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# Standing Committee on Government Operations and Estimates

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Chair: Mr. Kelly McCauley





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Thursday, October 31, 2024

• (1105)

[English]

**The Chair (Mr. Kelly McCauley (Edmonton West, CPC)):**  
Good morning, everyone.

I call this meeting to order. Welcome to meeting number 150 of the House of Commons Standing Committee on Government Operations and Estimates, of course widely known by everyone far and wide as the mighty OGGO.

We have three groups of witnesses with us today. We'll invite each to do a five-minute opening statement.

We would ask you to please watch the clock so that we can spend as much time as possible with our questions.

We'll start with the First Nations Finance Authority.

Please go ahead. You have five minutes.

**Ms. Jody Anderson (Strategy and Partnerships Advisor, First Nations Finance Authority):** *Meegwetch.*

*Aaniin* and good morning. *Meegwetch* for the invitation to speak today.

I would like to acknowledge the unceded lands and territory of the Algonquin Anishinabe people, on whose lands we are gathered here today.

My name is Jody Anderson. I am the strategy and partnerships adviser for the First Nations Finance Authority, or FNFA. I am a proud member of Couchiching First Nation, located in Treaty 3. I am joined today by my colleagues Ernie Daniels, president and CEO of FNFA, and Todd Eberts, FNFA partner and adviser for surety, who works with BFL Canada.

FNFA is a non-profit indigenous-owned and -governed institution that operates under federal legislation, the First Nations Fiscal Management Act. Our mandate is to provide financing and investment options to first nation governments operating under the Indian Act. To date the FNFA has successfully issued 10 debentures, raising close to \$3 billion in financing for infrastructure and economic development projects for first nations, with zero defaults. Our financing model is recognized by three investment grade credit rating agencies, including S&P Global, Moody's Investors Service and Morningstar DBRS.

I am here to speak about the challenges and barriers faced by first nation contractors and construction companies located on reserve and their inability to access surety and bonding. Put simply, indigenous procurement must be improved and reformed.

Section 89 of the Indian Act prevents the leveraging of assets situated on reserve land as security. Without security, a contractor cannot execute an enforceable indemnity agreement, which is a necessary requirement to gain access to surety bonding. Surety bonding is required for a vast majority of construction, civil infrastructure and similar contracts with Canada. Without access to bonding, an indigenous contractor's opportunities are severely limited.

I appreciate that in your last meeting, Keith Conn, ADM of lands and economic development at ISC, acknowledged the importance of surety and bonding. We urgently need concrete action to move this forward.

To date there are limited methods for first nation contractors to satisfy the indemnity agreement and access surety bonding support, all of which include either additional costs or additional risks. These unfair costs and risk burdens have severely stunted the economic growth opportunities for indigenous businesses. Thus, the continuation of economic oppression remains enforced by the federal government.

Many of these affected contractors have the capacity and character to execute these jobs flawlessly, but many indigenous businesses are forced to create joint ventures to help access the needed capacity and capital, which further perpetuates the formation of unnecessary joint ventures and the vulnerability of misuse. As long as section 89 acts as a racist barrier to equitable access of capital—in this case, to surety and bonding support—contractors who are subject to the Indian Act cannot freely pursue their economic development on equal footing as compared with those who are not subject to the Indian Act. This is in direct conflict with the articles of UNDRIP.

The opportunity is clear: Removing inequitable and racist barriers will help improve the quality of life for many indigenous businesses and people by providing greater access to project and procurement opportunities, allowing first nation contractors to grow, build and scale their businesses similar to our non-indigenous counterparts. This also supports Canada to achieve its 5% procurement goal by including first nation contractors more meaningfully in publicly funded construction projects...and contribute to the infrastructure crisis that our nations are currently facing. Without changes, legitimate indigenous companies are limited from accessing the government's indigenous program.

What is needed is a stand-alone bonding and surety fund to enable equitable access to bonding indigenous contractors. We are currently working on a model to lead the development of an infrastructure-led fund. This fund would work to provide security and a backstop for indigenous contractors. When the infrastructure project is completed, this security would be released and then returned to the fund to be used by another contractor. We are requesting support from the federal government to establish a stand-alone fund to unlock this economic potential.

First nation contractors and businesses are often the backbone of our communities. They have a lot to offer, and are key to the success of these commitments.

• (1110)

The FNFA stands ready with the trust of first nation communities and our members, and with a track record of success to seek the viable solutions.

*Meegwetch* for your time, and I look forward to your questions.

**The Chair:** Thank you very much.

We will now go to the First Nations Financial Management Board.

Mr. Calla, please go ahead, sir.

**Mr. Harold Calla (Executive Chair, First Nations Financial Management Board):** Thank you For the opportunity to appear before you today.

The first thing I want to say is that it's in everyone's interest to get the indigenous procurement policies and practices correct. The best way to get results for us is for first nations themselves to be in a position of providing the design and supports for the procurement program, and you're going to hear from everyone today about that. You've just heard from Jody.

I think you have to start by recognizing also that first nations themselves were legislated out of the Canadian economy for much of Canada's history. We were denied the ability to leave reserves, to get bank loans, to get an education, to hire a lawyer, and entering in commercial contracts was near impossible. Most of my career as a member of the Squamish Nation has been focused on getting first nations back into the economy, and the procurement policy is a great vehicle to support economic reconciliation.

While there may have been challenges with Canada's procurement policy over the last number of years, which we don't need to go into, let's not throw the baby out with the bathwater here. Let's

get to the point where we support first nations participation in the development and the design of the policies that we need to support indigenous participation in the procurement policy.

I want to give you an example of what procurement policy can do for a first nation. I'm a member of the board of Trans Mountain pipeline, the expansion project, and 24% of the contracts on the expansion project were provided to indigenous businesses and partnerships, which totalled nearly \$6 billion since 2016. As the expansion moved along, TMX identified specific business opportunities along each section of the expansion project. It communicated these to indigenous communities and identified the potential partners through our vendor system.

Indigenous businesses need to have a line of sight to the opportunity, and they need the opportunity to scale up to respond to the opportunities that are before them. At the end of the day, what it meant to one particular community was very extensive. The Alexis Nakota Sioux Nation provided services to the oil field, to forestry and to security services across western Canada. It had a significant impact in that community. It was the largest source of independent income for the Alexis and was the largest employer of Alexis members. I think it's important to understand that these are significant opportunities for first nation communities as they move forward and as they look towards economic reconciliation.

I think that we need multiple activities to take place concurrently. Jody spoke about the need for bonding. We need to improve the access to capital, I believe, with NACCA to be able to support entrepreneurs moving forward to scale up their business opportunities.

It's always a challenge, I guess. The 5% target is a very worthy target, and I think we should do things that allow us to move forward in doing that. Supporting the creation of first nation organizations and institutions I think is going to be an important part of that. We've had, under the legislation, the ability to stand up an infrastructure institute for 16 months, and we're still waiting to get that done. We have to start moving at the speed of business in the processes that we established, and I look forward to the opportunity to do this.

In closing, I just want to say that the indigenous procurement program is an integral part of economic reconciliation. It needs to be supported, and the first nation organizations like the ones you have today need to be supported. We need to look at the ways and means in which that can be achieved. I know Jody didn't speak about it, but Ernie might. We want the ability to securitize federal capital transfers. That's going to be an important way of supporting economic reconciliation—to support that whole process of bridging the infrastructure gap.

Thank you.

• (1115)

**The Chair:** Thank you, Mr. Calla.

We'll now go to Mr. Metatawabin, please, for five minutes, sir.

**Mr. Shannin Metatawabin (Chief Executive Officer, National Aboriginal Capital Corporations Association):** [*Witness spoke in Cree*]

[*English*]

My name is Shannin Metatawabin. I'm from Fort Albany, Ontario, and the Mushkegowuk community has raised me. I want to say thank you to the Kitigan Zibi community for allowing us to be here today.

I'm the CEO for the National Aboriginal Capital Corporations Association, or NACCA.

In the 1980s, the government delivered an indigenous business development lending program that was plagued by 85% losses. Since that program was transferred to indigenous partners, it now celebrates a 97% repayment rate. For over 35 years, NACCA has championed indigenous entrepreneurship through financing training and resources that foster success for indigenous business owners. With over 56,000 loans deployed totalling \$3.3 billion, our network of 50-plus indigenous financial institutions are committed to economic self-reliance.

A growing challenge for Canada is the prevalence of indigenous identity fraud, particularly in cases of federal procurement. Fraud diverts possible contracts and resources meant for indigenous entrepreneurs. Despite hearing in previous OGGO sessions that this is just a few bad actors, I can assure you that it is not. I feel the fraud is siphoning billions away from first nations businesses that represent less than 1% of the \$22 billion the government spends on goods and services each year.

The numbers are stark, and so is the impact. Fraudulent claims of procurement drain opportunities and hinder first nations community growth, job creation and economic stability.

In response, NACCA and four other national indigenous organizations have formed the First Nations Procurement Organization, or FNPO, as a solution. FNPO is supported by the Assembly of First Nations through a resolution, and it centralizes first nations business certification through a trusted, indigenous-led process. It's also modelled by the Supply Nation, which Australia has had for more than 15 years and through which it has seen more than \$4.6 billion in indigenous opportunities.

This approach respects indigenous control over business data and ensures that procurement contracts go to verified indigenous-owned businesses. Through initiatives like a national directory for certified businesses and training programs, the FNPO closes gaps in accessibility, allowing first nations businesses to overcome systemic barriers and strengthen community economies.

The FNPO is accountable to both the federal government and rights holders in indigenous communities. It is governed by a first nations board and advised by first nations leaders. It will conduct annual reviews on large scale procurement projects of over \$5 million to prevent misrepresentation and assess economic impact.

We are also addressing the systemic biases indigenous entrepreneurs face. Legal barriers like section 89 of the Indian Act,

which Jody talked about, make it harder for first nations businesses to access and compete for government contracts. FNPO training resources build capacity, improve competitiveness and help first nations businesses navigate obstacles effectively.

