

Chapter 5. Improving governance for place-based Indigenous economic development

The objective of this chapter is to assess and provide recommendations about supporting the implementation of a place-based approach to Indigenous economic development. The chapter begins by explaining why a place-based approach is central to supporting Indigenous entrepreneurship and economic development. The following sections discuss the four key elements for the effective governance of place-based Indigenous development described above and offer recommendations on how they could be improved/supported in Canada at both the national and sub-national levels.

Key findings and recommendations

Key findings

- A place-based approach to Indigenous economic development succeeds where there is a strong vision for community economic development with mechanisms to prioritise and sequence investment in framework conditions - from infrastructure and services to skills development, mentorship and access to finance.
- Effective multi-level governance is central to operationalising this approach. Four key elements are identified for the effective governance of place-based Indigenous development:
 - Development of an opportunity-oriented national policy framework for economic development that incorporates Indigenous values and perspectives, is adapted to characteristics of different places, encourages community-led development and defines measurable outcomes.
 - Designing effective co-ordination mechanisms between different levels of government and with Indigenous peoples that result in alignment of policies, the realisation of synergies and fosters local and regional partnerships to support Indigenous communities achieve their development objectives.
 - Collaboration with Indigenous peoples through high levels of participation and engagement, which includes Indigenous peoples in decision-making processes and policymaking as partners recognising the need to share power.
 - Empowering Indigenous communities by strengthening governance capacities (e.g. strategic planning and regional alliances) and improving fiscal relations.

Key recommendations

Consider the development of a **national Indigenous economic development strategy** that:

- Supports the alignment of policy objectives across levels of government and sectors.
- Incentivises the adjustment of policies to local needs, characteristics and aspirations.
- Includes Indigenous perspectives on development, including cultural assets and aspirations.
- Clarifies roles and responsibilities (across levels of government and sectors).
- Defines short/medium and long-term measurable outcomes.

Improve **coordination across levels of government** to implement a place-based approach to Indigenous economic development by:

- Strengthening engagement with provinces to coordinate investments and realise economies of scale in the provision of infrastructure and services.
- Using formalised agreements between levels of governments and Indigenous communities to address issues of strategic importance and monitor their implementation.

- Advancing a new fiscal relationship with First Nations along the lines of the agreement between the Canadian Government and the Assembly of First Nations (more funding flexibility, supporting capacity development, and an advisory committee to monitor implementation and provide advice).

Improve **engagement practices with Indigenous communities** across all levels of government by:

- Establishing cooperation regarding the Duty to Consult MOUs with all provinces and territories.
- Acting as a broker and to encourage provinces and municipalities to set up MOUs with First Nation, Inuit and Métis communities.

Strengthen capacities by supporting the **implementation of the Indigenous Community Development National Strategy** that delivers appropriate support for community planning, and strengthening incentives for collaboration between First Nation communities and between municipalities/provinces.

Introduction

Indigenous community economic development and entrepreneurship excels where rights to land and resources are recognised and stable, where Indigenous peoples and communities are engaged on the issues that impact them, where there is a strong vision for community economic development and where the right framework conditions—from infrastructure and services to skills development, mentorship and access to finance—are in place.

Effective governance is central to realising all of these aims. There are four key elements for the effective governance of place-based Indigenous development:

1. **Coordinating national policies:** Having an opportunity-oriented national policy framework that incorporates Indigenous values and perspectives, is adapted to characteristics of different places, encourages community-led development and defines measurable outcomes.
2. **Aligning objectives and policy implementation across levels of government:** Designing effective co-ordination mechanisms between different levels of government and with Indigenous peoples that result in alignment of policies, the realisation of synergies and fosters local and regional partnerships to support Indigenous communities achieve their development objectives.
3. **Engaging Indigenous peoples and communities in decision-making:** Collaboration with Indigenous peoples through high levels of participation and engagement, which includes Indigenous peoples in decision-making processes and policymaking as partners recognising the need to share power.
4. **Strengthening community capacity for self-determination:** Empowering Indigenous communities and strengthening governance capacities (e.g. capabilities such as financial management, and brokers who can mediate local conflicts and build relationships with non-Indigenous organisations) (OECD, 2019^[1]).

This chapter proceeds in five parts. It starts with an explanation of why a place-based approach is central to supporting Indigenous entrepreneurship and economic development. The following sections discuss the four key elements for the effective governance of place-based Indigenous development described above and offer recommendations on how they could be improved/supported in Canada at both the national and sub-national levels (province, territory and municipality).

Why a place-based approach to Indigenous economic development matters

The OECD's framework for Indigenous economic development takes place-based approach: 'place' is fundamental to Indigenous identity and shapes economic development and well-being outcomes for Indigenous peoples (OECD, 2019^[1]). Different territories and communities have different endowments, histories and accessibility to markets and opportunities. Developing these places requires addressing multiple factors (human capital, infrastructure, innovative capacity) in an integrated way that aligns with local circumstances. Local communities have the knowledge about these circumstances and should lead decision-making about development. Therefore, policy and governance arrangements are needed to mobilise this potential in a way that is driven by local communities. This has implications for how governments work within their own bureaucracies and across levels of government:

- Policies should be adapted to the needs and circumstances (social, economic, cultural, geographic, environmental, etc.) of different places and communities.
- Different levels of government should coordinate in order to ensure that policies and programmes are better matched to regional and local conditions.
- Policies should also be integrated horizontally—across one level of government, in order to mutually reinforce the impacts of different actions on a given policy outcome.

Governments play a key role in setting the framework conditions for Indigenous economic development through their strategy setting, policy design and implementation, and brokering between stakeholders (OECD, 2019^[1]). These governance arrangements can either serve to build local capacity to promote economic development, or act to inhibit it and promote dependency.

Historically, across OECD member countries, policies targeted at Indigenous peoples have created systems of disempowerment—taking away Indigenous rights, identity and culture, dispossessing them of their traditional lands and their ability to govern themselves by eroding their social capital and leadership capabilities. But this is changing in Canada and elsewhere (Box 5.1). In Canada, there is a commitment to reconciliation with Indigenous peoples which includes economic reconciliation. Rights frameworks are evolving, new treaties are being signed and some of the old paternalistic legislation like the *Indian Act* is being chipped away at through new agreements that offer stronger self-determination for land management and finance.

Box 5.1. Indigenous self-determination and governance

Self-determination implies different forms of governance that enable Indigenous communities to take control over decisions that affect their lives and livelihoods. However, trajectories of Indigenous self-determination and the governance reforms that help realise them are uneven between and within countries. What constitutes good governance for Indigenous peoples is also a contested concept (Tsey et al., 2012^[2]).

Studies have shown a positive association between effective local Indigenous governance and reduced welfare dependency and the emergence of economic activity, higher levels of multi-dimensional well-being, improved resource use and increases in the contribution to regional non-Indigenous economies (Cornell and Kalt, 2003^[3]; Vining and Richards, 2016^[4]). These findings are consistent with a wider literature that examines the association between the quality of institutions and regional economic performance (Morgan, 1997^[5]; Wood and Valler, 2004^[6]; Rodríguez-Pose, 2013^[7]). Cornell and Kalt (2003^[3]) and Cornell (2006^[8]) propose three key reasons why self-governance results in better long-term outcomes for Indigenous peoples:

- Citizens are engaged in collective efforts to improve community well-being.
- Policy choices are more likely to reflect the interests, needs and aspirations of Indigenous peoples.
- Transparency and accountability of local leaders and decision-making capacities are improved.

However, a number of key conditions need to be in place for this to be effective particularly capable governing institutions that are matched to the social and cultural characteristics of Indigenous groups and avoid pitfalls such as corruption, nepotism, confusion about roles and responsibilities, and lack of accountability (Cornell, 2006^[8]; Tsey et al., 2012^[2]).

International standards also strengthen the basis for a new and more equitable relationship with national and subnational governments (Daes, 1984^[9]). The Indigenous and Tribal Peoples Convention (1989) of the International Labour Organization is based on principles of self-determination and sets out rights in relation to land, employment, education and training, and social security.¹ The UN Declaration on the Rights of Indigenous Peoples was adopted by the UN General Assembly in 2007 in Resolution 61/295 with 143 votes in favour, 4 against and 11 abstaining. Since then, the four countries voting against (Australia, Canada, New Zealand and the United States) have changed their position and now support the Declaration. The declaration sets out a framework of minimum standards for the survival, dignity, well-being and rights of Indigenous peoples. It promotes their full and effective participation in all matters that concern them as well as their right to remain distinct and to pursue their own priorities in economic, social and cultural development (UN, 2008^[10]).

Sources: Tsey, K. et al. (2012^[2]), *Improving Indigenous Community Governance through Strengthening Indigenous and Government Organisational Capacity*, <http://www.aihw.gov.au/closingthegap> (accessed on 02 August 2018); Cornell, S. and J. Kalt (2003^[3]), *Joint Occasional Papers on Native Affairs Alaska Native Self-Government and Service Delivery: What Works?*, <http://www.ksg.harvard.edu/hpaied> (accessed on 24 October 2018); Vining, A. and J. Richards (2016^[4]), “Indigenous economic development in Canada: Confronting principal-agent and principal–principal problems to reduce resource rent dissipation”, <http://dx.doi.org/10.1016/J.RESOURPOL.2016.07.006>; Morgan, K. (1997^[5]), “The learning region: Institutions, innovation and regional renewal”, <http://dx.doi.org/10.1080/00343409750132289>; Wood, A. and D. Valler (2004^[6]), *Governing Local and Regional Economies: Institutions, Politics, and Economic*

Development, Ashgate; Rodríguez-Pose, A. (2013^[7]), “Do institutions matter for regional development?”, <http://dx.doi.org/10.1080/00343404.2012.748978>; Cornell, S. (2006), “Indigenous Peoples, poverty and self-determination in Australia, New Zealand, Canada and the United States”, <http://nmi.arizona.eduhttp://www.ksg.harvard.edu/hpaiced> (accessed on 10 August 2018); Daes, E. (1984^[9]), “An overview of the history of indigenous peoples: Self-determination and the United Nations”, <http://dx.doi.org/10.1080/09557570701828386>; UN (2008^[10]), *United Nations Declaration on the Rights of Indigenous Peoples*, https://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf (accessed on 26 October 2018).

Coordinating national policies

Coordinating across federal departments

Responsibility for Indigenous issues at the national level can be centralised or distributed across multiple ministries and agencies. Canada, like Australia and the United States, has a centralised approach to Indigenous policymaking: there are designated ministries or departments that are responsible for Indigenous affairs and lead on this subject matter along-side regional offices that act as an interlocutor between the national government and Indigenous communities.

This centralised approach with deconcentrated regional offices allows governments to tailor policies and build relationships with communities, as the point of contact is clear. At the same time, it gives rise to the danger of operating in silos and separating mainstream policymaking from Indigenous issues. As a result, it can create policy gaps as well as information gaps between ministries responsible for Indigenous peoples and those delivering mainstream policy. Therefore, a central challenge in Canada—and one faced by other OECD countries with Indigenous peoples—is how to co-ordinate across departments on the host of issues that involve Indigenous peoples.

Canada has two lead departments for Indigenous affairs

In 2017, the Trudeau government dissolved Canada’s lead department for Indigenous affairs and replaced it with two separate ones—Indigenous Services Canada (ISC) and Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)—a structure which was recommended by the Royal Commission on Aboriginal Peoples (RCAP, 1996^[11]).² The two new departments are tasked as follows:

- CIRNAC is tasked with better whole-of-government coordination on nation-to-nation, Inuit-Crown, and government-to-government relationships; to accelerate the negotiation of self-government and self-determination agreements; and to advance recognition and implementation of rights approaches that will last well beyond this government.
- ISC is tasked with ensuring a consistent, high quality, and distinctions-based approach to the delivery of services to First Nations, Inuit and Métis people. It is noted that one fundamental measure of success will be that appropriate programs and services will be increasingly delivered, not by the Government of Canada, but instead by Indigenous Peoples as they move to self-government (PMO, 2017^[12]).

Reflecting on the purpose of this departmental reorganisation, the newly appointed Minister of ISC remarked “we are tearing down the outdated and paternalistic structure of old designed to enforce the *Indian Act* and replacing it with new departments that are

distinctions-based and rooted in the recognition of rights, respect, co-operation and partnership” (CBC News, 2017^[13]).

Both departments are important for place-based Indigenous development

Both CIRNAC and ISC share a priority for community and regional development. The results and priorities for CIRNAC are outlined in Table 5.1. ISC delivers the infrastructure and services that sustain FN communities—e.g., sustainable infrastructure (water and sanitary systems, schools, housing); responding better to environmental risks and disasters; and supporting capital investments to reduce diesel dependency and promoting energy efficiency. Meanwhile CIRNAC delivers a range of programmes and services important for entrepreneurship and economic development and is responsible for government relations with Indigenous peoples.

While these departments provide a range of initiatives and programmes, they do not add up to a coherent long-term vision for economic development that has been developed in partnership with Indigenous peoples and that articulates their values and aspirations for development.

Each newly created department has its own Minister, which has led to some concern that the work of the two departments will lead to less cooperation across the relevant files and policy silos.³ This is particularly important for areas of shared jurisdiction for community and regional development. However, it has also consolidated some functions within a single department; for example, some health services delivered by other departments were moved over to ISC and as such, has improved policy coherence. In time, the outcomes of this reorganisation should be evaluated to see if it is delivering on its objectives and if the work of the two departments remain coordinated where possible (e.g., shared indicators, coordination on how communities are engaged to reduce burden, coordination on public investments).

