coloration unique. Avec le temps, ses peintures ont pris place parmi les collections reconnues à travers l'Amérique du Nord et l'Europe. Sa mort récente en décembre 1984 fut une perte déplorable pour le Canada.