In closing, indigenous procurement is not just a business opportunity, it's a step towards sovereignty and reconciliation. This comprehensive indigenous solution offers a critical step forward in reducing fraud, increasing equitable access and providing economic opportunities to indigenous businesses.

Thank you for your time and consideration. I would now like to introduce you to Dawn Madahbee Leach, Chair of the National Indigenous Economic Development Board, to present for the remainder of my time.

*Meegwetch.*

**The Chair:** Ms. Leach, you have about a minute, please.

**Ms. Dawn Madahbee Leach (Board Chair, National Indigenous Economic Development Board, National Aboriginal Capital Corporations Association):** I'm speaking to you today as the manager of the Waubetek Business Development Corporation, which is one of the 50-plus indigenous financial institutions in Canada that invests in indigenous businesses. Over the past 38 years, Waubetek has invested more than \$150 million in indigenous businesses, achieving a business success rate of 97%. From the beginning, our applicants have had to provide proof of indigeneity. This ensures that the financing we provide goes directly to verified indigenous businesses. We have never accepted self-identification.

**The Chair:** I'm sorry, Ms. Leach. I apologize. I have to interrupt you. We're having some problems with our interpretation. Can I get you to move the mic about an inch lower, away from your mouth?

● (1120)

**Ms. Dawn Madahbee Leach:** Okay.

**The Chair:** If you don't mind saying a few words, we'll see if that's better for our interpreters.

**Ms. Dawn Madahbee Leach:** From the beginning, our applicants have had to provide proof of indigeneity. This ensures that the financing we provide goes directly to verified indigenous businesses. We have never accepted self-identification so that we could ensure that—

**The Chair:** Sorry, I apologize. We're still having technical issues. Can you move it maybe another inch further away from your mouth?

**Ms. Dawn Madahbee Leach:** Is this better?

**The Chair:** If you don't mind, say a few words.

**Ms. Dawn Madahbee Leach:** From the beginning, our applicants have had to provide proof of indigeneity. This ensures that the financing we provide goes directly to verified indigenous businesses. We have never accepted self-identification so that we could ensure the integrity of the financing and programming that we deliver meets the needs of the intended purposes to benefit and support indigenous people.

Our indigenous financial institutions support the establishment of the proposed First Nations Procurement Organization, also known as FNPO. FNPO will be 100% indigenous-led, single-window support for indigenous businesses to help them become procurement-ready to market their availability to provide goods and services to all levels of government, corporate Canada and institutions across the—

**The Chair:** I apologize again, Ms. Leach. I feel really bad. Can you try moving it maybe about an inch up? Keep it the same distance away, but an inch up—a bit closer to your nose.

Try again, please.

**Ms. Dawn Madahbee Leach:** What we're hoping that FNPO will do is help our businesses become procurement-ready to market their availability to provide goods and services to all levels of government, corporate Canada and institutions across the country.

We also propose that FNPO will monitor, track and report on indigenous procurement annually. Most importantly, FNPO will become a certification authority to verify indigeneity, addressing the pressing issue of indigenous identity fraud in procurement.

**The Chair:** Ms. Leach, I apologize for interrupting you a third time. We're just not getting a clean feed for our interpreters, so we can't continue with your statement.

Maybe what we'll do is we'll go to our round of questions, and I'll see if our IT folks can get in contact with you so we can get you properly connected so that we can have interpretation.

**Ms. Dawn Madahbee Leach:** Thank you.

**The Chair:** Thanks. We'll have someone contact you. We're going to go on to our first round, but we will have someone contact you offline. We apologize.

We'll go to Mr. Genuis for six minutes, please.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Thank you, Chair.

Thank you very much to all of our witnesses for very thoughtful and substantive opening statements that I think will significantly advance our work. I want to thank you, in particular, for some of the different witnesses shining a light on this issue of indigenous identity fraud.

As we've gotten into the issue of indigenous procurement policies, what I've been hearing from different community leaders and businesses is that there is a broader category of a problem with indigenous identity fraud. I wish the government would take this issue seriously, because what we often hear back from the government on this is, "Well, indigenous identity is complicated and there are disputes about it; there are different organizations who define it

in different ways, and how can we really, as the federal government, resolve these issues?"

However, the problem is that if you don't take identity fraud seriously, then you risk undermining all of the structures and supports that exist for indigenous peoples. You end up with assimilation in the other direction, which means anybody and everybody can pretend to be indigenous. If you allow that reality to exist, then you've essentially got an assimilationist reality in terms of policies and programs where no distinction is being made, so I would hope and challenge the government to take up your comments on this and really take seriously the issue of indigenous identity fraud, because it's impacting, in a significant way, the contracting and procurement world, but I think it's a broader issue than that.

Minister Patty Hajdu was at the indigenous affairs committee on Monday, and all opposition parties found her testimony very frustrating. She didn't answer basic questions. In fact, this morning, the committee passed a motion to ask her to come back for two hours, essentially to try again at getting responses to the serious questions that were asked.

During my time with the minister, I asked her about issues around indigenous identity fraud, in particular some high-profile cases of businesses that were on the federal government's indigenous business list and then were removed from that list. In particular, Dalian and Canadian health care agency organizations got over \$100 million each in government contracts. I haven't seen the documentation about whether they are, or aren't, indigenous, but what I know is that they were on the indigenous business list and then later they were off that list. The minister could not and would not provide an explanation as to why they were removed and what the process was for that.

If they were removed because they weren't indigenous, or they hadn't been indigenous or weren't indigenous at the time they got those contracts, surely they should be expected to pay back the money they got through representing themselves as being indigenous.

I'd like to ask all of our witnesses if they can comment on how the federal government should deal with these kinds of instances of abuse. Should there be penalties? Should there be stronger penalties around misrepresentation of indigenous identity or misrepresentation around joint ventures?

What kinds of structures and penalties should there be to deter and to respond to these kinds of instances where a company is on the list benefiting from these types of programs and then is off the list and there's no explanation for why they were taken off the list?

I'll open it up to whoever wants to comment on this issue.

• (1125)

**Mr. Shannin Metatawabin:** Thank you for that question.

We need to prevent this from happening. Indigenous people are also frustrated with the system. They're not seeing the opportunities. There's a big wall in front of the government, which means that we can't access government procurement, but on the other side of the wall, procurement is happening with actors that are not moving forward in the right way. There need to be penalties, for sure. You need to be barred from the process. There are OSIC policies that deal with this, up to and including barring them for life from accessing this program.

It's criminal behaviour to conduct fraud, so we have to take other steps and demonstrate to the world and to Canada that those actors who are engaging in this activity don't use this window and this program to access the federal government in a bad way. We need this opportunity for indigenous people, because right now indigenous people are taking their lives in their communities because they don't have opportunities in this world.

Thank you.

**Mr. Garnett Genuis:** Thank you.

Just to follow up on that very specifically, if you've got an instance where a company is on the indigenous business list and is benefiting from that program, and then they're removed from the list, maybe because there was some misrepresentation involved or abuse of joint ventures, it seems pretty bizarre to me that after that misrepresentation they would still be allowed to benefit from government contracts. If they're removed from the list because of misrepresentation, they shouldn't just be no longer on that list but still able to benefit from government contracts. If there have been abuses, they should be barred from government contracts in general.

It seems that indigenous identity fraud isn't being taken seriously by the government at the same level as we might hope they are taking on other instances of fraud.

In the time I have left, do you want to follow up on that point?

**Mr. Shannin Metatawabin:** I agree with you. They need to be held accountable. This is fraud. This is criminal behaviour, and they should be barred from doing any business with the government going forward.

Indigenous identity fraud won't happen if it's handed to an indigenous community. For 40 years our network has been assessing indigeneity and providing business loans and grants to 56,000 of them. We know our community. We know the organizations that are bad actors. We can make good decisions.

Thank you.

**The Chair:** Thank you very much.

Mrs. Atwin, please go ahead for six minutes.

**Mrs. Jenica Atwin (Fredericton, Lib.):** Thank you very much.

Thank you very much to our witnesses for being with us to continue this very important conversation.

Right off the top, absolutely, the Government of Canada takes identity fraud extremely seriously. This is an important discussion that we're having today to get to the bottom of this and to improve and strengthen this very important procurement strategy that is in-

deed supporting indigenous businesses and is a key pillar to economic reconciliation. That's what this discussion is absolutely about today, and it's so important to hear from these witnesses with their background and expertise in this.

I also really want to thank Ms. Anderson specifically.

In your opening, you provided very clear recommendations for us. I very much appreciate that we're putting forward solutions. That's really what we're all trying to get at here today.

I'm going to move to Shannin Metatawabin. You mentioned the idea of a first nations procurement strategy organization. On September 24, Regional Chief Joanna Bernard also told the committee that AFN and its partners are working on this. We know that it has First Nations Finance Authority, First Nation Financial Management Board and National Aboriginal Capital Corporations Association all involved with this work, which is fantastic.

Can you please provide an update on those efforts? What is it like working with all of those organizations? What are the steps moving forward, and how can we see this organization come to fruition?

• (1130)

**Mr. Shannin Metatawabin:** What we try to do is start this process in a good way. We received an AFN resolution in 2019 to provide us with the mandate to do planning for procurement with the federal government. We've been doing that for four years. It was called the indigenous reference group at one time. Indigenous Services Canada rebranded the whole process and started another co-development table.

We have tried to work with the government on this process. I've experienced delay after delay. AFN has provided us with a second resolution in order to launch the organization. We have five indigenous organizations that collectively see the value in working together to stand up a new organization. We need to build the infrastructure, hire the people and get this thing going, but we're having difficulty with Indigenous Services Canada supporting the initiative.

**Mrs. Jenica Atwin:** I'm the parliamentary secretary to the Minister of Indigenous Services Canada. How can we support you in this endeavour?