Table 5.1. Crown-Indigenous Relations and Northern Affairs Canada, priorities for community and regional development, 2018-19

Results	Priority actions
Indigenous communities advance their business development and economic growth	<ul style="list-style-type: none"> • Entrepreneurship and small and medium-sized enterprises (SME) programmes, and improving procurement outcomes • National Indigenous Economic Development Board and stakeholder engagement • Supporting commercial and industrial projects, and oil and gas developments • Local economic and community development initiatives
Indigenous and northern communities strengthen their capacity to adapt to changing environments	<ul style="list-style-type: none"> • Climate change adaptation measures • Food and nutrition programmes in northern Canada
Land and resources in Indigenous communities and the north are sustainably managed	<ul style="list-style-type: none"> • Initiatives to reduce the dependency of remote communities in diesel power • Regulatory reforms related to environmental assessments and oil and gas developments • Environmental and resource management programmes • Addressing contaminated lands and solid waste management

Source: Adapted from Crown-Indigenous Relations and Northern Affairs (2018^[14]), *2018-19 Departmental Plan*, <https://www.aadnc-aandc.gc.ca/eng/1523210699288/1523210782692> (accessed on 24 January 2019).

Regional offices act as an interlocutor between the national departments and Indigenous communities

While the two lead departments for Indigenous affairs are based in the national capital region (Ottawa, Ontario and Gatineau, Quebec), there are also regional offices across the country that are important interlocutor between national policies and regional/place-based specificities and relations with Indigenous communities. Australia and the United States also have such regional offices associated with their lead ministry for Indigenous affairs.

Regional offices implement the programmes and policies derived by their departments. However, it is important that policy development be informed by the experiences of those working locally. Mechanisms should be in place to communicate operational issues in order to identify gaps and develop new ways of working.

Many other departments deliver services, programmes or enact policies important to Indigenous peoples

While there are two lead departments for Indigenous affairs at the federal level in Canada, many other departments are important as well. The Government of Canada has 200 departments and agencies; of these, around a third have some direct relationship with Indigenous peoples in terms of their mandate and responsibilities and/or the services and programmes they provide and another fifth are also important to them.⁴ For example:

- All of Canada's national research agencies fund research on Indigenous issues and support Indigenous scholars.
- Canada's national arts, culture, parks, media and heritage departments and agencies fund Indigenous artists and historians and collaborate with organisations and communities to raise the profile of Indigenous creative contributions and histories.
- The departments responsible for natural resources, infrastructure, oil and gas, the environment and climate change and environmental protection all work on files that impact Indigenous communities and peoples and have a duty to consult with them.
- Canada's health agencies provide research and analysis on how to improve the health outcomes of Indigenous peoples.
- Statistics Canada, along with a number of other departments, collects data and conducts research which is important to understanding Indigenous peoples and communities and their economic, cultural and social development and changing environmental conditions.
- Canada's regional development agencies support Indigenous community development and entrepreneurship in the regions (though, as noted, this role could be strengthened) (see Chapter 4).

This names just a few of the main areas in which Indigenous affairs are addressed across federal departments; there are many others.

The communities engaged as part of this study reported that their most important relations are with CIRNAC/ISC at federal level. They report being engaged with other ministries on some occasions, but this is dependent on the context—e.g. Fisheries, Infrastructure. In contrast, relationships with the federal Regional Development Agencies were reported to be less prominent or low. The main horizontal coordination mechanisms at the federal level are:

- Memoranda of understanding or other agreements—e.g., Procurement Strategy for Aboriginal Business and Senior Procurement Advisory Committee.
- Inter-ministerial committees—e.g., the Strategic Partnerships Initiative.
- Less formal working committees/groups and ad hoc meetings.

Cross-departmental coordination through the Strategic Partnerships Initiative

Effective place-based Indigenous community economic development and support for entrepreneurship does not sit neatly within one department's or even government's purview. Collaborative governance on a whole range of multi-sectoral issues are often needed—combing both place-based and individually-scaled interventions (e.g., infrastructure, investments, housing, leadership, mentorship, skills training). Where governments, Indigenous organisations and communities are able to work in this manner, they have seen some very successful outcomes and have been able to address development across multiple dimensions.

This approach to strategic partnerships has begun in Canada and was reported by the Indigenous interviewees engaged in this study to be an effective practice. Initiated in 2010, the Strategic Partnership Initiative provides a coordinated federal response to existing and emerging Indigenous economic development opportunities (Aboriginal Affairs and Northern Development, 2014_[15]). It aims to ensure the participation of Indigenous Peoples in the realisation of complex economic opportunities, by coordinating the efforts and investments of multiple federal partners. An annual budget of CAN\$14.45 million is available to support projects in key sectors of the Canadian economy such as mining, fisheries, forestry, agriculture and energy.

Currently, 17 federal agencies and departments are part of the program that is organised around the Director General Investment Committee (DGIC). The DGIC includes membership from all SPI member departments. It makes final funding decisions on initiatives, validates and prioritises opportunities for investments. It also identifies relevant federal government departments that have a role to play in supporting any given initiative, and ensures that they work together with Indigenous groups to advance these opportunities. It also enables federal partners to strategically engage other levels of government and private sector partners so they may leverage additional funding or in-kind support. The DGIC completes a review of detailed proposals from federal departments on opportunities for consideration under the program.

Indigenous partners cannot apply directly for funding to SPI and it is not a fund that directly supports economic development projects. Further, it is meant to be used to leverage funding from a variety of sources. There have been 38 SPI initiatives since 2010 with 400 communities involved and 125 partnerships. The SPI fund has spent around CAN\$ 100 million since 2010 and has leveraged around \$200 million in the projects that have been undertaken. The SPI is an innovative programme that was designed to fill gaps in existing programmes.

Advancing a place-based approach to Indigenous economic development

One aspect of strengthening cross-departmental co-ordination on Indigenous economic development is a place-based approach. Supported by the Strategic Partnerships Initiative (SPI) ISC has launched a community well-being project with a group of First Nation communities in northern Ontario that employs a holistic, place-based approach to community development (Indigenous Services Canada, 2018_[16]). The process focuses on

community-identified priorities and requires government partners to step up their roles as developmental partners, committing to joint development and implementation of community-specific action plans. This new approach structures financing around a FN's priorities and recognises FNs as developmental partners. This is particularly important for Northern Ontario where there are large scale chromite mining and smelting investments which will impact FNs communities and which are taking place on their traditional territories.

A recent evaluation indicates that significant progress has been made in the participating FNs in the areas of housing, skills and training, financial management and governance, and mental health and addictions. The community well-being project has successfully addressed some of the core social challenges that have challenged economic development opportunities in the communities. The assessment highlighted the following success factors of the approach:

- Government as a neutral secretariat.
- Comprehensive community assessment is a starting point; based on these assessments there might be multiple options for early initiatives, depending to some extent on the strengths of the community, its own priorities and its institutional supports.
- Place-based management approach – all of the players working collaboratively on community priorities.
- A community development approach that is based on identifying and building on community assets rather than one focusing primarily on community deficits.
- Producing “early wins” builds confidence in the process among partners.
- Tackling challenges in governance and related management functions early on (i.e. organisational capacity) is very important for making progress on other priorities.
- The need to have a lead senior official with proper skill set and experience to give communities the assurance that the government is serious and to lead interdepartmental and intergovernmental collaboration (Indigenous Services Canada, 2018^[16]).

This pilot has been positively assessed by some of the communities involved and there is support for this approach. The challenge is now to translate the pilot into systemic policy and governance reforms. These pilot initiatives need to have an evaluation framework, and feedback mechanisms should be established to mainstream the lessons from them—integrating them into wider policymaking and linking it to other tools such as Comprehensive Community Planning (CCP). This pilot should be a part of economic development initiatives going forward.

Further work is needed to improve horizontal cooperation within the department building on the SPI to break down silos and approach problems in a comprehensive manner. A key issue for the programme is how to effectively engage the relevant provincial partners. The success of the SPI—and multi departmental coordination more generally—depends on a number of factors: from dedicated individuals who work to build strong relationships towards a common goal alongside political leadership and commitments from senior civil

servants and Indigenous communities alike. However, national policies frameworks can also play a central coordinating role.

Developing a national policy framework for Indigenous economic development

Canada does not currently have a national strategy for Indigenous economic development—does it need one?

Canada, like Sweden and the United States, does not presently have an overarching national strategy for Indigenous economic development but instead delivers a range of programmes directed to Indigenous communities or individuals. This stands in contrast to Australia and New Zealand where there are such national frameworks.

The previous Harper government had a *Federal Framework for Aboriginal Economic Development* (2008) that focused on entrepreneurship, human capital, community assets, and partnerships (INAC, 2018^[17]). Although it acknowledged the importance of inter-governmental co-ordination, there were no systemic measures to align federal, provincial and municipal planning and resource allocation decisions. Progress reports on implementation focused on activities and programme outputs, but there was no framework for monitoring the achievement of outcomes. Under the Trudeau government, priorities for the Indigenous portfolio are articulated in Department Plans (2018-19) for Indigenous Services Canada (ISC) and Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC).

Incoming federal governments each have their own political agenda and view of economic reconciliation which is to be expected and as such, approaches to Indigenous economic development have changed in Canada over the years. Approaches also evolve with jurisprudence, as Indigenous rights are continuously redefined. However, where federal strategies are focussed on activities and programme outputs, the implications for the conditions of Indigenous economic development can be lost. There should be an overarching goal and a way to monitor progress on key indicators overtime that is consistent, regardless of political priorities.

Learning from Australia and New Zealand

Australia and New Zealand have taken steps to build more coherent economic development policies for Indigenous peoples through national strategies that define their approach towards Indigenous economic development.

New Zealand's *He kai kei aku ringa* – for place-based development grounded in Māori culture

New Zealand's *He kai kei aku ringa* (HKAR) together with its newly defined refresh, titled E RERE, sets itself apart from the other strategies through a focus on place-based development and grounding in Māori culture (Te Puni Kōkiri, 2012^[18]) (Te Puni Kōkiri, 2017^[19]). New Zealand first established HKAR—the Crown Māori Economic Growth Partnership and national Māori Economic Development Strategy—in 2012. The strategy is focussed on growing a productive, innovative and internationally connected Māori economy. The title of the strategy translates to “provide the food you need with your own hands”—thus highlighting the economic self-determination of Māori people and the fact that this development programme is especially oriented at Māori and driven by *whānau*.

The strategy defines 6 goals to achieve by 2040 and defined 26 recommendations in a 2012-27 action plan to achieve these goals. The six goals are:

1. Greater educational participation and performance.
2. Skilled and successful workforce.
3. Increased financial literacy and savings.
4. Government in partnership with Māori enabling growth.
5. Active discussion about the development of natural resources.
6. Māori Inc. as a driver of economic growth.

The strategy positions the government as an enabler, empowering *whānau* and Māori Inc. to foster economic growth by creating a favourable business environment and providing better public services. For instance, one of the actions involves the creation of an information-sharing platform between Māori entities and the government to better match mainstream programmes to Māori needs.

The strategy also identifies a way of working with communities to identify their unique needs and developed place-based solutions. Iwi and collectives determine their own skill needs, using existing government services or developing their own tools. Outcomes of the strategy were evaluated in 2017 and highlighted that 42 000 more Māori people were in work since 2012 and unemployment rate had decreased by 2.3% – while still being more than double the national rate of 5.2. Many government agencies have grown their own Māori capabilities and embedded Māori approaches in their programmes, through co-design, collaboration, leadership and networks, to increase Māori participation.

The most recent iteration of the strategy titled E RERE (“to leap, run, fly”) focusses on increasing employment, growing Māori enterprises, increasing Māori participation in regional economics and upskilling the Māori workforce. Importantly, it identifies and develops a cross-agency plan to encourage greater Māori participation in regional planning for and implementation of the Regional Growth Programme.

Australia’s three Indigenous economic development strategies – shifting towards more Indigenous involvement and localised approaches

Australia’s Indigenous economic development is shaped by three different national strategies: the Closing the Gap Strategy, the Indigenous Economic Development Strategy 2011-2018 and the Indigenous Business Strategy. The Closing the Gap Strategy, set up by the Council of Australian Governments (COAG) in 2008, represents a joint effort between all Australian governments. It also provides a broader framework for Indigenous economic development and business policies. Closing the Gap is organised around seven themes, which cover aspects such as early childhood and school education, employment and health, and economic development. Targets and indicators are established across these different policy themes. In terms of economic development, all states and territories have aligned in setting up Indigenous employment strategies, creating Indigenous targets in the public services and developing a strategic framework for Indigenous economic participation. On the downside, the strategy has not delivered on its targets and was criticised for being too deficit-focused and for not developing an understanding of how to capitalise on Indigenous assets and opportunities. After ten years, only three out of seven targets on track.

The Australian Government's Indigenous Economic Development Strategy was released in 2011 and recognises the differences between urban, rural and remote locations. It highlights that ability to participate in the broader economy is often dependent on access to employment opportunities, markets, services, infrastructure, education, etc. and defines challenges according to specific locations. The strategy specifies the need to continue working with states, territories, other ministries as well as the private sector on specific goals, as is the case in reforming the vocational education and training system with states and territories or working with the national statistical bureau on collecting data on the Indigenous private sector. An evaluation framework for the strategy is not specified.

