

ABORIGINAL SKILLS AND EMPLOYMENT PARTNERSHIP

TERMS AND CONDITIONS FOR CONTRIBUTIONS

1. SUMMARY

The Aboriginal Skills and Employment Partnership (ASEP) initiative represents an important contribution to improvements in Aboriginal skills and learning outcomes. Developed as part of the Skills and Learning Agenda, the ASEP addresses both skills and employment deficiencies. Each ASEP-funded project will have a collaborative approach to a comprehensive Aboriginal training-to-employment plan that links skills development to specific job opportunities on major hydro-electric, oil and gas, mining, forestry and other major economic developments across Canada with large employment impacts. The initiative will provide both immediate access to jobs and continuous skills development (i.e., short and long-term benefits).

2. LEGISLATIVE AUTHORITY

The ASEP initiative is developed under the authority of the *Department of Human Resources Development Act* (the "Act") which assigns to the Minister of Human Resources Development (HRD) a broad mandate with respect to matters relating to the development of the human resources of Canada. Section 6 of the *Act* provides that the powers, duties and functions of the Minister of HRD extend to and include all matters over which Parliament has jurisdiction relating to the development of the human resources of Canada not by law assigned to any other Minister, department, board or agency of the Government of Canada, and are to be exercised with the objective of enhancing employment, encouraging equality and promoting social security.

3. OBJECTIVES AND RESULTS

The overall objective of the ASEP initiative is sustainable employment for Aboriginal people leading to lasting benefits for Aboriginal communities, families and individuals. The ASEP will aim to promote maximum employment for Aboriginal people on major economic developments through a collaborative partnership approach.

The objective will be achieved through partnerships of the key players involved or necessary in promoting Aboriginal skills development and employment, including the private sector, Aboriginal groups, provincial and territorial governments,

learning institutions, other federal departments and agencies, labour, and sector councils.

The expected program outcomes will be:

- Increased skills levels in the Aboriginal workforce;
- Increased direct and indirect employment for Aboriginals across Canada;
- Decreased Aboriginal unemployment and dependency on social assistance;
- Improved education levels (i.e., literacy, numeracy, computer skills, post-secondary certification);
- Increased Aboriginal business opportunities; and
- A more diversified workforce within communities.

4. ELIGIBLE ACTIVITIES

Funding will be tied to the implementation of an approved Aboriginal training and employment plan for specific Aboriginal employment opportunities on or resulting from a major economic development project. The following are the types of plan activities that may be funded to achieve the objectives of the ASEP:

- a) programs to help Aboriginals to obtain skills for employment, ranging from basic to advanced skills;
- b) programs to provide wage subsidies to encourage employers to hire Aboriginals for jobs;
- c) programs to help Aboriginals to start their own businesses and become self-employed and find employment;
- d) programs to provide Aboriginals with opportunities through which they can gain work experience which will lead to on-going employment;
- e) programs to provide personal supports and special employment assistance for Aboriginals with disabilities to help them obtain employment;
- f) programs to provide employment services to help Aboriginals obtain employment such as awareness of skills requirements and career options for employment opportunities, counselling, testing and assessment (including prior learning assessment), job finding clubs and job search strategies);
- g) programs to support employers, employee or employer associations, community groups and communities in developing and implementing strategies for dealing with labour force adjustments and meeting human resource requirements; and
- h) other plan activities that, in the opinion of the Minister of HRD, promote the objectives of the ASEP.

All plan activities must take into account equity principles with regard to ensuring the equitable participation in the programs by women and persons with disabilities.

5. GUIDELINES

Activities will be carried out in accordance with the following guidelines:

- a) horizontal management of Government of Canada involvement to ensure due diligence in assessing projects and synergies between related employment, economic and social development initiatives;
- b) cooperation and partnership amongst the local Aboriginal communities; the major employer(s) for the mega projects, as well as secondary industries; labour; the provincial or territorial government; local and regional educational institutions; other partners as appropriate (e.g., sector councils);
- c) development of an Aboriginal training-to-employment plan that includes joint accountability and evaluation frameworks for measuring the success of the ASEP project;
- d) ensuring complementarity between the ASEP and the Aboriginal Human Resources Development Strategy or successor strategy;
- e) reduction of dependency on income maintenance or support payments by helping individuals obtain or keep employment;
- f) ensuring availability of assistance to participants in either of Canada's official languages where there is a significant demand for access in that official language.