**Mr. Shannin Metatawabin:** I've sent a letter to Minister Hajdu and so has the national chief. I've sent a letter to the Prime Minister just to get recognition of and respect for the AFN resolution. At this point, we still haven't seen any response to that.

**Mrs. Jenica Atwin:** Do you know if there are similar undertakings for Inuit and Métis partners?

**Mr. Shannin Metatawabin:** Because of the distinct programming that the federal government does, the other heritage groups are also trying to contemplate their own processes. I'm hoping that, in the future, this first nation procurement organization will ultimately be an umbrella process with best practices internationally.

**Mrs. Jenica Atwin:** That's great, thank you.

Following up on that, I noticed that the Canadian Council for Indigenous Business runs Supply Change. It's a platform to promote indigenous business procurement among buyers and suppliers, which is great.

In February 2024, in a Windspeaker article, the president of the council commented that a first nations procurement organization may "delay progress and create confusion" by duplicating efforts.

Could you respond to concerns about duplicating efforts? To what extent would these initiatives overlap, or how would they differ?

**Mr. Shannin Metatawabin:** In 2021, CCIB was part of the planning process. They removed themselves in 2023 because they said it competed with their process, but we are planning collectively this indigenous procurement organization.

The indigenous procurement organization is something that the rights holders in Canada have requested through resolution at AFN. We have five indigenous organizations that have the capacity and the reputation to hold up and create this organization. This is what the federal government should do: Respect rights holders and respect these organizations that want to create this so that we can have success in our community.

Thank you.

**Mrs. Jenica Atwin:** Great. Thank you very much.

Just to switch gears a little bit, I'd love to ask Ms. Anderson and Ms. Madahbee Leach this question.

Are there additional barriers for indigenous women when it comes to business?

**Ms. Dawn Madahbee Leach:** I'm not sure if I can still speak here, but I just want to say that yes, there are barriers. Right now, though, we have a program that is supporting the start up of businesses through microloans for indigenous women in Canada. It provides \$20,000 in financing to help them get started.

I think this is a perfect program because since it started, nearly 500 new businesses have been started by indigenous women in five years. That's over a hundred businesses a year. This is a small program, but it's making a huge impact. It's delivered through the network of indigenous financial institutions.

We know our clients best. As I mentioned earlier, we're able to verify indigeneity of all the applicants and make sure that the funding goes to the people it's intended for.

We're seeing women starting up in all kinds of different economic sectors. In fact, 9% of our women are now earning revenues in excess of a million dollars a year, which is huge for us.

There are some really great impacts now in including indigenous women in business.

• (1135)

**Mrs. Jenica Atwin:** Thank you very much.

Ms. Anderson, would you like to add something?

**Ms. Jody Anderson:** Thank you.

I'll leave my comments with Dawn Madahbee and move on. She covered it very well.

Thank you.

**The Chair:** Thanks very much.

Mrs. Vignola, go ahead, please.

[*Translation*]

**Mrs. Julie Vignola (Beauport—Limoilou, BQ):** Thank you very much, Mr. Chair.

Thank you, witnesses, for being with us today. I have so many questions, you have no idea.

Witnesses have told us about conditions that are imposed on first nations businesses, but not on other business owners in Canada. Can you tell me about these different conditions and describe their effect, positive or negative, on procurement from indigenous businesses?

We can start with Mr. Metatawabin and then move on to Ms. Anderson.

[*English*]

**Mr. Shannin Metatawabin:** I think the most obvious one is the Indian Act, which is a racist policy that has been implemented on our people. It placed us away from the markets into tiny reserves all across this country. There are 634 first nations all across this country, all at varying levels of capacity and poverty and all looking for an idea of prosperity for their people.

Now this procurement program gives them a little glimmer of hope of accessing some opportunity.

I used to work for Anglo American and we had a De Beers diamond mine. Implementing impact benefit agreements for business opportunities takes time and thoughtfulness. You have to disentangle large contracts to make bite-sized opportunities for indigenous communities.

I think the government has a great opportunity to redefine how it does procurement to enable indigenous entrepreneurs to enter that door. That way, you get to know them and you'll have lifetime procurers for the government.

**Ms. Jody Anderson:** Thank you very much for your question.

I would echo the view that the impediments of section 89 both hinder the development and the progress of accessing capital and having the ability in this case to access surety and bonding. There is a cost to procuring a bid and submitting that to federal and public contracts and projects.

For indigenous contractors, while one door has been opened by the 5% procurement target, the second door remains closed because they cannot access surety and bonding. The cost to procure a bid is quite substantial. A lot of these indigenous contractors will not spend upwards of \$50,000 to \$60,000 to create a bid, only to be told "no" because they cannot access surety and bonding. We're seeing that.



The other piece is that often our contractors are becoming sub-contractors. They don't have the opportunity to become prime contractors. The cost is the inability to scale and grow their businesses. The cost of securing capital in order to procure materials that are required for these large projects is severely stunted.

Section 89 becomes a huge impediment in terms of accessing capital to both secure materials for the bids and to execute an enforceable indemnity agreement.

[*Translation*]

**Mrs. Julie Vignola:** Thank you very much.

A witness also told us about the verification of indigenous status. The method is different for a member of a first nation than for a Métis, for example. In the case of first nations, according to the law, after the second generation where one of the parents is not entitled to first nation status, the child loses that status. In other words, in this case, the government considers that the grandchildren or great-grandchildren of a first nation member no longer have that status. However, it's not the same for Métis.

First, does this have an impact on the first nation indigenous businesses you represent, in terms of procurement?

Secondly, is it necessary to leave it up to first nations to determine who is or isn't a first nation member, or is that really a federal responsibility?

I'd like to hear Mr. Metatawabin's answer first and then Ms. Anderson's.

• (1140)

[*English*]

**Mr. Shannin Metatawabin:** I would like to say that the community—our indigenous community, our first nations community—is the only one that should provide citizenship to our people. It should remain with the communities and the organizations that represent them and that are stood up by them. That should be the only place that happens.

There are many challenges with indigeneity—with the Métis community dealing with that right now. I'm not Métis myself, but I know that there are organizations that are defined as Métis throughout the Red River Valley and there are other ones that are not. The Métis are more of a mix of indigenous and European, which is not the original definition of Métis. That's being sorted out, I think, by their own community, but they should be the only ones who you ask.

Thank you.

[*Translation*]

**Mrs. Julie Vignola:** Thank you very much.

There are few universities and training opportunities in first nations communities, especially those that are remote and isolated.

What mode of training should be applied in these environments, in your opinion, so that young people don't have to leave their areas to get training?

[*English*]

**The Chair:** We're out of time. If you're able to offer a very brief response, go ahead, or perhaps we can get back to that next round.

**Mr. Shannin Metatawabin:** I would just say that I was sent to a boarding school in a city away from my community, so having resources in the community is very important. Using the online ability of teaching like this would be beneficial to the community, but we still suffer with regard to broadband access.

**The Chair:** Thank you, Mrs. Vignola.

Mr. Johns, it's a pleasure to welcome you back. Go ahead, sir.

**Mr. Gord Johns (Courtenay—Alberni, NDP):** It's good to be back.

Thanks, everybody.

It's an esteemed panel to be on today—to join and hear from—and I feel so hopeful, actually. I know that some of the challenges and barriers have been difficult, but hearing from you, I'm also extremely hopeful.

As I was telling Ms. Anderson earlier, I think Carol Anne Hilton is one of the greatest leaders globally on indigenous economic reconciliation, and she runs the Indigenomics Institute. She is from the Hesquiaht First Nation, which is in my riding. She is an incredible Nuu-chah-nulth leader, so I'm really privileged to have heard her talk about the opportunity of creating a \$100-billion economic opportunity with indigenous people in terms of procurement. She talks about moving toward “systemic inclusion of Indigenous Peoples in today's modern economy”, which is such an important aspiration. It is critical when it comes to reconciliation.

Ms. Anderson, can you give an evaluation of how close we are in terms of “systemic inclusion of Indigenous Peoples in today's modern economy”?

**Ms. Jody Anderson:** Thank you, Mr. Johns. That is a big question.

Yes, Carol Anne has been doing wonderful work. I think what we're seeing are systemic barriers that still exist under federal acts, as well as federal policies that need to be looked at and reformed with the co-development of our nations, asking or including what our nations feel would be best and how best to proceed.

We see a number of policies that still exclude the opportunity to participate in economic opportunities right across the board. In terms of how close we are to addressing that, there has been a lot of work in a number of areas. We still have a long way to go. In our work that we have done, we have chatted very closely with the Surety Association of Canada to ensure that it is aware of a lot of these barriers, and it has come to us to ask how it can help, how can it support, and how it can remove these barriers from a public standpoint. That continuous work needs to happen, as well as the inclusion of a number of bodies right across Canada.

• (1145)

**Mr. Gord Johns:** You talked about some of those barriers, like section 89. I'd like to hear a bit more about some of the barriers to indigenous contractors on reserve versus off reserve, and how section 89 comes into play and what needs to change.

**Ms. Jody Anderson:** I'll use a very simple example. As a status Indian, if I were to own a construction company on reserve and there was a bidding opportunity, and I worked with you, Mr. Johns, as being part of our non-indigenous allies, if we were to both say that we had \$2 million in assets that we could potentially leverage, my assets could not be leveraged or utilized to secure any type of collateral or security simply because I'm located on reserve and deemed a status Indian. You, however, would have that ability, so it becomes inequitable right from the get-go. We're asking to have a backstop so that those assets could be earmarked and utilized through this fund so that we could both have equitable access to the bidding process.

**Mr. Gord Johns:** Not only does it create barriers to access the contracts but it also forces a lot of indigenous businesses on reserve to be subcontractors.

Can you talk about how that limits the opportunities to scale when it comes to businesses and access to capital to be able to grow that business?

**Ms. Jody Anderson:** I'm going to ask my colleague, Todd Eberts, to give an example of what we have seen in British Columbia.

**Mr. Todd Eberts (Managing Vice-President, BFL Canada, First Nations Finance Authority):** Thank you so much, Jody.

Thank you, everyone, for the opportunity to be here today.