Finally, the Indigenous Business Sector Strategy is a ten-year strategy that aims to help Aboriginal and Torres Strait Islanders build sustainable businesses, so they are able to support themselves, their families and contribute to the prosperity of their communities. Self-supporting Indigenous businesses are defined as a key for economic independence. It defines four areas of action: i) better business support, ii) improved access to finance; iii) stronger connections and relationships and iv) harnessing the power of knowledge, meaning better sharing of information and data. Each area contains actions that national, state and territory governments, Indigenous businesses and the private sector undertake in partnership, yet the specific responsibilities of the Commonwealth or states and territories are not defined.

What a national strategy for Indigenous economic development in Canada could deliver

As has been noted throughout this study, the links between Indigenous community economic development and regional development in Canada are often weak – though this differs across the country depending on context (e.g., Métis, FNs treaty and non-treaty and Inuit in Nunavut who have territorial government). For First Nations, this weakness stems in large measure due to jurisdictional divisions and the fact that their relationship with most direct with CRNAC and ISC—departments that have regional offices but not necessarily a strong regional connection to economic development. Moreover, FNs fall under federal jurisdiction in Canada and are therefore, excluded in state/province or regional level planning.

The national strategies in Australia and New Zealand are unique to their own contexts and multi-level government relations. However, they do serve to illustrate how national strategies can galvanise action, monitor progress and coordinate across levels of government by:

- *Encouraging the alignment of objectives across levels of government and sectors.* Strategies can help adopt a whole-of-government approach to Indigenous economic development. For example, New Zealand's Ministry of Business, Innovation and Employment and Te Puni Kōkiri (Ministry of Māori Development) have a cross-agency plan which requires agencies to identify gaps in service provision and develop approaches for addressing these gaps. In the Canadian context, such co-ordination could serve to better coordinate the work of ISC, CIRNAC and the RDAs, which each fall under separate ministers.
- *Incentivising policies to adjust to local needs, characteristics and aspirations.* Strategies can address place-based dynamics and identify how policies and services can be adapted to these conditions—setting up separate frameworks to address them (e.g., urban, rural, remote).

- *Valorising Indigenous perspectives on economic development, including cultural assets and aspirations.* National Strategies such as New Zealand’s HKKAR emphasise that Indigenous economic development might differ from non-Indigenous development objectives and connect economic development to language and culture. Strategies differ from departmental plans in that they can include meaningful engagement with Indigenous peoples to reflect their diverse worldviews and development objectives.
- *Defining short-, medium- and long-term measurable outcomes.* The national strategies in Australia and New Zealand each take a different approach to monitoring and evaluation. Leading practices to be adopted are to: define measurable outcomes with an intervention logic that links them to policy levers; provide funding for context-specific data collection and analysis; have regular monitoring and communication of progress toward achieving outcomes; clarify accountabilities for outcomes; ensure policy learning (including failures) are translated into practice (OECD, 2019^[1]). One leading practice in this regard is Australia’s new (2018) Evaluation Framework for policies and programmes which is based on the principle that each policy intervention should articulate its intended impact, and its effectiveness measured on that basis. This means shifting from measuring inputs (the amount of resources dedicated to Indigenous economic development) and outputs (the amount of infrastructure or services delivered) to outcomes (impacts on agreed outcomes such as income and employment).

Canadian departments dealing with Indigenous affairs at present coordinate their work in a number of ways—from informal meetings, to working groups and more formalised initiatives like the Strategic Partnership Initiative. This is however not whole of government perspective. The Government of Canada should consider:

- **Developing a national economic development strategy, with well-defined roles for partners involved.** Such a strategy could—if well-conceived with Indigenous support—be an effective way to galvanise action and monitor progress across the whole of government on this issue and would provide an important focus on Economic Reconciliation.

Aligning objectives and policy implementation across levels of government

Indigenous self-government is part of Canada’s system of cooperative federalism

Indigenous self-government is part of Canada’s system of cooperative federalism and forms a distinct order of government. Some unique features of this system include:

- Indigenous organisations are established intergovernmental partners where federal-provincial negotiations directly concern their interests (e.g., 2004 Kelowna Accord) (Papillon, 2012^[20]).
- There are bilateral and trilateral negotiations at the local level, with specific First Nations under the *Indian Act* or a self-government agreement, some of which also include a comprehensive land claims agreement.
- Most Canadian provinces have policy frameworks to manage their relations with Indigenous peoples (e.g., British Columbia and Ontario, have consultation

guidelines under which they recognise the “government-to-government” nature of their relationship with First Nations, Métis and Inuit groups).

- All provinces/territories have a dedicated ministry or administrative branch responsible for relations with Indigenous peoples (in Nunavut this is a whole of government perspective).
- Provinces, territories, and Indigenous groups sign agreements on how they want to work with one another on a wide range of issues—from economic initiatives to natural resources co-management agreements.⁵
- Many municipal governments have offices of Indigenous affairs, have developed protocol documents for Indigenous engagement and some have signed inter-governmental agreements with Indigenous communities on specific issues.

There are positive developments to highlight across Canada in terms of how these relations are evolving. And yet gaps remain, particularly concerning how Indigenous communities are linked to regional and rural development efforts.

The obstacle of jurisdiction

The issue of jurisdiction for Indigenous affairs is one of the most intractable challenges facing Canada and one that has proven an obstacle to linking Indigenous communities with regional and rural development. The federal government has a direct relationship with “Indians” who fall under the *Indian Act* for the delivery of healthcare, education and all forms of social provision; for everyone else, provincial and territorial governments deliver these services.⁶ Provinces and territories each have their own Indigenous secretariats that provide funding and services to off-reserve Indigenous peoples.

However, in practice, these divisions are not so clear. The relationship with those who fall under modern treaties differs in terms of government to government relations. Furthermore, while Inuit do not fall under the *Indian Act*, they do fall under federal jurisdiction and there are federal programmes directed to them alongside territorial/provincial ones. Finally, while Métis have never been subject to the *Indian Act*, there are federally funded services for them as well. It also bears recognising that relationship can evolve. The relationship between “Indians” who fall under the *Indian Act* and that of the federal government has shifted in the past few decades—the system has “evolved from a highly centralized, hierarchical, and fairly homogenous system concentrated in federal hands to what is now a far more complex multilevel structure of governance in which Indigenous governments play a growing role” (Papillon, 2012_[20]).

Municipalities generally engage in a limited manner with Indigenous communities—however, practices are changing. In some parts of the country where there are large urban Indigenous populations, engagement is well established and there are specific policies and programmes/services for Indigenous peoples. Overall, there is a need for longer term strategic approaches to engagement between levels of government and Indigenous communities.

Beyond jurisdiction for Indigenous affairs, there is also the matter of jurisdiction over sectoral policies that are *important to* Indigenous communities. Of foremost importance is that provincial and territorial governments have purview over infrastructure and natural resources—activities that impact traditional Indigenous lands and territories.

Consequently, multi-level governance gaps impacting Indigenous peoples and communities are common. For example:

- Reserves are an island of federal governance on provincial land and that these two levels of government do not generally cooperate to align their services, leading to diverging conditions between the province and the reserves and situations in which services and infrastructures are inaccessible to FNs.
- Indigenous economies and development ambitions are often absent from provincial and territorial economies development strategies;
- National guidelines and standards for engagement with Indigenous communities on environmental licensing is not met by provinces and poorly coordinated between departments (interviews).
- Provincial and municipal infrastructure development and land use planning frequently bypasses FNs as a matter of jurisdiction—treating these areas as a ‘blank space’ and leading to very different levels of investments in adjacent communities.

Indigenous economic development involves multiple levels of government and encompasses different sectoral policies including economic development, land use, infrastructure and skills. As such, strong relationships with local and regional governments are needed in order to coordinate public investments, deliver services and connect regional and local economies to Indigenous business interests.

Provincial/territorial-Indigenous relations

Provincial and territorial governments all have departments/secretariats/offices for Indigenous affairs and deliver a range of programmes (in Nunavut this is a whole of government perspective). While there are a growing number of programmes focused on supporting Indigenous business and community economic development, the vast majority of initiatives for Indigenous peoples delivered by the provinces and territories are focussed on social, health and education policies and to a lesser extent, community infrastructure provision.⁷ The FNs communities interviewed as part of this study noted that the relationships with the provinces are generally limited to Indigenous affairs, despite the importance of natural resources and environmental management on traditional territories. Several commented that Indigenous perspectives and engagement are too often absent from provincial economic development strategies, that relations are generally poor, and that consequently, there is recourse to the courts to resolve disputes which is costly and time consuming.

Provincial/territorial-Indigenous relations can vary considerably across Canada. Incoming governments have purview to shape these relations and this can lead to an inconsistent policy environment. Positive relations built between a provincial government and Indigenous communities over a series of years can become acrimonious with a shift in the political landscape (interviews). In contrast, the relationship with the federal government is often more stable because of how rights and obligations are defined in law—though, as noted earlier, this too evolves.

The inclusion of Indigenous economic development in strategic plans

Less than half of all provincial/territorial strategic plans include reference to Indigenous economic development

Provincial/territorial strategy documents articulate government priorities and agendas. As such, the visibility and inclusion of Indigenous economies and development ambitions in

such strategy documents sends an important signal to the public service that this is a priority issue and a matter for the whole of government. An analysis of these provincial and territorial strategic documents finds that just over half (7 out of 13) address Indigenous issues (Table 5.2).⁸ Of these, five provinces and territories explicitly address Indigenous economic development in their strategic documents in some way. For example:

- Manitoba’s Look North Programme provides an analysis and action plan for northern development based on the capacities of different place (North Economic Task Force, 2017_[21]). It was elaborated together with Indigenous leadership and specifically prioritises Indigenous engagement and partnerships with industry and government. Meanwhile, the provinces strategy for economic development addresses access to capital and business development programming for Indigenous entrepreneurs.
- British Columbia’s strategic plan explicitly recognises the need for economic Reconciliation and focuses on the delivery of programmes, services and infrastructure investments to enable community economic development (British Columbia, 2018_[22]).
- The Government of Ontario’s 2019 budget also explicitly addresses support for Indigenous economic development—describing it as one of “the highest ongoing priorities.” The budget promised new funding for Indigenous entrepreneurship and a number of programmes to encourage economic opportunities for Indigenous peoples. However, at the same time, the budget delivers a 15 per cent cut in core funding for the Ministry of Indigenous Affairs, which will likely harm core service delivery for this population (Government of Ontario, 2019_[23]).
- While Saskatchewan’s most recent budget does not address Indigenous entrepreneurship, an earlier 2012 economic development strategy in the province did focus on these issues and highlighted the importance of partnerships with tribal councils, individual First Nations and First Nation businesses to increase employment, businesses and engagement in the economy (Government of Saskatchewan, 2012_[24]).
- Nunavut’s economic development strategy is presently being updated; the 2003 version is grounded in an Indigenous perspective to economic development and adopts a place-based lens. This is complemented by five sectoral economic development strategies (arts and crafts; energy; mining; tourism; and, transportation) (Carlson, Johnston and Dawson, 2018_[25]).

Table 5.2. Inclusion of Indigenous people and communities in provincial and territorial strategic plans

Province	Title of strategic planning document	Year	Inclusion of Indigenous peoples/communities in strategic planning document	Indigenous economic development addressed	Policy focus
Alberta	Province of Alberta Strategic Plan	2018/18-2021/22	Yes	No	Child services; labour force participation
British Columbia	Province of British Columbia Strategic Plan	2018/18-2021/22	Yes	Yes	Reconciliation with FNs including economic Reconciliation; anti-poverty strategy; mental health and addictions services and infrastructure; clean energy
Manitoba	Growing Manitoba's Economy	2018	Yes	Yes	Access to capital; business development programming
New Brunswick	The New Brunswick Economic Growth Plan	2016	No	No	n/a
Newfoundland and Labrador	The Way Forward	2017	Yes	No	Education; community engagement; land claims; cultural sensitivity training in Dept. of Justice
Nova Scotia	Budget: Opportunities for growth; ONE NS report	2017-2018	No	No	n/a
Ontario	Budget: Protecting What Matters	2019	Yes	Yes	Funding to support Indigenous economic development
Prince Edward Island	A framework for Economic Growth	2017	No	No	n/a
Quebec	Budget	2018	No	No	n/a
Saskatchewan	Budget	2018	No	No	n/a
Northwest Territories	Economic opportunities strategy	2018	No	No	n/a
Nunavut	Nunavut Economic Development Strategy	2003	Yes	Yes.	Strategy grounding in Inuit perspectives and reflective of Inuit economy
Yukon	Yukon Budget	2019	Yes	Yes	Infrastructure

Note: Own analysis based on strategic documents. Note that not all provinces and territories have strategic plans. Economic development strategies or government budget analysed in lieu of strategic plan where applicable. Nunavut's Economic Development Strategy is currently in process of being updated.

Sources: Alberta (2018) Province of Alberta Strategic Plan; BC (2018) Province of British Columbia Strategic Plan; Manitoba (2018) Growing Manitoba's Economy; NB (2016) The New Brunswick Economic Growth Plan; NFL (2017), The Way Forward; NS (2017), Budget 2017-2018: Opportunities for growth; Ontario (2019^[23]) Budget 2019: Protecting What Matters; PEI (2017), A framework for Economic Growth; Quebec (2018), Budget 2018; Saskatchewan (2018), Budget 2018; NT (2018), Economic opportunities strategy 2018; Nunavut (2003), Nunavut Economic Development Strategy; Yukon (2018), Budget 2018.