6. ELIGIBLE RECIPIENTS

Contributions may be made to incorporated organizations established for the purpose of providing human resources development programs to Aboriginal people to foster their participation on major economic development projects. Eligible organizations should represent the various stakeholders in the major economic development project, including equitable representatives of all the local Aboriginal communities and the private sector. Other members of the incorporated organization may include, as appropriate, representatives of provincial or territorial government(s) concerned, labour, local and regional educational institutions and sector councils, as well as other stakeholders.

7. COST-SHARING

The Aboriginal training-to-employment plan will reflect a comprehensive approach to Aboriginal skills development and encompass a wide array of activities that will include eligible activities being funded under an agreement between HRDC and the recipient. The principal stakeholders will be expected to make a contribution towards the implementation of the plan but not necessarily towards eligible activities under the agreement.

The costs of implementing the Aboriginal training-to-employment plan will be shared with:

- a) the government of the province or territory where the major economic development is being undertaken and the major employer(s), each of whose contributions will normally be achieved in the form of a cash contribution, but a portion could be in-kind such as the establishment of training facilities and the provision of assistance to enhance the capacity of Aboriginal organizations to participate in the partnership.
- b) Aboriginal organizations who will contribute their share through their Aboriginal Human Resources Development programs for individuals or organizations that support skills development and employment opportunities for ASEP-funded projects. The Aboriginal organizations will not provide direct funding to eligible recipients.
- c) other federal departments and agencies and the private sector, as appropriate.

The normal or targeted level of assistance by the federal government, including HRDC, to the Aboriginal training-to-employment plan is 75%.

8. STACKING LIMITS

Where appropriate, the costs of eligible activities being funded under an agreement between HRDC and the recipient will be shared with band councils/tribal councils/other Aboriginal organizations, the provincial/territorial government and the major employer(s). Costs may also be shared with federal government departments and agencies and the private sector. However, the maximum level (stacking limit) of Total Government Assistance (federal, provincial or municipal assistance for the same eligible expenditures) may total up to 100% of eligible costs.

The department shall ensure that the amount of the contribution it makes is appropriate given the amount of the contributions from other sources to the costs of the eligible activities.

The department shall obtain from the Recipient a statement or declaration about other sources of funding (government and private sector) for the eligible activities to be funded prior to approving a contribution and shall require the Recipient to report any additional assistance received from that time.

The department shall ensure that, in the event that Total Government Assistance received by a Recipient exceeds the amounts of such assistance declared, the department has the right to reduce its contribution by the amount of any additional assistance that is to be received, or to require repayment of an amount equal to the amount of such assistance if the department's contribution has already been paid.

9. APPLICATION REQUIREMENTS

Proposals/applications for assistance from eligible recipients to carry out eligible activities must demonstrate that the implementation of the activities would support the objectives of the ASEP and be in accordance with the guidelines outlined in section 5, as applicable:

Applications must include:

- a) a training and employment plan setting out a strategy and programs for providing opportunities for a minimum of 50 long-term jobs for Aboriginals on or in connection with a large scale economic development project;
- b) an estimate of costs to be incurred, including any share to be borne by partners or other sources, in a monthly cash flow forecast;
- c) an outline of the results to be achieved; and
- d) disclosure of the involvement of former public servants who are under the Conflict of Interest and Post-Employment Guidelines.

10. AGREEMENTS

Each approved proposal will be the subject of a formal agreement specifying the responsibilities of each party, the items for which expenditures are anticipated, the conditions under which payments will be made and mutually agreed upon measures designed to assess the success of the activities in attaining their objectives. The agreement will also include the terms and conditions under which a recipient may further distribute funds to third party organizations.

11. ELIGIBLE EXPENDITURES

Contributions may be made to eligible recipients, including those who further distribute funds to ultimate recipients, to cover the costs of eligible activities such as:

- a) where employment is involved, participant wages and related employer costs;
- b) support to individuals who participate in an eligible activity which may include all or a portion of their living expenses and/or tuition expenses. Assistance may also be provided to cover all or a portion of the incremental costs of participation such as expenses relating to providing specialized services, arrangements or equipment for persons with disabilities, dependant care, transportation and accommodation;
- c) overhead costs related to planning, organizing, operating, delivering and evaluating approved activities, including costs such as wages and employment related costs for staff, licences, permits, fees for professional services, disbursements for research or technical studies, costs related to research subjects, disability needs, bank interest, utilities, materials,

- supplies, travel, insurance, rental of premises, leasing or purchase of equipment, costs of internal audits, evaluations and assessments;
- d) the costs associated with the workers' compensation actual costs or assessment paid directly to the provincial/territorial workers' compensation authority on behalf of employers and coordinators for participants or administrative staff are eligible expenditures; and
 - e) where the recipient further distributes the funding to third party organizations that propose to carry out eligible activities, the reasonable and proper administration costs incurred by the recipient in administering the distribution of the contribution and monitoring and coordinating the implementation of eligible activities being carried out by the third party organizations.