It's a great question. We've seen companies in B.C., specifically around the time of the flood washouts from the atmospheric river in November 2021 that had access to bonding. These companies were qualified; they had the assets to use as security to gain bonding support. And when those washouts happened, the Ministry of Transportation had to call on these contractors to do that work. We saw companies go from revenues of \$20 million a year to \$20 million a month for the duration of that repair work. That opportunity simply doesn't exist for a contractor who can't achieve bonding support. Section 89, as Jody mentioned, presents barriers to achieving that support. These contractors who can't have bonding support because they are subject to that act are, as Shannin put it, relegated to "bite-sized opportunities" that don't require bonding. In B.C., as an example, on infrastructure projects that's a contract with a value of \$200,000 or less. If we consider the inflation of labour and mate-

rial costs over the last few years, that's a very small amount of work to break into a \$200,000-contract.

**Mr. Gord Johns:** Can you speak briefly about how you have indigenous people on the ground in a situation like that who know best how to respond and how that colonial system comes in again, bringing in outsiders in responding to a problem like that?

**Ms. Jody Anderson:** We are seeing our communities have to watch non-indigenous contractors come into our communities and do things like paving roads or the construction of buildings when we have the ability to execute with our own indigenous companies, simply because bonding is a mandatory requirement for federal-procured projects.

*Meegwetch.*

**The Chair:** Thank you, Mr. Johns.

Before we start our second round, I think we have Ms. Leach's headphone worked out. If you'll bear with me, colleagues, we're going to spend 15 to 20 seconds.

Maybe, Ms. Leach, you can say a few words and we'll see if our interpreters can hear you properly.

**Ms. Dawn Madahbee Leach:** I wanted to reaffirm what everyone has been saying about direct indigenous involvement in delivering programs. We know what works best for our people, and whenever we've taken on programs, we've had more success in delivering those programs and helping our clients to obtain contracts and grow their businesses to meet the needs in our communities.

Is that working any better?

• (1150)

**The Chair:** It's so-so.

We'll try. If anyone has questions, we'll do our best.

**Ms. Dawn Madahbee Leach:** I feel so sad that I can't participate.

**The Chair:** I understand. We run into this from time to time. We'll do our best.

Mr. Genuis, you have five minutes.

**Mr. Garnett Genuis:** Thank you, Chair.

Mr. Metatawabin, are there any specific instances of abuse that you have seen that you would like to take this opportunity to share with us?

**Mr. Shannin Metatawabin:** We don't have the list. I've asked for access to the list, so that we can begin to assist the government to start to certify the businesses that are on there to assist you in finding the bad actors that you're looking for. I have the same list that Global News came up with.

I've had two entrepreneurs sit in my office and tell me their story about how they were part of Nisha Technologies and they were a part of PureSpirIT, I believe it's called. They were sold the opportunity to make a lot of money by being part of a process that never materialized. The non-indigenous owners of the companies took all the benefits and the two entrepreneurs were left standing with nothing.

There are a lot of opportunities to dig into the list, but of the 10 that Global News looked at, seven of them are questionably not indigenous. If you use 70% as your indicator of the entire list of 2,500, then you're seeing that there is a huge challenge. It needs an immediate audit. It needs to be an audit that includes us because we need to certify a list when it transfers to us anyway.

**Mr. Garnett Genuis:** I'm going to try to cover a few different things in my time.

Very quickly, back to you, sir, would you support the proposal to have the Auditor General have a comprehensive look at this and make recommendations?

**Mr. Shannin Metatawabin:** If they know who is indigenous and who is not indigenous, I'd say yes, but it has to include us.

**Mr. Garnett Genuis:** That's fair enough.

Ms. Anderson, in the context of your recommendations about access to capital, would you be able to comment on the Alberta Indigenous Opportunities Corporation model and how that has impacted indigenous business in Alberta?

**Ms. Jody Anderson:** Thank you for the question.

At the FNFA, we have not had the opportunity to do a partnering with the AIOC. However, my understanding is that they are doing good work and that they are very happy with being recapitalized on the addition.

I would default to Mr. Calla or Mr. Daniels, if they have any further comments on this.

**Mr. Garnett Genuis:** Does anybody else want to weigh in on that as a model?

**Mr. Harold Calla:** I'll start and invite Ernie to join me.

Access to capital requires the co-operation of both provincial and federal governments. Section 91 and section 92 of the Constitution have complicated the relationship between first nations and the provinces and what has been provided to the provinces by the federal government.

It's important that both the provincial and federal governments have a line of sight to the value of creating opportunities for economic development for first nations that have impacts on provincial and national economies. Access to capital is the biggest barrier to doing that. It's in both governments' interest to ensure that first nations are in a position where they can get access to some of the initial capital that's required, particularly for larger projects.

It is very successful. It's a model that's being emulated by other provincial governments across the country. The issue that you have is that every government is going to have to come to grips with the order of magnitude of the economic opportunity before first nations. The \$3 million or the \$5 million are but a drop in the bucket of what has to eventually be provided.

**Mr. Garnett Genuis:** Thank you.

Can I just jump in?

There may be others who could comment after I do.

I think a really important piece of this, in terms of improving access to procurement for indigenous businesses, is that we have to look at what the barriers are and have been. You can't just set a target and say that the job is done. You have to ask what the various barriers are that have prevented opportunity in the past.

Access to capital, the bonding issue and inequalities in terms of access to education are things that I've heard a lot about from indigenous businesses.

The other issue is just structural insider preference. This is something we've looked at across the board here. On the one hand, we say that we want more indigenous businesses, but on the other hand, we have a system that says that you have to have done a certain amount of business already with the federal government—if you've been engaged with provincial governments and if you can do the work, but you don't have that same history.

How can we address these real, substantial barriers that are getting in the way?

It's not just about setting a target; it's about actually addressing the barriers that exist.

• (1155)

**The Chair:** I apologize. There's not enough time left for a response. Perhaps we'll get to it in our next round.

We'll go to Mr. Battiste.

Welcome back, sir.

**Mr. Jaime Battiste (Sydney—Victoria, Lib.):** Thank you for having me.

I want to jump into the conversation about what we do moving forward. As a status Indian, I'm coming to you from the Eskasoni First Nation Mi'kmaq community today. When we look at procurement for first nations under the Indian Act, for a status Indian, it's pretty cut and dried. I have a status card. That means I'm Indian under the Indian Act. It's pretty easy to determine that, even though I have problems with the Indian Act. I've written op-eds on this, and I've had our government look at opening up how we determine that because it's my firm belief that nations should decide who is part of their nations.

You are the experts. You've been doing this successfully for 30 years and more, Harold, Jody, Shannin. We've had conversations. How do you determine who is a Métis or an Inuit under your organizations?

**Mr. Shannin Metatawabin:** I'll turn it over to Dawn, if I can.

**Ms. Dawn Madahbee Leach:** If I can add to this, we've worked for three years on building a definition of "indigenous businesses". We have worked with the diverse heritage groups to establish what they consider as the proper sources of indigeneity. On this national indigenous definition of indigenous businesses, we do have organizations and communities specifically that we go to to verify that indigeneity. We have identified, for example, that for the Inuit claims, they have a process there for identifying who Inuit people are.

Of course, recently, they've had to update the process because there have been some breaches, with people getting through and being recognized. We know as well that the Métis are working towards finalizing how they can also work on this because, currently, we recognize the organizations that were members of the Métis National Council, but the Métis National Council is changing its membership. That's something that the Métis are working towards and determining who their membership is, and we're awaiting those results as to—

**Mr. Jaime Battiste:** Is it fair to say that this is an evolving topic when it comes to Métis and Inuit identity and that there is no one criterion that is currently available to any organization to simply determine this?

**Ms. Dawn Madahbee Leach:** I think there is. We know that the Inuit people—

**Mr. Jaime Battiste:** Can you share it with us?

**Ms. Dawn Madahbee Leach:** For example, there is the ITK. You can go to ITK, the Inuit Tapiriit Kanatami, and what they could do is provide you with the proper claims group to speak to, to verify an individual's Inuit status, I'll say.

We know that right now there are discussions around Nunatukavut and determining their eligibility as an Inuit organization. It—

**Mr. Jaime Battiste:** Dawn, how about the Métis? Who do we go to for the Métis? If I'm in the Atlantic, and someone claims they're a member of the Eastern Woodland Métis, which doesn't have federal or legal definition, where does one go?

• (1200)

**Ms. Dawn Madahbee Leach:** They're not recognized as Métis in the Atlantic.

**Mr. Jaime Battiste:** That's exactly what I just said, but I'm wondering if there is one definition that all of the different organizations use, from NACCA to the First Nations Financial Authority, to figure out a definition of "Métis"?

**Ms. Dawn Madahbee Leach:** Yes. Currently we look at what's written in the Powley case about connection to community. There's criteria in the court case that was passed, and the determination depends on the organizations.

For example, we do set in the definition that we recognize those affiliates of the Métis National Council, such as the Métis Nation of Alberta. We know that the Manitoba Métis Federation has done extensive work on identifying who Red River Métis are.

There are groups we've identified in the definition who we would go to, to determine whether or not their membership or their citizen applying for business programming is eligible. We go directly to

the source to verify and to ensure that they meet the definitions of "community" as set out in the Powley court case.

**Mr. Jaime Battiste:** What if it's the Métis Nation of Ontario or Métis Nation B.C.?

**The Chair:** I apologize, Mr. Battiste, but we are past our time.

We'll go to Mrs. Vignola, please.

[*Translation*]

**Mrs. Julie Vignola:** Thank you very much, Mr. Chair.

My question is for Ms. Anderson and Mr. Metatawabin.

The officials we met with last week told us that discussions were taking place with first nations, Métis and Inuit regarding the transfer of responsibility for maintaining the Aboriginal Business Directory. This transfer would be in favour of indigenous organizations.

Is this the case? Do you have regular discussions with Indigenous Services Canada? For example, have you had any in the last three months?