While these are positive examples, it remains that less than half (40%) of Canadian provinces address Indigenous economic development in their core strategic documents. The profile of Indigenous entrepreneurship and community economic development stands to be improved from this whole-of-government perspective in several provinces. Echoing this, Indigenous interviewees engaged as part of this study commonly expressed that Indigenous economic development is poorly understood by regional policy makers. This analysis of regional development strategies confirms that Indigenous economic development is not mainstreamed in strategic policy documents—and as such reflects this limited visibility. In New Zealand, most regions have an economic action plan which outlines the role of Māori and the local Māori economy in achieving the region’s development objectives (Box 5.2).

Box 5.2. The Manawatū-Whanganui Economic Action Plan: New Zealand

In New Zealand, most regions have an economic action plan which may outline the role of Māori and the local Māori economy in achieving the region’s development objectives. In Aotearoa/New Zealand, collaboration has enhanced outcomes in the Māori economy in the Manawatū-Whanganui region through regional alliances between iwi, industry, councils, marae, and government. They are also creating the broader institutional arrangements to formalise these networks and work better with government.

An Economic Action Plan *Te Pae Tawhiti* was developed, by business leaders, iwi, hapū, and councils in partnership with central government with the assistance of a university. The Plan is based on economic analysis, consultation data and best practice research and incorporates the ideas, priorities and aspirations that Māori people for economic growth and is underpinned by concepts of autonomy and self-management. It recognises the importance of regional alliances between iwi, industry, councils, and government, and that succeeding in the global marketplace will require alliances that deliver economies of scale, collective value and impact. It is building various institutional arrangements considered important to sustain the strategy including:

- an alliance of all iwi in the region, irrespective of Treaty settlement status, to provide direction and leadership
- a subsidiary company or companies which actively co-invests in, and develops Māori commercial ventures.

Source: Accelerate 25 Manawatū-Wahanganui (Accelerate 25 Manawatū-Wahanganui, 2016^[26]), *Manawatū-Whanganui Economic Action Plan*.

Municipal-Indigenous intergovernmental relations

Among the levels of government in Canada, municipalities (which are constitutionally ‘creatures of the provinces’) are the least directly engaged with Indigenous affairs; however, practices differ by place and province/territory. A recent Canadian survey of municipal mayors and councillors found that Indigenous affairs is seen as primarily the purview of the federal and to a less extent provincial/territorial governments; but at that same time is viewed as a central issue for multi-level governance, including municipalities (Lucas and Smith, 2019^[27]). There are some regional variations to this finding. In contrast to local politicians in other regions, Quebec’s municipal politicians see Indigenous relations

as distinctly lacking multi-level government involvement, largely because the federal government is seen to be much more prominent in this area (Lucas and Smith, 2019^[27]).

Municipal-Indigenous engagement

Municipal-Indigenous intergovernmental relations in Canada takes several forms. Municipalities across Canada are strengthening how they engage with their own Indigenous populations, improving how they deliver services to them, working to address and eradicate systemic racism, and are developing protocols of engagement and strengthening working relationships with Indigenous communities (both urban and adjacent).

Canadian cities with the largest Indigenous populations are leading the way in terms how to work forge a government to government relationship and embrace Indigenous values and cultural understanding in their work. Calgary, Toronto, Vancouver, Edmonton, and Winnipeg all have offices of Indigenous affairs and many have developed protocols for how to work with Indigenous peoples and communities. For example, the city of Calgary's Indigenous Policy Framework which is grounded in a local Indigenous perspective and privileges Traditional Knowledge throughout (Box 5.3). These types of policy frameworks are important, but it comes down to how they are in practice implemented across municipal departments.

Multi-level government partnerships

Municipalities have also developed partnerships with other levels of government of strategic actions on Indigenous affairs. For example, in 2010, the federal government together with the province of Manitoba and the city of Winnipeg signed a Memorandum of Collaboration (MOC) to work together and better align resources to improve socio-economic outcomes for Indigenous peoples in Winnipeg and to improve the capacity of Indigenous organisations to carry out their mandates. Senior Officials established an Intergovernmental Strategic Indigenous Alignment (ISIA) Working Group to develop a five-year strategic plan with the representation of the City of Winnipeg (Manager of Indigenous Relations), the province of Manitoba (Indigenous and Municipal Relations), and Indigenous and Northern Affairs Canada (Manitoba Regional Director) (City of Winnipeg, 2019^[28]).

A 2015 evaluation of these efforts points to some of the common challenges encountered by multi-level governance on Indigenous affairs. The evaluation found that deep alignment between the project partners was difficult to achieve and that project implementation was challenged by four significant creative tensions (tensions between inside-outside actors, product delivery versus process, short-term versus long-term visions, and tensions between accountability and learning/policy innovation). It also found that the volume, pace and quality of the work was limited by “side-of-the-desk participation, membership turnover, and insufficient resources for coordination support” (City of Winnipeg, 2015^[29]).

While those involved in MOC reported developing positive working relationship and implemented some projects, the initiative reported a lack of mobilisation and strong engagement from the Indigenous communities. The issue of engagement is critical here. Initiatives such as this one can come to rely on service providers to speak on behalf of Indigenous communities at the expense of building on models of urban governance recommended by RCAP (Heritz, 2018^[30]). Forging these relationships takes time but will lead to longer term institutionalisation and success. Hence, dedicated and stable staff are noted as a key factor for success.

Box 5.3. Municipal policy frameworks for Indigenous relations: The case of Calgary, Alberta

The city of Calgary’s Indigenous Policy is strongly grounded in a local Indigenous perspective and privileges Traditional Knowledge throughout; it is part of the City’s 10-year Strategic Plan. It is oriented around four components.

1. Ways of Knowing.
2. Ways of Engaging.
3. Ways of Building Relationships.
4. Ways Towards Equitable Environments.

The policy framework was developed with the engagement of Traditional Knowledge Keepers and community leaders from Treaty 7 First Nations, members of the Calgary Aboriginal Urban Affairs Committee (CAUAC), urban Indigenous community leaders and organisation representatives, and City staff from across business units (Calgary Aboriginal Urban Affairs Committee, 2015^[31]). Importantly, the framework is described as “a flexible starting point and a unique departure from a conventional needs-based policy” (Calgary Aboriginal Urban Affairs Committee, 2015^[31]). This speaks to the need to transform the policy approach away from a passive role for Indigenous peoples based on an understanding of them as a vulnerable population towards sustained, meaningful and mutually beneficial ways of working together. As such, the framework and policy actions underlying it are grounded in the need to forge a new relationship, increase the cultural understanding of municipal employees in the ways that they work with FNs and Indigenous peoples and valuing Indigenous traditional knowledge, perspectives and development ambitions.

This is fundamentally about a cultural shift within the municipal bureaucracy. This approach – which puts Indigenous perspectives front and centre—is to be applauded. Cultural awareness and common understanding set the policy environment from which other initiatives, protocols, strategies, and efforts will grow. This policy framework states the ambition.

But it comes down to how this guidance is implemented in practice. The city of Calgary has Aboriginal Urban Affairs Committee since the late 1970s which acts as an advisory committee to municipal council. This committee acts to place ongoing attention on Indigenous affairs. The city should intermittently review of how its policy framework is being implemented in practice in order to adapt and learn from both policy achievements and failures. This is no easy task since one important aspect of the strategy is demands a shift in cultural understanding.

Source: Calgary Aboriginal Urban Affairs Committee (2015^[31]), (2015), *Indigenous Policy Framework for The City of Calgary*, <http://www.calgary.ca/CSPS/CNS/Documents/CAUAC/Indigenous-Policy-Framework.pdf> (accessed on 30 April 2019).

Indigenous-municipal agreements

Finally, there are a growing number of Indigenous-municipal agreements across Canada. For example, a 2011 review of such agreements in the Province of British Columbia by Nelles and Alcantara found around 100 of which there were four main types:

- *Relationship building* (37% out of total sample): General statements that seek to improve municipal/regional relationships with First Nations. These documents often reference the importance of mutual recognition and respect as a basis for the partnership and contain commitments to transparency and communication.
- *Focussed on decolonisation* (11% out of total): A variant of the broader relationship-building type with the goal of establishing long-term cooperative relationships between local/regional and First Nations authorities. Decolonisation explicitly recognise that the First Nation signatories historically occupied the lands that are now under the administration of municipal and/or regional authorities.
- *Capacity building* (1%): Commit local or regional authorities to help First Nations establish and develop their governing structures
- *Focussed on jurisdictional negotiation* (49% out of total): All agreements that involve the transfer of responsibilities for service, infrastructure, resources and/or territory that lie within the jurisdiction of one party to the other and any agreements that result in shared jurisdiction in those areas (Nelles and Alcantara, 2011^[32]).

The relative lack of capacity building agreements in this BC sample is notable. Such agreements could be an important part of developing a shared vision for economic development, but are uncommon. The use of shared service and infrastructure agreements is however very positive and national organisations such as the Federation of Canadian Municipalities have developed resources to support their establishment (e.g., developing shared service agreement templates).

While larger Canadian cities are adopting some notable practices, smaller municipalities and towns in rural areas often have less structured engagement with Indigenous communities. While they may be functionally connected to Indigenous communities, there can be policy gaps in terms of how municipalities engage with Indigenous communities and how services and infrastructure are provided/connected to them. Smaller administrations often have less capacity to work across functionally interconnected territories. This is a common challenge and one that public policies can help to address by for example, incentivising joint co-operation through funding programmes.

Coordinating across levels of government and strengthening multi-level government relations

Vertical coordination and alignment between the provinces and federal level are needed and yet there are few formal mechanisms to achieve this. Much depends on good will between the parties involved. Political interest and support is absolutely critical to the success of these initiatives.

There is no one monolithic mechanism to address these issues. Different types of agreements and ways of working evolve and are connected to place-based dynamics, Indigenous rights, history and identity, and the political imperatives of governments. See for example the Mi'kmaq-Nova Scotia-Canada Tripartite Forum which was founded in the late 1990s in order to strengthen relationships and resolve issues of mutual concern affecting Mi'kmaq communities—the manner in which this forum involved all FNs within a single province is unique (Box 5.4).

Box 5.4. The Mi'kmaq-Nova Scotia-Canada Tripartite Forum

The Mi'kmaq-Nova Scotia-Canada Tripartite Forum is a unique governance model. Formed in 1997 as a partnership between the Nova Scotia Mi'kmaq, the Province of Nova Scotia and the Government of Canada, the group works to strengthen relationships and to resolve issues of mutual concern affecting Mi'kmaq communities (Tripartite Forum, 2018^[33]). This includes a focus on enhancing legal clarity on rights issues and reducing social and economic disparities. One of the Forum's successes has been the Mi'kmaq Kina'matnewey education programme; there are presently 11 band run schools in Nova Scotia, more than half of the teachers are Mi'kmaq. Educational attainments rates have been growing and Atlantic Canada now has the highest rate of aboriginal students attending university in Canada.

The Mi'kmaq-Nova Scotia-Canada Tripartite Forum has seven committees – co-chaired by each party – one of which is the economic development committee which includes First Nations, higher education and training, business organisations representatives.⁹ The Economic Development Working Committee develops a yearly work plan and is required to submit year-end reports to the Steering Committee identifying the activities completed or underway. The focus of the work plan in 2017-2018 was Indigenous tourism development, addressing the Truth and Reconciliation Calls to Action, increasing access to procurement and supply chain opportunities both within Indigenous communities and the private sector, and increasing the capacity of Indigenous communities to undertake business planning and proposal writing.

The Economic Development Working Committee is a mechanism to build relationships and trust and share information. No one entity is responsible for Indigenous economic development in Nova Scotia. As such, the Tripartite Forum serves to help coordinate economic development programs for each First Nation including procurement between FNs. The Forum has laid a basis for dialogue and joint action.

Source: Tripartite Forum (2018^[33]), *Tripartite Forum – A partnership of: Mi'kmaq + Nova Scotia + Canada*, <https://tripartiteforum.com/> (accessed on 24 October 2018).

The federal government has a leadership role to play

The Canadian federal government's jurisdiction, legal obligations and commitment to nation-to-nation relations means that it has a leadership role in strengthening multi-level government-Indigenous relations. Previous chapters have recommended key actions in this regard including:

- Increasing the understanding, awareness and visibility of Indigenous economies through better statistics and data (Chapter 2).
- Implementing the concept of Free Prior and Informed Consent for land use and natural resource management, including integrated EA processes at the provincial level (Chapter 3).
- Coordinating with provincial/territorial governments on support for business development, community-led enterprises, skills training; expanding Aboriginal procurement strategies; and strengthening the role of Canada's RDAs in Indigenous economic development (Chapter 4).

One of the central issues to tackle is coordinating public investments across levels of government. There are currently some mechanisms to co-ordinate public investment across level of government with Indigenous communities, but these processes are not well aligned between levels of government—there are information gaps and economies of scale are not being realised (see Annex 5.A for assessment). There are also major power asymmetries between subnational governments and Indigenous communities to overcome for such co-ordination. To this end, the Government of Canada could:

- Strengthen its engagement with provinces to coordinate investments and realise economies of scale in the provision of infrastructure and services.
- Use formalised agreements between levels of governments and Indigenous communities to address issues of strategic importance and monitor their implementation.

Improving engagement and participatory decision-making

The duty to consult

Engagement can take many forms—from informing to empowering

Effective practices of engagement between federal, provincial and municipal governments, industry/businesses and Indigenous communities are critical for strong place-based policies in support of economic development.

Engagement practices can take many forms, with implications for the power of decision making of the actors involved. In 1969, Sherry Arnstein illustrated this concept succinctly with the “ladder of citizen participation” which specifies different ‘rungs’ indicating the degree of participation—from non-participation to some degree of participation, for instance through information or consultation to opportunities for exerting agency though making decisions in partnerships, delegated power or citizen control (Arnstein, 1969^[34]). This framework has since been revised by the International Association for Public Participation (IAP2). It serves as a useful way to conceptualise the levels of Indigenous engagement, as well as its challenges.

The least intensive forms of engagement are those that seek to simply ‘inform’ whereby information is shared in a one directional manner with no opportunity to impact decision making or change outcomes. In contrast “consulting” entails an exchange of views, while ‘involving’ means that the input of Indigenous peoples may shape the final output. ‘Collaboration’ on the other hand entails shared decision-making power, while ‘empowering’ places full decision-making power in the hands of Indigenous peoples or communities.

Different forms of engagement are needed for different purposes. It is neither desirable nor feasible to structure all forms of engagement along the right side of the spectrum (see Table 5.3 below). In some cases, informing or consulting is appropriate where the issues or impacts on an Indigenous community are minor. For substantive projects or changes to policies and legislation, co-development or empowerment is appropriate.

Table 5.3. IAP2s Public Participation Spectrum adapted for Indigenous peoples

	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place the final decision-making in the hands of the public.
Application to the Indigenous context	One-way relationship, Indigenous peoples are informed on new policies or developments.	Two-way relationship, Indigenous peoples are invited to present their opinion on specific topics but no obligation to take views into consideration in the final outcome.	Indigenous peoples are involved in all aspects of the policy circle, their input is reflected and considered in the final output.	Indigenous peoples, share the decision-making power with non-Indigenous counterparts through memoranda of understanding or joint-management agreements.	Indigenous peoples have full decision-making power over a certain service or matter.

Source: IAP2 Federation (2019^[35]), *IAP2's Public Participation Spectrum*, https://www.iap2.org.au/Tenant/C0000004/00000001/files/IAP2_Public_Participation_Spectrum.pdf (accessed on 24 January 2019).

The legal duty to consult and accommodate demands actions from all governments—this has been inconsistent in Canada

Indigenous communities are not just stakeholders, but are *rights holders* and as such, engagement practices need to be structured to meet these obligations. Since 1982, Canada's *Constitution Act* recognises and affirms “existing aboriginal and treaty rights,” (including modern treaties and the Royal Proclamation of 1763) and a series of Supreme Court of Canada (SCC) and lower court cases have given substance to the recognition of these rights and their implications for decision-making on a wide range of activities—e.g., regulatory project approvals, licensing and authorisation of permits, operational decisions, policy development, negotiations. The Government of Canada has a duty to consult, and where appropriate, accommodate Indigenous groups when it considers conduct that might adversely impact potential or established Aboriginal or treaty rights. This interpretation of rights is ongoing as new cases arise—e.g., the land claim rights of Métis in Manitoba.

The duty to consult and accommodate, where appropriate, has been bolstered by the 2007 UNDRIP a non-legally binding instrument which sets out the principle of free, prior, and informed consent (FPIC) as an international norm that *ought to* guide relations between Indigenous peoples and States in a number of areas. The Canadian government does not recognise FPIC principles as a veto right against resource development and administrative and legislative decision-making (Assembly of First Nations, 2019^[36]). The implementation of FPIC requires the dedication of all levels of government; provinces/territories in particular have been slow to respond. The Government of British Columbia's has committed in its 2019 Throne speech to being the first province in Canada to introduce legislation to implement UNDRIP and has promised to co-develop legislation with the First Nations Leadership Council and other Indigenous organisations. This builds on the work of existing shared decision-making protocols (Box 5.5).

To demonstrate Canada's commitment to address issues of Aboriginal consultation and accommodation, a federal Action Plan was announced in November 2007. The Consultation and Accommodation Unit (CAU) was established within Aboriginal Affairs and Northern Development Canada (AANDC) in early 2008 to implement the Action Plan. CIRNAC is the touch point across the federal government on how to deliver effective consultations. This includes:

- Delivering training to federal departments on Indigenous rights, the scope of consultation and extent of accommodation required and how to design and deliver meaningful consultation processes. Thousands of federal employees from all government departments and agencies have received such training.
- Develops guidelines on the duty to consult.
- Coordinates with federal departments and agencies on consultation protocols for a whole-of-government approach to consultation and accommodation, and manages the repository of consultation protocols across Canada and MOUs (INAC, 2019^[37]).

At the working level, there is a Consultation and Accommodation Interdepartmental Team with representatives from 14 federal departments and agencies that meets to discuss policy and operational issues and coordinate consultation efforts. The team evaluates ideas and presents suggestions for government departments and agencies as they encounter new challenges related to the duty to consult.

Provincial/territorial governments across Canada (and a growing number of municipalities) have also developed protocols on how to consult and engage with Indigenous peoples on matters that impact them and there are detailed guidelines and protocols on matters that impact Indigenous lands.

Facilitating this work, the Canadian Government maintains the Aboriginal and Treaty Rights Information System—a web-based, geographic information system that locates Indigenous communities and displays information relating to their potential or established Aboriginal or treaty rights.¹⁰

Implementing the principles of free, prior and informed consent—a work in progress

Guidelines are more formalised on matters related to land rights and large infrastructure investments such as Environmental Assessment procedures and Canadian courts have ruled as to whether governments and industries have structured these engagement practices adequately. Two key points here are that:

- The Supreme Court of Canada has confirmed that Aboriginal title gives the holder the right to use, control, and manage the land and the right to the economic benefits of the land and its resources.
- The Indigenous nation, as proper title holder, decides how to use and manage its lands for both traditional activities and modern purposes, subject to the limit that the land cannot be developed in a way that would deprive future generations of the benefit of the land (Department of Justice, 2019^[38]).

Projects on Aboriginal title lands can be halted where the duty to consult has been inadequate—as was recently ruled for the expansion of the Trans Mountain oil pipeline.¹¹ Chapter 2 provides a discussion of environmental decision-making and recommendations to implement FPIC.

The government of Canada is presently undertaking discussions with Indigenous communities and organisations on the creation of new “rights-based approaches” which aim to give effect to UNDRIP articles related to self-determination, self-government and models of governance (FMB, 2018^[39]). This is a promising development, but it will only be successful if provincial/territorial governments also support and implement these principles as they control important aspects of environmental licencing, industry, and infrastructure and other matters important to Indigenous peoples.

While issues relating to land and how it is used are central to Indigenous community economic development, they are not the only matters of importance. There are a wide range of policies at all level of government that impact Indigenous communities and that could be better designed with them in mind—from public procurement policies, to business services and training and industry promotion events (e.g., tourism, forestry). Governments and industries should not just focus on statutory obligations for Indigenous engagement but instead include Indigenous voices as a part of the everyday policy process where possible, while respecting how frequently and the extent to which Indigenous peoples wish to engage on the topics that matter to them.

Box 5.5. Kunst’aa guu-Kunst’aayah Reconciliation Protocol with British Columbia

A wide range of government activities could be bolstered by an Indigenous perspective on economic development. The Haida Nation has negotiated a unique agreement with British Columbia, the Kunst’aa guu-Kunst’aayah Reconciliation Protocol that provides that decision-making is truly shared. The protocol is supported by provincial legislation, the Haida Gwaii Reconciliation Act (Government of British Columbia, 2019^[40]). Both provide that there is shared decision-making on Haida Gwaii (a number of small islands off British Columbia’s west coast) through the Haida Gwaii Management Council.

The Haida Gwaii Management Council consists of two members appointed by resolution of the Haida Nation after consultation with British Columbia, two members appointed by the lieutenant governor in council after consultation with the Haida Nation, and a chair appointed both by resolution of the Haida Nation and by the lieutenant governor in council. A decision of the council must be made by consensus of the members, and failing consensus, by a majority vote of members. The council has an important governance role with respect to forest management, protected areas, and heritage and culture.

Source: British Columbia Assembly of First Nations (2014^[41]), *Governance Toolkit - A Guide to Nation Building*, <http://www.bcafn.ca> (accessed on 15 October 2018).

With whom to consult?

A central part of designing effective engagement strategies is knowing whom to consult with. This is not entirely straightforward when it comes to Indigenous peoples in Canada. Indigenous governments include band governments with different degrees of autonomy and Indigenous governments that have been created through negotiation of a comprehensive land claim agreement (a modern treaty).¹² However there are also hereditary chiefs in some parts of Canada who speak for their Bands. There are ongoing cases in Canada where FNs Bands have given approval for major infrastructure/energy projects on their lands but where the hereditary chiefs have not (see case of Gidumt’en Clan in Smithers, B.C. regarding the Coastal GasLink pipeline project). Canadian governments

have no agreement on the rights of hereditary chiefs and it is likely that this issue will be left to courts to adjudicate.

Modern Treaties provide greater clarity regarding the duty to consult. They include specific provisions concerning consultation, and provide a process on how to consult. The modern treaties were also signed by beneficiary or representative organisations—the legal entities that administer the terms of the agreement on behalf of the Indigenous parties to the agreement. They increasingly speak as the voice of their citizens and members as a collective; however, this role is not always appreciated by the communities themselves and can be a matter of contention. There are also hundreds of Indigenous organisations and political advocacy organisations across Canada, many of which consult with governments.

This is a rich institutional landscape involving many actors who do not speak with one voice. Public policies and investments on Indigenous lands need to develop ways of meaningfully engaging with this diversity of voices. This is complex, and involves overcoming inherent power asymmetries and yet it is fundamental to the successful implementation of FPIC principles. The question of whom to consult depends on the issues involved and the legal requirements therein. But in some cases, it remains unclear and unresolved. The federal government has a major role to play in identifying the relevant partners in engagement and helping to structure practices across levels of government. The Crown has a duty to consult and, where appropriate, accommodate when the Crown contemplates conduct that might adversely impact asserted or established Aboriginal or Treaty rights.

From guidelines to structured engagement practices

What makes for ‘good’ engagement practices? The basic principles for effective and meaningful engagement with Indigenous peoples and communities are well established and include:

- Relationship building based on trust, recognition and respect, including acknowledging the inherent rights of Indigenous Peoples.
- Timely communication and knowledge exchange, including engagement at an early stage of a project/ongoing engagement.
- Respect for Indigenous Knowledge, perspectives and community interests and ambitions.
- Adhering to ethical data protocols and confidentiality based on informed consent.
- Clearly articulating how information will be used, how it will impact and inform decisions making.

Governments and industries have a wide variety of ‘good practice’ guidelines for engagement with Indigenous peoples/communities and there are training and certification courses offered across Canada on this topic.

In some cases, these types of engagement guidelines are evolving into more structured practices which set out how communities want to be engaged on their own terms. For example, some Indigenous groups have started to develop their own consultation protocols and have signed individual agreements with the federal or provincial governments (see Box 5.6). This is an important step in clarifying roles, responsibilities and obligations of different parties in the engagement process. Individual agreements between Indigenous Groups and the government are an important opportunity to define consultation agreements

based on the local needs and circumstances and enable Indigenous peoples to set their own standards in co-operation with the government. At the same time, bespoke agreements that advance quicker than the federal government’s renewal process will lead to the application of different consultation standards.

Box 5.6. Canadian Consultation/Reconciliation Agreements Mississaugas of the New Credit – Federal Government

In 2018, the Mississaugas of the New Credit, a southern Ontario First Nation, have strengthened their relationship with the Federal Government through the signature of a consultation protocol agreement. The protocol sets out a clear process for fulfilling Canada’s duty to consult with the Mississaugas of the New Credit First Nation and establishes the parties’ respective obligations. It is designed to promote more effective and efficient engagement, defining the following aspects:

- Procedure for giving notice of projects.
- Outline of the consultation process, including for Aboriginal title claims.
- Elements for successful resolution.
- General information, including improvements and changes to the protocol.
- Funding provided by Canada.
- Confidentiality.

Leading up to the agreement, the parties established a Recognition of Indigenous Rights and Self-Determination discussion table and signed a Memorandum of Understanding defining the nature of their collaboration.

Source: CIRNAC (2019^[42]), “Canada and the Mississaugas of the New Credit First Nation forge new relationship with signing of consultation protocol”, <https://www.canada.ca/en/crown-indigenous-relations-northern-affairs/news/2018/09/canada-and-the-mississaugas-of-the-new-credit-first-nation-forge-new-relationship-with-signing-of-consultation-protocol.html> (accessed on 4 May 2019).

Relationship building matters

Trust and understanding are built over time and are fundamental to effective relations. This is not just a key issue for engagement practices but underpins successful relations more generally. This has been repeatedly raised by the communities interviewed as part of this study as one of the most important issues for them.

Understanding the culture of Indigenous communities is essential for policy making. Mainstream legislative regimes generally do not incorporate culturally appropriate language and considerations to strengthen and leverage the commercialisation of Indigenous traditional knowledge into the Canadian economy. Some key policy and regulatory challenges include the lack of a broad-based understanding of culture sensitivities and social issues related to systemic racism and the presence of a traditional economy for Indigenous people and the role these factors have in the active participation of the Indigenous population in the mainstream economy. Policy and regulatory regimes often do not reflect the presence of a traditional economy that Indigenous people are engaged in. This may have an impact on their availability or ability to participate in the mainstream labour force in a manner that may differ in terms of social norms, schedules,

etc. There is also a need to consider the impact of systemic racism in society such as off-reserve businesses not hiring Indigenous people.