[*English*]

**Mr. Shannin Metatawabin:** I guess you can call it announcing and talking about possible options, but when somebody says they're into talks, they're talking about how it's going to happen, and that has not happened.

We should be a lot farther down the road, considering we've been at this for four years. We are offering the opportunity to transfer that to the First Nations Procurement Organization, but we're not resourced. We haven't started to get ready. We haven't hired a CEO. We have a board of directors, who are mostly all sitting here and who are ready to start this work, but we need Indigenous Services Canada to affirm its support for this process and stop talking about all the options that it's considering. It's very paternalistic when you have rights holders saying, "This is what we want to do and we have a solution for you," and the government is sitting back saying, "We're still thinking about it."

[*Translation*]

**Mrs. Julie Vignola:** Thank you.

Can you quickly tell me how the creation of the First Nations Procurement Organization has been received by the federal government?

Also, how will this organization help reduce the problems associated with procurement from indigenous businesses? I'm thinking in particular of the issue of fake indigenous people.

[*English*]

**Mr. Shannin Metatawabin:** We've been at this for a while. I said that we've sent letters to the minister. We've sent letters to the Prime Minister. We've been trying to work with the officials.

We had a process for four years called the indigenous reference group talking about there being two parallel processes fixing the things that are going on with government right now. One, called the short-term process, we were told, was what the government was using to transform internally at that time, but we were always talking about a long-term process to transfer responsibility to an organization like ours.

Those two things need to be working in parallel, but I've been ghosted for like a year. We were talking last year, but they haven't engaged us for almost a year. They started a new process and re-branded the co-development table, calling it TIPS. That just started, so they're starting all over again; that is what I feel.

**The Chair:** Thanks very much.

Mr. Johns, please go ahead.

**Mr. Gord Johns:** Mr. Metatawabin, you talked about Australia. Maybe you could share some of the examples around the world where there's leadership when it comes to procurement, and leadership around economic reconciliation and how it's driving economic reconciliation. I know that the U.S., for example, in my understanding, has also had some great success.

**Mr. Shannin Metatawabin:** Our idea with the First Nations Procurement Organization is one that already exists in the ecosystem. We all met at the Organisation for Economic Co-operation and Development with Supply Nation. They talked about their best practice in procurement. They've achieved \$4.6 billion as of right now.

We talked about the IFIs, or the indigenous financial institutions, as an international best practice for deploying capital to indigenous entrepreneurs, so we're connected internationally. We just need to implement and stand up all these best practices, and that's what the FNPO is.

• (1205)

**Mr. Gord Johns:** Again, back to Carol Anne Hilton from the Indigenomics Institute, which she is running, she is doing some work around indigenous economic data and AI.

Ms. Anderson, I saw you nod. Do you want to speak about how important having that indigenous economic data and investing in AI is when it comes to indigenous businesses and procurement specifically, and where the government is at right now?

**Ms. Jody Anderson:** Thank you for your question, Mr. Johns.

When it comes to data, there's no shortage of how often our communities are data mined right across this country. "Data sovereignty" is a term that is extremely important to our nations, in terms of owning and having a say in how that data is used, particularly if I reference OCAP.

As we move forward, it's very important that evidence-based and informed decisions are made through the use of accurate and updated data from our communities. We feel that there is an existing gap, particularly as it relates to access to capital. I would urge the government to look at indigenous-led solutions that have come forward in terms of owning and managing our own data.

With the use of AI, it's going to be extremely important to be very cautious and understand how this will work, with the benefit

and to the benefit of our nations going forward, as opposed to against our nations.

Thank you.

**The Chair:** Thank you, sir.

Mrs. Block, go ahead please.

**Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC):** Thank you, Chair.

Welcome to all our witnesses here today.

My first questions will be for you, Mr. Metatawabin. Earlier you mentioned the letters that you sent to the Prime Minister, the Minister of Indigenous Services and others to get recognition of the AFN resolution. Can you advise this committee how long ago you sent those letters?

**Mr. Shannin Metatawabin:** Well, Dawn and I actually ran into Minister Hajdu at our indigenous prosperity forum in May and we told her about the First Nations Procurement Organization. She liked the idea. She said that we should accelerate this because it sounded like a great idea, and we offered Keith Conn the opportunity to certify the indigenous business list right then and there.

After that, we sent a letter to Minister Hajdu, through the national chief, and I think that went out in August. We sent the Prime Minister a letter, and he responded to let us know that we should deal with the minister. We're trying to access the right officials to ensure that this initiative is elevated to the level that it needs to be.

**Mrs. Kelly Block:** Okay, so it has been almost three months since your conversations or your letter to Minister Hajdu, and not really much of a response from the Prime Minister.

It is my understanding that one purpose of the FNPO is to facilitate and coordinate advice to the Government of Canada in establishing a policy and legislative framework necessary to achieve the 5% indigenous procurement target across the whole of government. However, according to the report on the mandatory minimum 5% target, \$1.6 billion—6.27%—of all contracts were awarded to indigenous businesses, so on the face of it, it would appear that the government already exceeded its target for 2024-25. In fact, just last week the deputy minister of Indigenous Services said they had surpassed the 5% target. What is your response to that?

**Mr. Shannin Metatawabin:** I'll tell you the response I gave to the officials when I was at the AFN assembly in a dialogue session: I don't believe it. If we're not part of measuring the metrics and ensuring indigeneity of the people in that database and the contracts that are let, then you can't believe anything that is presented to you. Until I'm involved in something and our colleagues are involved in developing what and who we're measuring and using this indigenous business definition that we created, then I'm not going to accept any target.

• (1210)

**Mrs. Kelly Block:** Thank you.

We heard many times here in this committee how difficult it is for smaller companies to get into government procurement. Now, with this study, we heard that it is particularly difficult for indigenous companies because they need to be on a list to be considered indigenous. Can you speak to the difficulties encountered by businesses you worked with that are trying to get into government procurement? How does it differ from the private sector?

**Mr. Shannin Metatawabin:** I used to deliver business loans more than 25 years ago. I used to work for Dawn. We would provide business loans to indigenous entrepreneurs. When the government first announced procurement as an option back in the late 1990s and early 2000s, I directed all my entrepreneurs to go to that program. Not one of them saw any benefit because the procurement process is so stringent. Frontline managers who make procurement decisions won't take a chance on an indigenous person or business. They go with who they know, so it's very much an inside kind of process. Our indigenous entrepreneurs need to be provided with a wholesale change in the procurement process: Disentangle the large contracts, create new subcontracting opportunities, and we're there to help make that happen.

**Mrs. Kelly Block:** Thank you.

How does it differ in the private sector for indigenous businesses?

**Mr. Shannin Metatawabin:** In the private sector, it makes good business sense to work with the people around you. Now, if you look at Suncor, if you're looking at Anglo American, you're looking at some of the major projects all across the country. Harold knows about the TransCanada Pipeline.

It makes good business sense to make sure that you're utilizing the people around you and making sure that they're part of the business opportunities. They don't need a target; they just need to know it makes good business sense. It will ensure the success of that project because mitigating risk is the big thing that every corporation tries to think about and, by including indigenous people, they're ahead of it. They know that it makes good business sense.

Thank you.

**The Chair:** Thank you.

Mr. Sousa, go ahead, please.

**Mr. Charles Sousa (Mississauga—Lakeshore, Lib.):** Thank you, Chair.

Thank you to you all for being here.

I'm going to go with two lines of questioning. I'm going to start with Mr. Daniels and then go to Mr. Metatawabin.

I would like to capture the essence of this afterwards. This is in regard to sections 91, 92 and 89 of the Indian Act, the issue of financing and the enablement to provide success for the indigenous members within the community to benefit from access to capital.

If I understand correctly, section 89 was provided to protect the ownership of the properties to ensure that lenders and others wouldn't be able to utilize collateral and then realize on that security, presumably to the detriment of the members of the community if those particular ventures were to go awry. Of course, a lender will look at the capacity of the issue as well as the collateral in order to base their decision. Hence, we have this matter at hand.

Mr. Daniels, can you explain how this came to be and what have been some of the issues with private lenders to support these contracts or these opportunities?

**Mr. Ernie Daniels (President and Chief Executive Officer, First Nations Finance Authority):** Yes, thank you for that question. It is really an important question to consider.

Yes, the Indian Act is a real barrier to some of our indigenous businesses, first nations businesses, to really attracting good financing or even getting surety bonding if they're bidding on contracts. That is a problem for sure.

Now, under the First Nations Fiscal Management Act, which is a workaround of the Indian Act that still exists, what we've been able to accomplish—and Harold can add to this as well—is that we are securitizing revenue streams, as opposed to assets, that would allow us to do long-term financing at affordable cost. This is almost the same kind of solution that we're proposing for the surety bonding issue that we face right now.

By doing economies of scale, we can work together to utilize a backstop and try to get more affordable types of bonding to our contractors.

• (1215)

**Mr. Charles Sousa:** By securitizing the income stream, which makes a lot of sense in this respect, you're acting as the equity player, because you have to assess risk.

The risk on the deal for a lender is like no risk, or as little as possible, to provide the traditional lending instrument, but then the securitization would involve other members of the indigenous community. Who are the investors in that case?

**Mr. Ernie Daniels:** The investors are at a couple of markets. We go directly to the markets. We are leveraging these revenue streams into the capital markets. We're getting private capital that we're bringing into the economy here.

You have understand this. We've issued pretty close to \$3 billion in loans. The economic impact of that to Canada is almost \$6 billion.

**Mr. Charles Sousa:** Given that scenario, which is important, how is it that the bonding is becoming problematic when you have the backstop or the support of this other equity engagement?

**Mr. Ernie Daniels:** Well, we don't. That's the problem. We don't have the backstop. We need the backstop that would allow us to access a cheaper cost of bonding.