Effective relationship building has implications for how governments train, mentor and support their staff to work with Indigenous communities. Spending time in communities to understand their interests and ambitions is fundamental (Liao, Orser and Riding, 2018^[43]). Travel is an essential part of the job. While this has been quite well established within federal and provincial/territorial departments dedicated to Indigenous affairs, it is far less established as a practice in sectoral departments. This needs to change. Moreover, it is critical that policy makers (and not just programme officers) travel to meet Indigenous leaders in their communities, should this be desired and welcomed, in order to understand the issues they face since in order to learn how to improve programmes and services.

Beyond this, Indigenous communities report that staff turnover can be very detrimental to relationship building. Changing positions is a normal part of career development in bureaucracies, but is challenging from the perspective of relationship building with Indigenous communities. The Government of Canada should:

- Examine how staffing and retention strategies can support career progression and employee training while reducing employee turnover for those who have established ties with the Indigenous communities.
- Where there is staff turnover for individuals who work closely with Indigenous communities, every effort should be made to plan for those leaving their positions to overlap with incoming staff in order to help train/mentor them and establish relations.

The government of Canada has a leadership role to play in improving engagement practices

The Government of Canada has committed itself to Reconciliation with Indigenous peoples and to forging a nation to nation relationship. Developing effective engagement practices has been central to this and there are ongoing efforts to strengthen and improve these processes. This includes a wide range of activities, from ensuring that staff have the right cultural competencies, to aligning consultation processes across departments, implementing early engagement and perhaps most critically, working to strengthen the capacity of Indigenous communities to engage on their own terms (see next section). Front and centre of these efforts are the Government of Canada's 2018 *Principles respecting the Government of Canada's relationship with Indigenous peoples* aim to end the denial of Indigenous rights that led to disempowerment and assimilationist policies and practices (Department of Justice, 2019^[38]). They fundamentally assert that Indigenous nations are self-determining, self-governing, increasingly self-sufficient, and rightfully aspire to no longer be marginalised, regulated, and administered under the *Indian Act* and similar instruments (Box 5.7).

The government of Canada has established bilateral relationships with FNs and other Indigenous governments. But other levels of government together with industry are critical to the success of Indigenous communities. A lack of strong multi-level governance relations and inconsistent and inadequate engagement practices in many parts of the country has hindered Indigenous economic development.

Box 5.7. Principles respecting the Government of Canada's relationship with Indigenous peoples

In 2018 the government of Canada released the “Principles respecting the Government of Canada's relationship with Indigenous peoples.” The Principles are described as a necessary starting point for the government (Crown) to engage in partnership, and a significant move away from the status quo to a fundamental change in the relationship with Indigenous peoples. The ten Principles are a step to building meaning into a renewed relationship:

1. All relations with Indigenous peoples need to be based on the recognition and implementation of their right to self-determination, including the inherent right of self-government.
2. Reconciliation is a fundamental purpose of section 35 of the Constitution Act, 1982.
3. The honour of the Crown guides the conduct of the Crown in all of its dealings with Indigenous peoples.
4. Indigenous self-government is part of Canada’s evolving system of cooperative federalism and distinct orders of government.
5. Treaties, agreements, and other constructive arrangements between Indigenous peoples and the Crown have been and are intended to be acts of reconciliation based on mutual recognition and respect.
6. Meaningful engagement with Indigenous peoples aims to secure their free, prior, and informed consent when Canada proposes to take actions which impact them and their rights on their lands, territories, and resources.
7. Respecting and implementing rights are essential and that any infringement of section 35 rights must by law meet a high threshold of justification which includes Indigenous perspectives and satisfies the Crown’s fiduciary obligations.
8. Reconciliation and self-government require a renewed fiscal relationship, developed in collaboration with Indigenous nations, that promotes a mutually supportive climate for economic partnership and resource development.
9. Reconciliation is an ongoing process that occurs in the context of evolving Indigenous-Crown relationships.
10. A distinctions-based approach is needed to ensure that the unique rights, interests and circumstances of the First Nations, the Métis Nation and Inuit are acknowledged, affirmed, and implemented.

Source: Department of Justice (2019^[38]), *Principles Respecting the Government of Canada’s Relationship with Indigenous Peoples*, <https://www.justice.gc.ca/eng/csj-sjc/principles-principes.html> (accessed on 5 May 2019).

The government of Canada has a leadership role to play in improving engagement practices with Indigenous communities across all levels of government. To this end, the Government of Canada should:

- Establish cooperation regarding the Duty to Consult MOUs with all provinces and territories. The Government of Canada established an MOU on *Cooperation Regarding Duty to Consult* with the Government of Nova Scotia in 2012. Since that

time no other MOUs have been signed with provincial or territorial governments. Duty to Consult MOUs should be treated as living documents and coordination activities should be reported on yearly as part of departmental reporting. At present, the outcomes of the yearly work plan associated with the MOU is unclear.

- Act as a broker and to encourage provinces and municipalities to set up MOUs with First Nation, Inuit and Métis Communities.
- Share lessons and best practices on how to develop a whole-of-government perspective for more effective Indigenous engagement (to overcome policy silos).
- Champion the importance of investing in community capacity building activities across all levels of government so that Indigenous communities can more effectively advocate their interests and articulate their development objectives.

Increasing engagement in decision-making requires capacities for effective governance within Indigenous communities. Past policies have dismantled traditional Indigenous structures and this has eroded Indigenous community governance and leadership capacity, which poses challenges for participatory decision-making. As such, governments have a key role in strengthening the capabilities of Indigenous communities to deliver their own programmes and services and realise their economic development objectives (the subject of the following section).

Relationships with provincial and municipal governments are critical. These differ considerably across Canada. There are some promising practices to highlight. On August 31, 2010, the governments of Canada and Nova Scotia signed a historic agreement with the Mi'kmaq Nation, establishing a process whereby the federal and provincial government must consult with the Mi'kmaq Grand Council before engaging in any activities or projects that affect the Mi'kmaq in Nova Scotia. This covers most, if not all, actions these governments might take within that jurisdiction. This is the first such collaborative agreement in Canadian history including all First Nations within an entire province.

Community capacity and self-determination

Community capacity is fundamental to self-determination and to a renewed Nation-to-Nation relationship in Canada. Colonisation dismantled historical governance structures and replaced them with institutions dependent upon the state and/or religious organisations. Indigenous communities are working to overcome this legacy by developing quality leadership, strong corporate governance, and sound financial management and sustainable practices.

The path from self-administration to self-government is shaped by matters of jurisdiction, government form and function, revenue generating abilities, accountability relations and intergovernmental relations (Table 5.4). In recognition of this, the Government of Canada is shifting many of its policies and practices to strengthen the capacity and agency of Indigenous communities. Self-determination is the goal, but there are several pathways to get there. In many cases, paternalistic policies remain in place while in others, policies are increasingly support the agency and decision making of Indigenous communities. This is a large topic with many dimensions. This section focuses on three key aspects: i) fiscal relations; ii) strategic planning; and iii) building scale and regional alliances.

Table 5.4. Self-administration versus self-government

Self-Administration		Self-government
Is largely limited to management decisions within programmes	Jurisdiction	Ranges from decisions about governmental form and resource use to intergovernmental relations, civil affairs and development strategies
Is typically shaped or imposed by outsiders, usually the federal government	Governmental form	Is designed by Indigenous Nations
Are to administer social programmes and to distribute jobs, resources and money to citizens	Core governmental functions	Are to establish constitutional foundations for government and self-determined development; make and enforce laws; make and implement policy decisions; provide for fair and non-political dispute resolution; administer programmes
Is largely from other governments; efforts to increase revenue focus on lobbying for additional transfers of funds	Revenue	Is from diverse sources (may include transfers); efforts to increase revenues focus on various options under Indigenous control (e.g. tribal enterprises, permits and fees, taxation)
Typically goes in one direction, having to do with community accountability to funders for how funds are used and for permission to act	Accountability	Goes both ways, having to do with Indigenous nations' accountability to their own citizens for governing well, their accountability to funders for how funds are spent and outside governments' accountability to Indigenous Nations for policy decisions
Requires consultation; the assumption is that other governments know what is best for First Nations, and should at least talk to them about it	Intergovernmental relations	Are partnerships (decisions made jointly where joint interests are involved); the assumption is that Indigenous Nations and other governments can work together in a relationship of mutual respect to determine what is best for both

Source: Adapted from Cornell, S. (2007^[44]), *Remaking the Tools of Governance: Colonial Legacies, Indigenous Solutions: Strategies for Governance and Development*, <https://arizona.pure.elsevier.com/en/publications/remaking-the-tools-of-governance-colonial-legacies-indigenous-sol> (accessed on 29 October 2018).

Improving fiscal relations

FNs own source revenues (OSR) are growing and Canada's opt-in legislation is being used by some FNs to increase their jurisdiction over fiscal matters. Nationally, OSR is about one-fifth of the total revenue of First Nations governments (see Chapter 2). But, funding from the federal government remains absolutely critical and as such, national funding programmes structure FNs in investments, programme delivery and governance. Table 5.5 provides an outline of the key federal programmes important for community economic development. These programmes are of five main types:

1. Support for governance and administration.
2. Community preparedness for economic development opportunity (focus on natural resources).
3. Infrastructure, housing and energy investments.
4. Strategic planning and land management.
5. Indigenous advocacy and rebuilding nations.

Table 5.5. Key federal programmes for Indigenous community economic development

Programmes name	Focus	Funding type
Band Support Funding	Helps First Nations with the costs of local government and with administering services	Yearly grant
Community Opportunity Readiness	To address the financial needs of Aboriginal communities when they are in pursuit of, and wish to participate in, an economic opportunity	Project based
First Nation Infrastructure Fund	Supports infrastructure projects for which there are long-standing community needs	Project based
First Nation On-Reserve Housing Program	To provide more and better-quality housing in First Nation communities in Canada (excludes BC)	Annual funding allocation. Does not cover full housing costs.
First Nations Land Management Regime	Assists First Nations in implementing their own land management outside of the <i>Indian Act</i>	i) developmental funding, ii) transition funding; ongoing operational funding
Indigenous Representative Organizations - Basic organisational capacity funding	Basic organisational capacity funding towards the core operations of national, provincial, territorial and/or regional representative Indigenous organisations and national Aboriginal women's organisations representing the interests, issues, and concerns of their members.	Proposal based
Lands and Economic Development Services Program	Supports community economic development planning, capacity development initiatives and proposal development, development of land codes, individual agreements, land management systems and environmental agreements	Operational and project-based funding
Nation Rebuilding Program	Funding support for activities facilitating Indigenous groups' own path to reconstituting their nations.	Five-year contribution agreements
Northern Responsible Energy Approach for Community Heat and Electricity Program	Funds renewable energy and energy efficiency projects, and related capacity building and planning in northern Canada	Project based
Professional and Institutional Development Program	Funds projects that develop the capacity of communities to perform ten core functions of governance	Proposal based
Reserve Lands and Environment Management Program	Provides targeted funding for lands and economic development support services	Project based
Strategic Partnerships Initiative	Provides targeted funding for lands and economic development support services particularly in the natural resource sectors	Led by federal government departments

Source: CIRNAC/ISC (2019^[45]), *Funding Programmes*, <https://www.aadnc-aandc.gc.ca/eng/1425576051772/1425576078345> (accessed on 5 May 2019).

Most funding programmes are project-based which means that FNs need to put together proposal that are then assessed by the federal government. In the case of infrastructure, housing and energy investments, one of the reported challenges with these programmes is that they can have short timeframes over which the funds need to be used. In northern environments, it can be very difficult to deliver projects in the required timeframes—also, the construction costs in northern climates are much higher. Some programmes (e.g., infrastructure allocations) underfunded relative to need. First Nations reserves face an estimated infrastructure gap of around \$30 billion and current funding amounts are inadequate (CBC News, 2018^[46]). This also means that FNs compete with one another for limited funds, which breeds resentment.

Funding formulas can also generate a disincentive for development. For example, the band support funding is meant to provide a stable funding base to facilitate effective community governance and the efficient delivery of services. Funding declines relative to the value of major capital projects and the number and value of federal, provincial, and territorial agreements.¹³ This can make transitions to economic independence challenging from one year to the next. This could be remedied by building lead time into funding formulas in order to support fiscal transitions.

Over the past few years there have been efforts to streamline programmes. For example, five community-based economic and land management support programmes were combined into the Lands and Economic Development Services Program. This is positive; but it remains that face very high reporting requirement and administrative burdens which are increased by a reliance on project based funding (OAG, 2011_[47]).

Beyond these programme funds, annual contribution agreements concluded between the federal government and some First Nation communities. These short-term arrangements typically cover about 80% of operating costs, leaving communities to find other revenue sources to top-up their operating budgets. The shortfall exacerbates the challenge of providing public necessities such as roads and public buildings on jurisdictions and leaves inadequate funds to maintain existing infrastructure (Cafley and McLean, 2016_[48]). Until recently there was a 2% cap on increases to funding transfers to First Nations communities which contributed to this underinvestment.

Box 5.8. Canada's First Nations Fiscal Management Act

The *First Nations Fiscal Management Act* (FNFMA) is opt-in legislation that provides an innovative, First Nations-led legislative and institutional framework to enable First Nations to exercise jurisdiction over fiscal matters, including financial management, local revenue generation, and financing of infrastructure and economic development. The Act created three institutions to oversee the regime and support First Nations which are exercising powers under the legislation.