Under the First Nations Fiscal Management Act, the work that we've been able to do is with the credit ratings that we have, and the quality of the revenue sources like a procurement contract would be a government source of revenue, which is really high in terms of risk assessment. It allows us to get a lower cost of financing. A lower cost of financing then means more net income or more net revenue to a nation to do other things.

**Mr. Charles Sousa:** Yes, I understand. The dilemma, what I'm still struggling with, is the ability to get the bond, given the fact that now you've got an equity position somewhat better with the securitization and you don't have the backstop because then that really hinders the community. You don't want the community to give up its asset if something goes the other way, so the lender and the institutions that you're going to provide for the bond are going to look for that alternative.

What is the solution then?

**Ms. Jody Anderson:** Thank you—

**Mr. Ernie Daniels:** The solution is a few things.

Sorry, somebody was talking there.

**Mr. Charles Sousa:** Either you or Jody can answer.

**Mr. Ernie Daniels:** Okay.

Sorry, go ahead, Jody.

**Ms. Jody Anderson:** Thank you, Mr. Daniels.

To differentiate this, in this particular case the First Nations Finance Authority lends directly to first nation governments, as an entire nation. In this particular case of surety and bonding, it impacts individuals like you and I. What is required is a stand-up fund that is directly related, so that assets earmarked...

I gave the example earlier to Mr. Johns, that if I have \$2 million worth of assets, those assets cannot be securitized or used as security by the underwriters and the bonding facilities that require those to execute an indemnity agreement. It is very similar to how you or I would buy a home or another asset; we have to show that we have the ability to pay that back. This is what this fund would do by acting as a backstop, in which case the contractor could then access bonding. Once that project is executed and completed, that earmarked \$2 million from the fund would then be released and recycled back into the fund where other indigenous contractors could, in fact, utilize that.

**Mr. Charles Sousa:** What's holding you up?

**The Chair:** We're way past our time.

**Mr. Charles Sousa:** I'm sorry.

**The Chair:** We're a couple of minutes past our time.

Mr. Calla, your hand is up. Now it's down again. Never mind—

**Mr. Harold Calla:** No, if I can. What the problem here is—

**The Chair:** Actually, Mr. Calla, I'm sorry, but we don't have time. I'm sorry, perhaps we can get back to the next round for that. We're past our time for Mr. Sousa.

Mr. Genuis, please.

**Mr. Garnett Genuis:** Thank you, Chair. I'm sorry that I ran out of time at the end of my last round. I want to come back to the issue I was raising at that point, which is that we've got a government that's saying, on the one hand, here's a target, and that's our job done. The problem is that, on the one hand, we see that there are people who are accessing that target who shouldn't be. We've heard testimony from the AFN about a majority of those companies accessing those set-asides being shell companies, and we've heard testimony today about systematic indigenous identity fraud. On the other hand, we have indigenous businesses that are not able to access these opportunities because of other barriers. We've talked about some of those barriers already.

I want to highlight in particular the issue of insider preference, structural insider preference in our procurement system, which has been highlighted many times by different witnesses. In particular, the procurement ombud has done great work on this. These are things like requirements for having a history of doing business with the federal government that don't make a lot of sense if you're a business that has the capacity to do the work and has done the work for other levels of government. Perhaps even you might be prevented from accessing certain procurement opportunities because you have to already be in the club to get these opportunities. There are various other structures that we've identified. Sometimes it looks like these structures are actually purpose-built to allow a facially independent bidding process to actually be directed towards certain companies. We saw with the arrive scam issue, cases where... There was a case pointed out by the Auditor General where GC Strategies sat down with government officials to figure out what the terms of that contract would be.

What is the impact of insider preference and how can this issue in particular be tackled? Let's open it up to whoever wants to respond. I've got about three minutes left of my time and I'll let you take the rest of it.

• (1220)

**Mr. Shannin Metatawabin:** Can I share an example? There's a company in Ontario, First Nations Procurement Incorporated. Matthew Owl created a manufacturing facility during COVID. There was all this talk about indigenous procurement. We were suffering from a major event, and he invested in creating a manufacturing facility on a first nation, trained and employed 50 people from that community. There's no bigger social impact than actually putting a business right on a first nation to impact their incomes. There was not one procurement contract; he had to have a million masks sitting just to be eligible. Due to the insider process and not being a known entity, different politicians promised him that you do it and it will come, but he has lost out. He is harmed by this whole process, and we have to stop that harm.

There are indigenous entrepreneurs looking to change their lives and to bring prosperity to our communities. We need to change this process so they can get in. Thank you.

**Mr. Garnett Genuis:** I'd love to hear from others on the insider preference issue as well. We have some time.

**Ms. Jody Anderson:** I'll speak to the matter of surety and bonding.

In this case, as a status Indian, if I'm living on reserve, I don't have the ability..., which forces me to create a joint venture with somebody else who can, in fact, access surety and bonding. This perpetuates—not always, but sometimes—the misuse and the misrepresentation of funds that are set asides for indigenous people.

If we go back to looking at preventative measures for fraud, we see that these are systemic issues that currently exist. We cannot have monies going to indigenous businesses that are unverified. If you think about it in terms of a credit rating, I will never have an opportunity to grow, scale and have my business known because I'm constantly having to create a joint venture, simply for the fact of ease, ability and affordability of capital and capacity.

**Mr. Garnett Genuis:** There's been a lot of talk today and previously about the abuse of joint ventures.

I wonder if, in terms of thinking about the targets and being honest with ourselves, we should evaluate those joint ventures a little bit differently. If we're trying to get to a specific target, we should acknowledge that, if there's a joint venture where some of the benefit may be going to an indigenous company, a lot of the benefit isn't. Counting that fully as being towards the 5% seems a little misleading because if most of that 5% is made up of joint ventures, then in reality, we're actually much further behind.

I'd be curious about your comments on that.

**Ms. Jody Anderson:** To be clear, not all joint ventures are done illegitimately—

**Mr. Garnett Genuis:** I agree with that.

**Ms. Jody Anderson:** —or are done in bad faith. However, this creates a potential loophole for perpetuating the misuse and misrepresentation of funds that are set aside and, in fact, earmarked for indigenous businesses.

Preventative measures are definitely something that we need to look at. The policy to have the ability to get on the indigenous busi-

ness directory is something that we hope to be consulted on so that we, as indigenous people, can have a say in terms of how this impacts our folks.

• (1225)

**Ms. Dawn Madahbee Leach:** I would add that, in our indigenous business definition that we've published, we do have how we assess joint ventures—whether they're legitimate or not. We do have a process for that in our definition.

**The Chair:** Thank you very much.

We'll go to Mrs. Atwin, please.

Go ahead.

**Mrs. Jenica Atwin:** Thank you, Mr. Chair.

Is my sound coming through okay? I thought I would check before I begin. There was some feedback last time.

**The Chair:** Give us two seconds.

Can you keep speaking, please?

**Mrs. Jenica Atwin:** Yes.

I have some noisy kiddos who just came home and are very excited for Halloween, so you might hear them in the background as well, but hopefully that's not the interference that we have going on.

**The Chair:** Are your children saying that they're saving candy for the chair?

**Mrs. Jenica Atwin:** I could arrange for that, Mr. Chair.

**The Chair:** I think that's what I'm seeing is going to be in the blues.

You're good to go ahead.

**Mrs. Jenica Atwin:** Thank you.

Perhaps I'll just begin with you, Mr. Calla. I know that you wanted to jump in on the previous question. Do you want to elaborate on anything that has been said so far?

**Mr. Harold Calla:** Thank you.

As an indigenous person, I'm frustrated by our continual approach to work around the Indian Act. I think it's high time that we start looking at how we get rid of the Indian Act. We have a whole series of opportunities that first nations have taken advantage of, from self-government—

**The Chair:** Mr. Calla, I apologize for interrupting.

Can you lower your mic a tiny bit?

**Mr. Harold Calla:** How's that?

**The Chair:** You can keep going, sir.



**Mr. Harold Calla:** What I'm saying is that we need to focus on not working around section 89, ultimately—maybe in the short term. We have to find a longer-term solution that moves us outside of the Indian Act, particularly when it comes to economic development, finance and capital. I think we lose sight of that.

I've been involved in a lot of years of moving around the Indian Act and trying to avoid it. Ultimately, it doesn't result in equality between ourselves and non-indigenous Canadians, and I think we need to eliminate section 89, as Ernie and others have said. Sometimes there are optional approaches that need to be considered to achieve that.

Thank you.

**Mrs. Jenica Atwin:** Thank you very much.

I want to thank you, as well. You've given your life's work to ensuring that, as you said, indigenous communities are back in economic development.

How are we doing? As you said, you've seen a lot over the years. I know that you worked a lot through the First Nations Fiscal Management Act. Could you speak to that experience and where we've come?

**Mr. Harold Calla:** I think we've come a long way, but in coming a long way, we've started to identify the further impediments that we face. Those have been clearly identified here today. I think where we are is understanding that the government has a role to play, and it's starting to play that role.

I can tell you that we started talking about a federal loan guarantee in 2012, under the former government. Why does it take 15 years to get to the point that you're starting to acknowledge these kinds of things and the barriers exist and they need to change? The government has a role to play, but in many cases, it's getting out of the way, looking at how you make legislative changes and acting at the speed of business. You can't have these conversations ongoing and ongoing that require policy analysis and development in perpetuity. Sometimes, you just have to make a decision and move forward and understand that not everything's going to be perfect all of the time.

If you look at the outcomes, just look at what the finance authority and the tax commission have been able to achieve. Look at the First Nations Fiscal Management Act. We now have over 350 of the Indian Act bands involved in the FMA. We're producing capacity development in first nations communities that enhance the ability of those first nations to support their membership.

First nations solutions work. The FMA is the most successful piece of legislation we have. When we start talking about procurement organizations and other vehicles, look at the success of those institutions that we've created and understand that we will be able to....

Part of it is bringing those things into being. We passed legislation 16 months ago to create an infrastructure institute. It's still not up and running. That's not acceptable. You have an infrastructure gap. The economic impact to the regional and Canadian economies by bridging that gap will be immense.