- The First Nations Tax Commission (FNTC) is a shared-governance corporation that regulates and streamlines the approval of property tax and new local revenue laws of participating First Nations, builds administrative capacity through sample laws and accredited training, and reconciles First Nation government and taxpayer interests.
- The First Nations Financial Management Board (FNFMB) is a shared-governance corporation which assists First Nations in strengthening their local financial management regimes and provides independent certification to support borrowing from First Nations Finance Authority and for First Nations economic development.
- The First Nations Finance Authority (FNFA) is a non-profit corporation that permits qualifying First Nations to work co-operatively in raising long-term private capital at preferred rates through the issuance of bonds, and also provides investment services to First Nations.

Source: Excerpt from Government of Canada (2019_[49]), *First Nations Fiscal Management*, <https://www.aadnc-aandc.gc.ca/eng/1393512745390/1393512934976> (accessed on 27 October 2019).

A new fiscal relationship with First Nations—from project planning to strategic investments

It is very challenging to plan the development of a community on the basis of project and year to year funding. In recognition of this, in 2017, the Canadian Government and the Assembly of First Nations signed a memorandum of understanding (MOU) to develop a new fiscal relationship. The MOU focused on three issues:¹⁴

- *Providing more funding flexibility to support effective and independent long-term planning.* The Government of Canada is proposing to work with First Nations Financial Institutions and the Assembly of First Nations on the creation of ten-year grants for communities determined by First Nations institutions to be ready to move to such a system. Participating communities would commit to reporting to their own members on their priorities and targets and on a common set of outcomes outlined in an accountability framework.
- *Replacing the default prevention and management policy with a new, proactive approach that supports capacity development.* This approach would be based on current pilot projects, which are being conducted with the First Nations Financial Management Board.
- *Establishing a permanent Advisory Committee to provide further guidance and recommendations on a new fiscal relationship.* Taking into account regional interests, the Committee would help shape strategic investments, propose options to address the sufficiency of funding, including a New Fiscal Policy model, and could co-develop an accountability framework supported by First Nations-led institutions. This would streamline reporting mechanisms and support First Nations in their primary responsibility of reporting to their citizens. It would also include an outcome-based framework aligned with United Nations Sustainable Development Goals, including key well-being and socio-economic markers to measure progress in closing gaps (Indigenous Services Canada/The Assembly of First Nations, 2017_[50]).

The Canadian Government is implementing the principles of this agreement through its *Collaborative Self-Government Fiscal Policy* led by Crown-Indigenous Relations and Northern Affairs Canada. The initiative aims to create a framework for fiscal arrangements that is transparent, flexible and enables First Nations to deliver services that help close gaps in socio-economic outcomes between Indigenous and non-Indigenous peoples.

The OECD agrees with this approach: the creation of ten-year grants will help FNs deliver sound investments strategies based on their own strategic priorities; a capacity building model is needed for FNs facing financial constraints; and requirements for financial transparency should not only be one directional towards the federal government, but should engage community members and support sound governance and accountability.

Strategic planning and community development

‘Where are we, where do we want to be, how do we get there and how well are we doing?’ These are the central questions that communities need to ask themselves regarding their social, cultural and economic development. Strategic planning (or comprehensive community planning) can start these conversations and manage a community’s (or communities’) development ambitions on an ongoing basis. This type of planning can take several forms. It may, for example, entail a vision of the future and a series of short, medium

and long-term development goals that have been elaborated on the basis of community engagement. Typical components include: i) an overview of a community's mission, vision and values; ii) an analysis of the current state of affairs (e.g., community challenge, assets and opportunities), iii) strategic priorities, and iv) prioritisation for actions.

Strategic planning is used by municipalities of all sizes and rural communities across the OECD but it is of particular importance for Indigenous communities in Canada given the role of community economic development corporations and the importance of community consent for business development on Indigenous lands. Strategic plans also send an important signal to potential investors or business partners on the community's development interests and terms of engagement. They are a key tool to support community economic development and are used to direct the work of FN governance (chief and council), prioritise activities and form basis for all other plans.

Strategic plans can be elaborated by a single community or a connected set of communities. They are meant to tackle a community's development in comprehensive terms and are linked to sectoral strategies. Developing a strategic plan can be time consuming and often requires specialised skills such as community asset mapping, knowledge and use of environmental indicators, land use planning and knowledge of government regulations across different sectors (e.g., natural resources management, health). Few communities visited over the course of this study had detailed strategic plans, but those that had undertaken this exercise (e.g., Missisaguas of New Credit FN in Ontario) found them to be a critical tool to galvanise action and prioritise investments.

Canada has developed an excellent strategy for Indigenous Community Development—now it needs to fund it and implement it

The government of Canada presently supports strategic community planning in a number of ways. Shifting from a project-based approach and towards block or longer-term funding which is linked to strategic planning for First Nations is key to this approach. Another fundamental part of it is the *Indigenous Community Development National Strategy*. Led by ISC and CIRNAC and co-developed with Indigenous advisors the strategy supports community development through a holistic, strength-based, and community-led process with the principles of cultural competence and respect for Indigenous knowledge at its core. The strategy rests on four pillars;

- Pillar 1: Community-driven, nation-based planning initiatives and capacity building.
- Pillar 2: Indigenous community-to-community learning by identifying.
- Pillar 3: Building and strengthening collaboration and partnerships within and across government departments to implement priorities identified by Indigenous communities.
- Pillar 4: Strengthen government's awareness of cultural diversity.

The strategy includes Comprehensive Community Planning Program (CCP)—a tool to support strategic planning. To date, approximately one-quarter of First Nations, or 162, have Comprehensive Community Plans. The plans typically cover areas such as Governance, Land and Resources, Health, Infrastructure Development, Culture, Social, Education and Economy (INAC, 2016^[51]). Such plans are more common in some parts of the country than others. For example, strategic community planning has been well-used by FNs across British Columbia and there is an established mentoring programme for

communities that have gone through this process to share leading practices (INAC, 2016^[52]).

Comprehensive Community Planning includes the development of goals, objectives and a plan of action to work towards fulfilling the community's vision and can include elements of social, economic and physical environments. Planning supports communities as they develop their short, medium and/or long term plans that identify key priorities in the areas of health, family and education, employment, land and environment, infrastructure and housing, governance, and culture, as determined by the communities themselves, all of which are interrelated and interdependent. This is a pivotal tool to inform national and sub-national plans. It is a community-led process that enables an entire community to build a roadmap to sustainability, self-sufficiency and improved governance capacity.

Indigenous-led CCP increases the likelihood that community initiatives are developed from within the community that will guide decision-making regarding community priorities. The CCP becomes a foundation, building upon strengths and existing plans and work that has already been done. It becomes a basis for next steps, like more technical land use planning or advancing a treaty process. It manages the cumulative effects of development, moving beyond the reactive.

This strategy has been thoughtfully conceived and is grounded in a place-based approach to community led development. It complements Canada's ambitions to forge a new fiscal relationship—one element reinforces the other. It also includes much-needed mechanisms to strengthen multi-level governance and place-based policies. It is designed such that regional offices will foster partnerships and new relationships with the Indigenous communities and other partners within their regions. Finally, it proposes Indigenous community development mentors across Canada who would support the expansion of community-to-community learning into other sectors (housing, economic and social development). These are incredibly important initiatives to that establish new ways of working based on community-led prerogatives. However, the Strategy, including CCP, remains unfunded.

The government of Canada could strengthen its support for strategic community planning by:

- **Funding the implementation of the *Indigenous Community Development National Strategy*.** Canada's lead departments for Indigenous affairs have committed themselves to implementing the strategy; funding is needed to set this place-based and capacity building approach into action.
- **Increasing access to strategic planning services offered by NIOs for non-*Indian Act* First Nations.** Presently the First Nations Fiscal Management Act (FMA) only permits access to FMBs services for *Indian Act* First Nations.
- **Expanding the role of IFIs to include support for strategic planning activities.**
- **Simplify the community and infrastructure planning framework for First Nations (consolidate planning requirements), and providing support for multiple First Nations communities to undertake joint community and infrastructure planning.**
- **Incentivising collaboration between First Nation communities, provinces and municipalities.** Municipalities generally have a poor understanding of adjacent First Nations communities. There are good examples of cooperation, but some kind of third-party facilitation is often required. For example, the Community Economic

Development Initiative provides funding for facilitation and technical support for joint planning between First Nations and local municipalities (e.g., waste management). This project-based funding makes joint planning possible, but it does not set a strong incentive to do so.

Box 5.9. Supporting Indigenous-led local development: Australia

The *Empowered Communities Plan* (2013) is a nation-wide initiative in Australia that provides an example of supporting Indigenous-led local development (Empowered Communities, 2018^[53]). The programme focuses on supporting Indigenous authority and responsibility to empower local Indigenous leaders to create and drive solutions according to their communities' needs. Indigenous leaders from eight remote, regional and urban communities across Australia developed the programme in collaboration with the federal government. To drive the implementation of the Indigenous Empowerment policy on the ground, each region establishes development agendas. The five-year development agendas are prepared by the Indigenous people of an Empowered Communities region and require the communities to commit to conditions including school attendance, participation in work and addressing alcohol and drug offences.

Another example is the Northern Territory Governments' Local Decision-Making Initiative that was launched in 2017 and aims to transfer government service delivery to Aboriginal people and organisations based on their community aspirations. The ten-year plan sets out to build strong Aboriginal governance capable of driving local solutions to local problems. The Northern Territory government and Indigenous communities work together to develop bespoke pathways focused on each community for instance including housing, local government, education, training and jobs, healthcare, children and families as well as law and justice. This is done building on already existing structures and only if strong community support is secured (Northern Territory Government, 2017^[54]).

Depending on the needs of the community, they can decide on the level of control they want to exercise over certain services, providing them with the option to take over control of otherwise government-run services. This signifies a first step towards enabling more self-determination, acknowledging that communities are best placed to understand their needs and respecting their connection to country and cultural fit. Essential for both these programmes is that they do not duplicate each other and establish competing programmes initiated by different levels of government, in this case, the federal and the territory level. Consequently, incentives for community planning should not be solitary policies having an effect in isolated places but need to be sufficiently liked to and embedded in other, more mainstream regional plans and aligned across different government levels.

Sources: Empowered Communities (2018^[53]), *Our Journey*, <https://empoweredcommunities.org.au/our-journey/> (accessed on 24 January 2019); Northern Territory Government (2017^[54]), *What is Local Decision Making?*, https://dcm.nt.gov.au/_data/assets/pdf_file/0011/442289/local_decision_making.pdf (accessed on 23 September 2018).

Regional alliances between Indigenous communities

The final way that communities can build capacity is to form regional alliances with other communities. FNs across Canada has developed such regional associations that take on a range of roles (Box 5.10):

- Supporting governance and capacity building of FNs (e.g., accountability and financial management).
- Delivering services and programmes.
- Coordinating infrastructure investments.
- Business development.
- Advocacy and communications.

These types of organisations fill an increasingly important role in the communities they serve. There is a need for more regional support institutions that are non-profit and non-political. Presently when communities need this type of support, they often they hire consultants, which is expensive and creates a relation of resentful dependency.

The success of these types of regional entities hinges in large measure on their effectiveness communicating their programs and work on economic development to the member communities. In some cases, constituent FNs may view these regional bodies as solely service organisations, which should not take on political advocacy roles. But in other cases, such political advocacy is in fact the goal and may form part of an ongoing political project to reconstitute FNs.

The Royal Commission on Aboriginal Peoples recommended that Aboriginal nations need to be reconstituted and there is growing interest in such an approach. The basic unit of governance of a First Nations is a band, which is a creation of the *Indian Act*. Those who did not qualify for status in a band were excluded. Bands are often too small to be effective as a unit of government. Also, this structure has sometimes set up bands to compete with one another for resources and recognition (a fact which may be exploited by governments and industry). Each Nation has a common history, language and territory; if FNs work together as a Nation they can pool resources and know how to realise their development objectives. This is an ongoing political project which would change how FNs collectively voice their interests.

**Box 5.10. Examples of First Nations building scale for leadership and decision-making:
Canada**

St'at'imc Governance Services

One example for capacity building between Indigenous communities can be found in British Columbia, Canada. The St'at'imc First Nation, made up of 10 different 10 Nation Bands, formed a unified governance structure the St'at'imc Chiefs Council (SCC). The structure represents the original inhabitants of a territory that is located in the southern Cost Mountains and the Fraser Canyon region of British Columbia. While respecting the integrity and autonomy of each community, the council body is seeking to build collective strength through unification. Aside from protecting St'at'imc jurisdiction it seeks to foster and self-sufficiently and self-determination. In 2011 the St'at'imc signed a landmark agreement with a local electric distributor and the province to address grievances relation to construction and operation of hydro facilities. In the process the SCC set up the St'at'mic Government Services (SGS), which are crucial for advancing capacities in all member communities (St'at'mic Government Services, 2019^[55]).

SGS programs address capability gaps concerning organisational governance, financial management, human resources and leadership. This is done by developing their own manuals addressing each of the issues and three-year strategic plan that contains annual work plans and tools to track, demonstrate and evaluate organisational results. Specific examples with regards to capacity building include a skills inventory and gap analysis conducted in 2015. It identifies local employment demand and determines available skills at the community level. Further it provides recommendations and strategies to meet the skills required informing the development an education and training plan (St'at'mic Government Services, 2015^[56]). The nation has also set-up a scholarship program including post-secondary education, health careers, St'at'mic Language and Culture and St'at'mic Nation Capacity building for instance, Economic Development, Governance and Knowledge Management.

Mi'kmaq Nation

Prior to colonisation, the Mi'kmaq territory (Mi'kma'ki) covered Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland. Mi'kma'ki was divided into seven districts that was led by a District Chief. These Chiefs came together to form the Mi'kmaw Grand Council that governed the whole territory. Colonisation and settlement disrupted these traditional forms of governance. The primary form of governance for contemporary Mi'kmaw are reservations formed under the *Indian Act*.