The government has to act. It has to act more quickly. It has to respect that first nations solutions have proven themselves to be valid, and it needs to get out of the way.

• (1230)

**Mrs. Jenica Atwin:** Thank you very much, Mr. Calla.

That's it for me, Mr. Chair.

**The Chair:** Thank you very much.

We'll go to Mrs. Vignola, please.

[*Translation*]

**Mrs. Julie Vignola:** Thank you very much, Mr. Chair.

I'm going to make a comment. I don't have much time, but I'll try to do it as quickly as possible. Then you can give me your impressions, Ms. Anderson and Mr. Metatawabin, on the subjects I've touched on in my commentary.

Personally, and this only involves me, I find it absurd that one nation, in this case Canada, tells other nations, namely first nations, Métis and Inuit, which people are members and which are not.

I find it absurd that federal laws prohibit other nations, namely yours, from ensuring their own economic development and autonomy on their territory.

I find it absurd that solutions that come from your nations, which suffer the negative consequences of Canadian laws and decisions, are almost systematically rejected or ignored.

I also find it absurd that nations are treated like minor children by another nation that believes itself to be all-powerful and that has been playing the paternalism and infantilization card since well before 1867. I'd go so far as to say it goes back to 1760.

I'd like to hear your thoughts on these matters and how we can really work to meet your needs, empower you and ensure your autonomy.

[*English*]

**Mr. Shannin Metatawabin:** I just want to highlight that we have a plan for you. It's called the national indigenous economic strategy. There are 22 organizations that worked on this, mostly during COVID. We got together and we worked on this. There are 107 calls to prosperity for Canada to look at. It covers people, land, infrastructure and revenue. These are all important elements of future prosperity for Canada. They're equally important for indigenous prosperity, and we have a plan that calls for prosperity that Canada can look at to begin planning with us. We can sit down and talk about it.

Harold is talking about institutional building. We're looking for gaps in our community where we can lead and develop things that our community needs for us. It's UNDRIP. It's indigenous for indigenous.

Thank you.

**Ms. Jody Anderson:** Thank you for the question, Mrs. Vignola.

You're absolutely right. It is a colonial and very paternalistic approach that is currently being taken. When our treaties were signed, it was not the understanding of our nation to move forward with limitations on economic participation when we already had an existing economy and a way of thriving in our economies.

I think that consultation is extremely important in these cases. Shannin has talked about the 107 calls to action. The fiscal management and the FMA have what's called a RoadMap and together we have come together to form the indigenous economic council, which takes into consideration the perspectives and the priorities of our nations right across Canada, including the rights holders, so that we can move forward on our own.

Mr. Calla alluded to the fact that the FMA is the most successful sectoral governance piece in Canadian history. This has to do with the fact that it is truly indigenous-led. We have been able to use the tools that we have come up with to help our nations when they ask for help and assistance. We believe that this is the way. We believe that having indigenous-led institutions and the ability to determine our own fate are very important.

As nations, you're absolutely right. I'll be clear, as a first nations woman, that it's not for me to decide who is Métis or Inuit. We also consult with our other indigenous groups to ensure that how we are progressing is within the acceptable means that they deem as well.

It's about collaboration—you are absolutely right—but it's also about getting out of the way and allowing us to continue forward, so that we can thrive once again.

• (1235)

**The Chair:** Wonderful.

We'll go to Mr. Johns, please.

**Mr. Gord Johns:** Thank you, again. I really appreciate your powerful testimony today.

As New Democrats, we've always been focused on removing systemic biases from the procurement process. I'd like to hear a bit more about that.

Also, you talked about the government ghosting you, how you haven't had a response from ISC and just how shameful that is, given the government's commitment. They say that indigenous peoples are their top priority.

Do you feel that is happening right now in terms a nation-to-nation relationship?

Maybe you could speak about how important it is for all departments to have a reconciliation lens. I don't believe that it should just be ISC. I think CIRNA has a role to play. This is rights and reconciliation. This is their commitment on UNDRIP for free, prior and informed consent and self-determination.

Do you believe that the government should have a cross-government approach in terms of supporting the 5% target as well?

It should be every department taking that approach. I'm flabbergasted and humiliated, too, that the government hasn't responded to your requests.

Maybe you could speak a little bit about that.

**Mr. Shannin Metatawabin:** It was in 2017, I think, when we had a big gathering where we identified all the barriers. One of them was that the government departments had more than 200 programs, collectively, through the federal, provincial and municipal governments, that targeted indigenous economic development, but nobody was aligned on a common strategy. The regional development agencies used to align on indigenous strategy, but they're all in their own regions doing their own thing.

I think that we're recreating the wheel way too much.

We have an opportunity to work with all these organizations that are here today. You have a road map strategy from First Nations Financial Management Board and a national indigenous economic strategy. You have an economic council to work with. You have the tools necessary to align government departments to educate themselves.

The NIES has a call to prosperity called an indigenous economic reconciliation action plan.

For corporate and for government, do your own mini-IBA—impact benefit agreement—on your hiring, your awareness and your employment. Post those, so that everybody sees them and so everybody knows how serious you are about making sure that indigenous people are participating.

**Mr. Gord Johns:** To add to that, we're talking a lot of money when it comes to government procurement: \$20 billion a year. The government had an auto theft summit. I'm not saying that auto theft isn't an important issue, but this is clearly a much bigger opportunity and an issue as well because of the failure of government to move at the pace that it needs to. Do you believe that all departments should be coming together, have a summit and move rapidly to respond to your needs? Go ahead, Ms. Anderson.

**Ms. Jody Anderson:** I believe there are some departments under this federal government that approach reconciliation much more efficiently and genuinely than others, and there are some great practices. I will make mention of ADM Keith Conn and his department as an example of asking what the priorities should be from the community and not coming in, and telling, and rolling out programs through the eyes or lens of the government. They are truly seeking feedback and doing the consultation and hard work, no matter how hard that seems, to ensure that they have the understanding and the blessing of the rights holders that these programs will often impact.

When I'm speaking to the regional offices and folks who have the decision-making authority, I often ask, "Who has been to my community of Couchiching First Nation?" More often than not, there are no hands that go up. My plea to them is, "Please understand, when you are making decisions in your position, you are impacting my family and my community without having known," and that is still a paternalistic approach that has not necessarily been given the blessing of our community. That consultation piece is absolutely critical to the success of reconciliation in this country.

• (1240)

**Mr. Gord Johns:** We heard a lot today about the concerns—

**The Chair:** I'm sorry, but just ask a quick one, Mr. Johns, please.

**Mr. Gord Johns:** —about the Botler situation that happened with Dalian. Ritika Dutt said she fears that Dalian's procurement policies are "another example of monetization and theft using the trauma of marginalized communities". Can you talk about how much harm that caused? I believe it's fraud that they hired.... Botler didn't know that they were being used like that, and they were totally opposed to being used as a set-aside because they knew that they didn't qualify, so they were calling it out. They were coming forward. Can you talk about how much harm that created, in terms of capacity-building as well, for companies?

**The Chair:** I apologize, and I know it's difficult, but please give a brief response if you're able to.

**Ms. Jody Anderson:** I would go back to the building of capacity and financial literacy in our nations, having the ability to spot these illegitimate companies and asks, and closing these loopholes right from the onset.

**The Chair:** Thank you.

Mrs. Kusie, go ahead, please.

**Mrs. Stephanie Kusie (Calgary Midnapore, CPC):** Thank you very much to all of our witnesses for being here.

My name is Stephanie Kusie. I'm the member of Parliament for Calgary Midnapore, which is on the land of Treaty No. 7 as well as Métis Region 3. *Meegwetch* for your presence here today.

I want to continue on the stream of my colleague's previous questions around procurement outside the halls of power. We see often that a lot of the chosen procurement vendors are from the national capital region, and, as a member of parliament who comes from the west, I would definitely like to see procurement from all communities across Canada—in particular for me the west, and with that I would add the north. In your opinions, please, Ms. Anderson and Mr. Metatawabin, what policies are needed to ensure that all regions are included in procurement procedures?

**Ms. Jody Anderson:** I believe this is very important to not just say we need contractors from the NCR—the national capital region—but also from right across Canada. When we look at a geographic scope, in terms of thinking outside of our bubble here in Ottawa, that is welcomed and encouraged by all contractors to bid on. I know there has been tremendous success for a lot of the communities or indigenous businesses and companies in the province of Alberta, particularly as it relates to oil and gas, which have done quite well and have been able to thrive, but this is outside of the scope of federal procurement. Oftentimes, there's a much easier win

and less red tape, if you will, than coming through federal procurement processes and checkboxes.

I would encourage that we certainly look outside of the NCR. I'm not familiar with all of the clauses in the bonding or procurement policies, but I would hope that it is encouraged greatly.

**Mr. Shannin Metatawabin:** I would just add that we have an opportunity right now. The light is shining on federal procurement. You can lead by example because there are opportunities out there for indigenous people in provincial, municipal and in corporate Canada. There's probably more procurement available in the corporate sector than even in the federal department, but we have to set the process right.

The First Nations Procurement Organization is here to work with you to make sure that we have the right policies, processes and tools. We are advocating. We have the right targets and a way to report it out to Canadians. We have this ability. We just need to be worked with.

Thank you.

• (1245)

**Mrs. Stephanie Kusie:** Thank you both.

Madam Anderson, you touched upon the oil sands. I'm very proud to come from Alberta and I believe that natural resource companies in Alberta work with first nations companies because they know it's good business and they are driven by results.

In your opinion, please, Ms. Anderson and Mr. Metatawabin, what can we learn from private sector examples, such as those that are occurring in Alberta?

**Mr. Shannin Metatawabin:** I used to work for De Beers. It was implementing an impact benefit agreement. Maybe it wasn't done the best, but we did recognize that you have to work with a community well in advance to build the capacity of that nation. You have to work with them on developing businesses that would meet the objectives of that business and make sure that you're building the capacity of the people, so that they can implement the business opportunities.

That's really where I think we can gain the best practices of those major projects, with how they worked up communities in order for them to have opportunities at that business and employ their people. There are great examples out there and we can just put those to work.

Thank you.

**Ms. Jody Anderson:** Thank you very much for the question.

I, too, believe that this is an example of good business right across the country. I would like to see a point where the set-aside is no longer needed and our businesses are being brought forward as primes because we do good business, are quite capable and have the ability to show that we can execute these contracts flawlessly.

**Mrs. Stephanie Kusie:** Thank you both.

Mr. Daniels and Mr. Calla, I'm familiar that you have provided some advice and counsel to our leader, Pierre Poilievre, regarding economic reconciliation.

Can you please share with the committee why you believe the natural resources and the natural resource sector are so important for economic reconciliation?

**Mr. Harold Calla:** Ernie, if you don't mind, I'll go first.

As you may or may not recall, I'm a member of the board of the Trans Mountain pipeline. I look at the challenges that particular project faced with the private sector. One of the things that has to be improved in this country is getting to the final investment decision more quickly. The regulatory framework has to be completely revised. It has to be done with indigenous inclusion. That's the first thing that has to happen or we're not going to have the opportunities people think we're going to have. A lot of people look at mining and the natural resource sector as being a prime candidate, and it is, but it's going to need a regulatory process that reaches a conclusion much sooner than it currently does or other countries are going to take advantage of the opportunities we have in Canada. We're not the only place in the world with these resources.

We need to ensure that indigenous inclusion is a reality that the private sector embraces and includes, including access to capital and bringing those indigenous communities in. One of the greatest transitions that can occur in this country is if our indigenous people are included in all of these major corporations. We have to bridge a gap from being isolated from the economy for 300 years, and you can't move from where you were to operating in the international economy as it is today without some support.

One of the greatest things that can happen is for the private sector to bring us in. Bring our students and our professionals into their businesses, like Shannin has described today. He's a classic example of what can happen in that situation. That's critical. Accept the reality of there needing to be first nations inclusion and economic development.

We can all have different opinions about the various legislative pieces and court decisions, but the reality is that first nations are going to have a say in this country about our ability to harvest natural resources. Let's just get over the attempt to avoid that, embrace it and engage in processes that yield outcomes.

Everybody jumped up and down about the Trans Mountain pipeline until it opened up, and now everybody's asking, "When are we going to build the next one?" because of the economic impact for Alberta—and I know it. We have to get to the point where... Trans Mountain made a business decision that it would include them from the very beginning. It was ahead of the curve. It was ahead of everybody else. That's now the standard.

I would encourage everybody to go and look at the ESG report of Trans Mountain, because it really identifies how we embraced the concept of economic inclusion.

I think that has to happen more broadly, and it is going to happen or we will lose opportunities. What happened in British Columbia in 2008 is going to happen in 2024 to the natural resource mining extraction sector if we don't embrace access to capital, inclusion and the regulatory framework.

• (1250)

**The Chair:** Thank you very much.

We'll finish with Mr. Battiste. Please, go ahead, sir.

**Mr. Jaime Battiste:** Thank you very much.

Quickly, I think we can all agree that economic reconciliation is important. I think we all agree that, because of colonial policies and because of the Indian Act, indigenous communities haven't received their fair share of opportunities.

Would you all agree that having an indigenous carve-out for procurement and other things is an important step toward achieving economic reconciliation? I need you to be very brief because I have a follow-up question to that.

**Mr. Harold Calla:** It's critical. It's absolutely critical.

**Mr. Shannin Metatawabin:** I concur. That's really important. You have to open a door for people who were excluded to enter so that they can start participating.

Thank you.

**Ms. Dawn Madahbee Leach:** I also agree.

**Mr. Jaime Battiste:** Thank you for that.

The reason I ask that question is that my fear is that some are using this procurement study to say that it can never work, that it's not working, that we should stop this, that we should make cuts and we should stop helping indigenous people close the gaps on the reserve, addressing these harms and creating pathways to prosperity.

I also know, as a first nations person, that whenever there's money for indigenous people, there have always been those who are willing to take advantage. If you watch the Martin Scorsese movie, *Killers of the Flower Moon*, you could see that even when the indigenous people inherit great wealth, there are those who will do whatever they can to get their hands on that wealth.

How do we stop the abuses? That's the question here.

I think it's pretty straightforward when it comes to first nations. We have status band numbers, but how do we stop those from fraudulently claiming indigenous identity?

We had mentioned the Powley test. The Powley test has three important things. First is self-identification, which is pretty easy to say. I've always said I was indigenous.

There's also the ancestral connection. You could say that your grandmother or your great-grandmother was Métis or Inuit.

The third part is very difficult, under the Powley test. It's community acceptance.

How does the government verify when an individual says they passed this? Do they check a box and say that they've been accepted by this community? How does the government verify that, very specifically with Métis and Inuit?

Can you guys give us some thoughts around that?

**Ms. Jody Anderson:** Thank you for the question, Mr. Battiste.

The Prime Minister has stated over and over again that the relationship with indigenous people is the most important relationship to the Government of Canada. We often throw around this term of "reconciliation", but I have to ask and challenge, what does that mean?

There is no reconciliation without "reconcili-action". That means putting action behind a lot of the words and promises that have been said to date.

As for the strength of the indigenous communities, we have what's called the "moccasin telegram". This is a very powerful tool that we use, in terms of the stewardship of our communities, people and businesses. We have the ability, as first nations and indigenous people, to reach out to the communities to indeed verify. This has been done in the past, particularly with academic people and other key folks who are claiming to be indigenous.

When we have the ability to do our own investigation and look into this, we often find the truth. I think that belongs with the indigenous community. It is up to us, not the federal government, to do that.

**Mr. Jaime Battiste:** Ms. Anderson, as a first nations person, I know what you mean by the moccasin telegram, but if I was to put that in a recommendation, how would you describe that?

**Ms. Jody Anderson:** It's the power of community and the ability to reach out to community. In this, I guess the parallel would be that it's a small world and our communities are very small. We have the ability and power to reach out to our rights holders right across this country to verify both indigeneity and the workmanship of our community.

• (1255)

**Mr. Jaime Battiste:** Do you think that should be led by a ministry, a committee or by the first nations and indigenous nations themselves?

**Ms. Jody Anderson:** Thank you.

My answer is that it always should be indigenous-led. Leading back to that, we see significant improvements when we are allowed to manage and develop our own institutions and policies.

**Mr. Jaime Battiste:** Would anyone else like to add anything on how we can ensure proper verification?

**Mr. Shannin Metatawabin:** I would like to add that we have some great examples of organizations that have taken on the responsibilities provided to them by the Government of Canada and were vastly successful.

We need to do this. The First Nations Procurement Organization should be your mechanism to ensure that we verify business eligibility, using our tools that we've started to create with business definitions and beginning to work with the government to make that happen.

**Mr. Jaime Battiste:** I don't believe I have a lot of time left, Mr. Chair, on this—

**The Chair:** You can go for about another two minutes.

**Mr. Jaime Battiste:** Harold or Ernie, did you want to add anything to this on verification and how our government can work using indigenous-led models to help the verification process?

**Mr. Harold Calla:** The Government of Canada determines who's a Canadian citizen. A first nations government should be able to determine who its citizens are. That should be the threshold, in my view.

We're facing some severe challenges in our communities now because of Bill C-31, and memberships are declining. We have to be in a position where we start to address that issue of who is going to be a member of a first nation, or we're going to achieve what has been sought for a long time in my view, and that's the elimination of the Indian, because we won't have any status Indians if we're not careful.

We have to be in position. In our community, we know who the nations are. In the historical context, we would adopt people into our nation in much the same way somebody who comes to Canada can become a citizen of Canada by virtue of their participation here.

I think who is indigenous is something that can be left to first nations themselves and organizations like we're contemplating here, which can assist.

I will close by saying that what we need is reporting. What's coming down the line to all governments is the notion of reporting on some of these things. It would be something that you might be wise to look at, because we need to be in position. The international investment community is looking for confirmation that Canada is doing what it said it was going to do: implementing UNDRIP and doing these things. What we don't have is verifiable reporting.

I can tell you, through some of the work that we're doing around ESG with the international sustainability boards and CPA Canada, that there's a level of reporting that's going to come within two years that will surprise some people, but it will be very positive. It will allow for there to be a direct line of sight to some of the indicators that are supposed to be present in, for instance, economic reconciliation for first nations.

**Ms. Dawn Madahbee Leach:** May I add something?

**Mr. Harold Calla:** Go ahead.

**Ms. Dawn Madahbee Leach:** We still have a racist policy in the Indian Act that removes membership of first nations people in subsections 6(1) and 6(2). They define who an indigenous person is. Today, they're still removing indigenous people as being first nations members because of these racist sections that still exist.

**Mr. Jaime Battiste:** I would agree with you both. I invite you to read the op-ed that I released on June 21, which said exactly that; I'm in agreement, and I'm really glad that the government has taken steps, as of December, to change that.

**The Chair:** That's wonderful.

Thank you very much, Mr. Battiste. We'll send you a bill for the advertising from the OGGO committee.

Witnesses present and online, thank you, sincerely. It's been a fantastic meeting. You've been wonderful, very informative witnesses, so thank you very much.

If you have any documents you wish to share or if you did not have time to answer any questions but wish to do so in writing, please send those to our clerk. They will be very welcome.

To my committee colleagues, thank you today as well for fantastic questions. I'm very proud of the questions you put forward today.

Again, I sincerely appreciate the answers and the time that you spent with us today.

With that—

• (1300)

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Mr. Chair, if I may, I just want to thank you, on behalf of our side, for reallocating the time and allowing for those questions and the time for the witnesses to not only complete their thoughts but also to come up with clear recommendations.

On our behalf, thank you very much.

**The Chair:** That's on behalf of all of us.

Thank you very much.

With that, we are adjourned.

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