Within Nova Scotia, Mi'kmaq First Nations are coming together to collaborate at larger scale. The Mi'kmaq Nation Economic Development Strategy was developed through the Tripartite Forum Economic Development Committee. It outlines five directions to strengthen and build the Nation:

- Assessing capacity of each community and the Nation to become economic development ready and establishing implementation and operational management plans, practices, decision-making processes, accountability and financial management.
- Planning business development opportunities for each community.
- Partnership development to work on business development and diversification, business agreements, community revenue and development, skills and capacity, meaningful employment and social well-being within the Nation.
- Lands and assets to ensure the Nation continues to invest in and preserve the Mi'kmaw culture, language and connection to the land and its resources, increase skills and employment, and develop strong leaders to reach the Nation's goals.
- Community led development by establishing clarified roles and responsibilities between communities, the Nation and support organisations, and, by revitalizing a culture of participation through prosperous individuals, communities and the Nation.

Matawa First Nations

Matawa First Nations was established in 1988, initially to provide a variety of services and programs in their First Nations. With time it has developed in a regional “powerhouse” that unites First Nations and helps them to support each other to pursue social and economic opportunities by focussing collective efforts and setting strategic priorities. Their

Corporation is structured along three Pillars. Firstly, the Matawa First Nations Management that runs a large variety of services and programs. This includes a Financial Advisory Services (capacity development in terms of governance, management and financial advisory, working with Band, Finance and Program Managers) as well as Economic Development (encouraging a diverse private sector and entrepreneurial culture, comprehensive community economic development planning), Ring of Fire Office (Coordinating Activities to help communities benefit from the ring of fire, information sharing on mining exploration, assists in negotiations). In addition they have two other structures, running operations in the profit and not-for profit sector. These are the not-for-profit Kiikenomaga Kikenjigewen Employment & Training Services (KKETS) and the Minawshyn Development Corporation that is engaged in regional development in relation to infrastructure, resource development and construction (see Chart below).

Matawa First Nations have a well-conceived mission and vision, defining their aims and values, as well as sound management processes. Overall, they aim to combine modern socio-economic development opportunities with traditional culture and heritage and are concerned with building capacity and economic prosperity fit their futures generations and aim to succeed in the national economy. Their three Values are 1) Work Together 2) Dynamic Sustainable Communities 3) Uphold Quality of Life.

Sources: own elaboration; St'at'mic Government Services (2019^[55]), (2019), *St'at'mic Government Services: Relationships, Mandate and Accountability*, <http://statimc.ca/wp/wp-content/uploads/2016/04/sgs-mandate-responsibilities-and-accountabilities-report.pdf> (accessed on 18 October 2018); St'at'mic Government Services (2015^[56]), *St'at'mic Skills Gap Analysis 2015*, <http://statimc.ca/wp/wp-content/uploads/2016/04/st-at-imc-skills-gap-analysis-2015.pdf> (accessed on 18 October 2018).

Notes

¹ The 1989 ILO Convention (No. 169) concerning indigenous and tribal peoples is binding on the 23 States that have ratified it. Canada has not ratified the Convention.

² Canada's lead department for Indigenous affairs has had several names over the years – the most recent iteration was Indian and Northern Affairs Canada (INAC).

³ See CIRNAC and ISC consultations on departmental reorganisation for the opinions of Indigenous organisations on this matter.

⁴ Based on an analysis of all Canadian federal departments and agencies by mandate, services and programmes important to Indigenous peoples and communities. Analysis based on ranking according to departments/agencies that are most important/relevant (35% out of total), less directly important/relevant (22% out of total) and not directly important or relevant (44% out of total) (N=200).

⁵ These agreements range from memorandums-of-understanding to provisions leading to substantial legislative amendments. As noted by Papillon (2012^[20]) these agreements “create contractual rather than jurisdictional obligations for the signatories... they do not alter the constitutional authority of provinces, let alone the federal government”.

⁶ Canada's Constitution lays out the jurisdictional boundaries between the federal and provincial governments. Section 91(24) gives full jurisdiction of Indians and lands set aside for Indians to the federal government who manages Indigenous affairs in accordance with the *Indian Act*.

⁷ Based on a pan-Canadian analysis of programmes and services for Indigenous peoples.

⁸ This analysis is based on provincial and territorial strategic plans where they exist, and otherwise is based on an analysis of economic development strategies or government budgets where the latter are not available. It bears noting that while Indigenous perspectives and economic development may be absent in these strategic documents, they are sometimes addressed separately in sectoral strategies such as strategies for forestry or tourism.

⁹ The committees include: Executive Committee; Officials Committee; Steering Committee; Working Committees which address a number of key topics such as Culture and Heritage, Economic Development, Education, Health, Justice, Social, and Sport and Recreation. Each level has representation from each of the three parties: the Nova Scotia Mi'kmaq, the Province of Nova Scotia and the Government of Canada.

¹⁰ See Government of Canada (2019^[59]), *Aboriginal and Treaty Rights Information System*.

¹¹ The judgement from the federal Court of Appeal on the case of *TsleilWaututh Nation et al. v. Attorney General of Canada et al.* notes that: “at the last stage of the consultation process, a stage called Phase III, Canada fell well short of the minimum requirements imposed by the case law of the Supreme Court of Canada” and that “the law requires Canada to do more than receive and record concerns and complaints” Project permits are halted until this is rectified.

¹² For example, the Tlicho Government in the Northwest Territories, the Nunatsiavut Government in Labrador, and the unique Nunavut Territorial Government, which is a public government for all of the residents of the territory.

¹³ <https://www.aadnc-aandc.gc.ca/eng/1100100013828/1100100013833#chp18>.

¹⁴ The Government of Canada has created a collaborative self-government fiscal policy in order to address the fiscal relationship between Canada and self-governing Indigenous Governments. The policy offers both principles to guide these remati0ns and model of how they will work across government departments. See Government of Canada (2019), “Canada's collaborative self-government fiscal policy” <https://www.rcaanc-cirnac.gc.ca/eng/1566482924303/1566482963919>.

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Annex 5.A. OECD Principles for Public Investment across Levels of Government

The success of place-based Indigenous economic development policy efforts depends upon multiple levels of government – Indigenous, subnational, national and sometimes supranational – working together toward shared outcomes. This type of alignment and co-ordination can be difficult because different levels of governments and agencies work to different objectives and accountabilities. To help countries address multi-level governance gaps and challenges, the OECD has developed the Principles on Effective Public Investment Across Levels of Government.

The purpose of the OECD Principles is to help governments at all levels assess the strengths and weaknesses of their public investment capacity, using a whole-of-government approach, and set priorities for improvement (OECD, 2014^[57]). The *OECD Principles for Public Investment Across Levels of Government* – particularly those related to co-ordinating mechanisms – provide a framework to help assess and identify ways to address multi-level governance challenges associated with place-based Indigenous economic development. The relevant principles for Indigenous economic development and a summary of the adaptations are outlined in Table 5.A.2. They serve to demonstrate that for the vast majority for actions, the system is not in place or not functioning well.

Table 5.A.1. Evaluation criteria

Value	Criteria
2	System is in place and works in a satisfactory way
1	System is in place, but improvements are needed
0	System is not in place or not functioning well

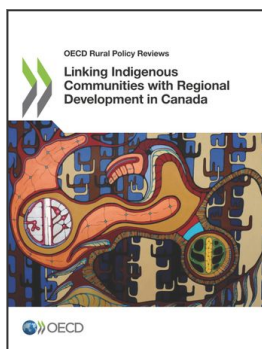
Table 5.A.2. Assessment of coordination for public investment across levels of government for Indigenous communities

Objective	Indicator	
To engage in planning for regional development that is tailored, results-oriented, realistic, forward-looking and coherent with national objectives	COHERENT PLANNING ACROSS LEVELS OF GOVERNMENT Mechanisms exist to ensure that local and regional Indigenous development priorities or plans are reflected in plans at a national and sub-national level	1
	TAILORED, PLACE-BASED DEVELOPMENT PLAN There is correspondence between an evidence-based assessment of needs and strengths on Indigenous lands and planned projects for those communities	1
	CLEAR PUBLIC INVESTMENT PRIORITIES There is a clear and authoritative statement of public investment priorities for Indigenous communities at national and regional levels	1

Objective	Indicator	
To co-ordinate across sectors to achieve an integrated place-based approach	COMPLEMENTARITIES RELATED TO INFRASTRUCTURE INVESTMENTS Consideration is given to complementarities between investments in public infrastructure and investment in services and capacity building for place-based Indigenous communities	1
	COMPLEMENTARITIES ACROSS SECTORS Attention is given to potential complementarities and conflicts among investments by different ministries/departments for place-based Indigenous communities	1
	CROSS SECTORAL COORDINATION Formal or informal mechanisms exist to co-ordinate across sectors (and relevant departments/agencies) at a regional and local scale for place-based Indigenous communities	1
To support decisions by adequate data	FORWARD-LOOKING INVESTMENT PLANS Public agencies work in a coordinated way with place-based Indigenous communities to assess the potential contribution of investments to current competitiveness, sustainable development and community well-being	0
	DATA AVAILABILITY FOR INVESTMENT PLANNING Data is available and used to support local and regional assessment and planning processes by place-based Indigenous communities	0
To coordinate across levels of government to reduce asymmetries of information	COORDINATION BODIES ACROSS LEVELS OF GOVERNMENT There are formal mechanisms/bodies for local and regional co-ordination of public investment (formal platforms and ad hoc arrangements) for place-based Indigenous communities across levels of government	0
	CROSS-SECTORAL APPROACH These coordination bodies/mechanisms have a multi-sector approach	0
	MOBILISATION OF COORDINATION ARRANGEMENTS Co-ordination mechanisms are mobilised regularly and produce clear outputs/outcomes	0
	EFFICACY OF COORDINATION PLATFORMS Stakeholders' perception (or empirical data) regarding the efficacy of these different platforms is collected and reported upon	0
	CONTRACTUAL AGREEMENTS/PARTNERSHIPS Contractual agreements/partnerships across levels of government have been developed to manage joint responsibilities for public investment targeted to place-based Indigenous communities	0
To align priorities across the national and sub-national levels	CO-FINANCING ARRANGEMENTS There are co-financing arrangements for public investment targeted to place-based Indigenous communities	0
To co-ordinate with other jurisdictions to achieve economies of scale across boundaries	HORIZONTAL COORDINATION Cross-jurisdictional partnerships involving investment are possible (between Indigenous communities on Indigenous lands, between Indigenous communities and surrounding municipalities, and between different portfolios and levels of government)	0
	CROSS-SECTORAL APPROACH Cross-jurisdictional partnerships for place-based Indigenous communities cover more than one portfolio area	0
	INCENTIVES FROM HIGHER LEVELS OF GOVERNMENT	0

Objective	Indicator	
To plan investment at the right level	National and sub-national government provide incentives for cross-jurisdictional co-ordination between organisations with jurisdiction over Indigenous lands and surrounding municipalities	
	EFFECTIVENESS OF HORIZONTAL COORDINATION	0
	The share of investments involving use of cross-jurisdictional co-ordination arrangements at the sub-national level can be measured by mechanism and/or by sector	
To engage public, private and civil society stakeholders throughout the investment cycle	DEFINITION OF REGIONS	0
	There are different spatial scales for working with Indigenous peoples that reflect different units of social organisation (kinship and language groups, local community, and nation)	
	USE OF FUNCTIONAL REGIONS	0
To design and use monitoring indicator systems with realistic, performance promoting targets	These different spatial scales are used to plan and allocate resources	
	MECHANISMS TO INVOLVE STAKEHOLDERS	0
	Mechanisms exist to identify and involve community stakeholders on Indigenous lands throughout the investment cycle	
To use monitoring and evaluation information to enhance decision making	FAIR REPRESENTATION OF STAKEHOLDERS	0
	Fair representation of different Indigenous community stakeholders in the investment cycle consultation process is guaranteed (to avoid capture situations within communities)	
	ACCESS TO INFORMATION	0
To conduct regular and rigorous ex-post evaluation	Stakeholders have easy access to timely and relevant information throughout the investment cycle	
	FEEDBACK INTEGRATED IN DECISION-MAKING PROCESS	0
	Community stakeholders on Indigenous lands are involved at different points of the investment cycle and their feedback is integrated into investment decisions and evaluation	
To use monitoring and evaluation information to enhance decision making	PERFORMANCE MONITORING IN PLACE	0
	A performance monitoring system is used to monitor public investment implementation on Indigenous lands	
	TIMELY REPORTING	0
To use monitoring and evaluation information to enhance decision making	The monitoring systems facilitate credible and timely reporting of expenditure and performance	
	OUTPUT AND OUTCOMES	0
	The indicator system incorporates output and outcome (results) indicators	
To use monitoring and evaluation information to enhance decision making	TARGETS	0
	Part of the indicators are associated with measurable targets	
	PERFORMANCE MONITORING INFORMATION IS USED IN DECISION-MAKING	0
To use monitoring and evaluation information to enhance decision making	Performance information contributes to inform decision-making at different stages of the investment cycle	
	EX POST EVALUATIONS	0
	Ex-post evaluations of public investment outcomes on Indigenous lands are regularly conducted	

Source: Assessment based on Questionnaire for Linking Indigenous Communities with Regional Development: Canada; Framework adapted from Recommendation of the Council on Effective Public Investment Across Levels of Government (OECD, 2014^[58]).



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