Normally, the total administration costs, including those of third party organizations, will not exceed 15% of the total contribution.

Assistance may be provided for capital costs to a maximum of \$1 million per year per agreement where and to the extent that such costs are essential to the achievement of objectives. Any capital costs must be approved by HRDC prior to purchase. Capital costs for the construction of a building (other than repairs or renovations to support the participation of persons with disabilities) or the purchase of land or buildings are not eligible costs under this program. Program guidelines will be developed prior to the implementation of ASEP.

12. MAXIMUM AGREEMENT VALUE AND DURATION

- a) The maximum amount payable per eligible recipient shall be \$10 million.
- b) Agreements will be for a maximum period of five years. Funding will be subject to annual review, progress reports and updating of the training and employment plan.

13. BASIS AND TIMING OF PAYMENT

Each approved proposal will be subject to a formal agreement specifying the conditions under which payments will be made and the obligations of the department and the recipient.

Advance payments shall be made in accordance with Treasury Board's Policy on Transfer Payments, based upon a forecast of cash flow requirements. A final payment of any sums due will be made following receipt and verification of the final claim and, if considered necessary by HRDC, following completion of a financial audit.

The recipients may retain unexpended balances, as of the end of each fiscal year, of advances paid, and use the carry-over to defray eligible costs in the

subsequent fiscal years. The amount of carry-over is supplementary to the amount of the contribution payable in the subsequent year. However, upon termination of the agreement, any unexpended balances are debts and must be repaid to Canada.

Payments to the recipients that exceed the amounts to which they are entitled are debts and must be repaid to Canada.

14. REPAYMENT OF CONTRIBUTIONS

Contributions to businesses are not intended to allow businesses to generate profits or to increase the value of the business and are therefore not repayable.

15. AUTHORITY TO APPROVE AGREEMENTS

The authority to approve agreements may be delegated by the Minister of HRD as per HRDC's delegation instruments.

16. AUTHORITY TO SIGN AND AMEND AGREEMENTS

The authority to sign and subsequently amend agreements may be delegated by the Minister of HRD as per HRDC's delegation instruments.

17. AUTHORITY TO APPROVE PAYMENTS

Authority to approve payments by certifying compliance with the terms of the agreements may be delegated by the Minister of HRD as per HRDC's delegation instruments.

18. DUE DILIGENCE

HRDC provides assurance that departmental systems, procedures and resources for ensuring due diligence in approving transfer payments and verifying eligibility and entitlement and for the management and administration of the program are in place. They include the following: Common System for Grants and Contributions, Grants and Contributions Operations Guide, Quality Assurance Framework, monitoring plan based on risk assessment, annual financial audit and annual plan review.

19. ACCOUNTABILITY AND EVALUATION

HRDC has developed a results-based management and accountability framework (RMAF), including performance indicators, expected results and outcomes, methods for reporting on performance and evaluation criteria to be used in the assessment of the effectiveness of the transfer payments.

The main focus of the evaluation will be on measuring the success of the initiatives in assisting individuals, employers and communities; and in the development of partnerships between government, community and private sector stakeholders. The key outcomes, as identified in the RMAF, are:

- a) Tailored skills enhancement plans developed/work experience opportunities;
- b) Increased level of skills among Aboriginal participants;
- c) Enhanced employment situation of Aboriginal participants;
- d) Long-term sustainable employment for Aboriginal people on major economic developments.

20. AUDIT

For each fiscal year during the period of the agreements, the recipient will submit to Canada a report containing audited financial statements prepared in accordance with generally accepted accounting principles and practices.

The agreements will specify that HRDC retains the right to audit the records of the recipients and, if it is determined that the amount paid exceeds the amount payable, the difference will be considered a debt to the Crown.

HRDC has developed a risk-based framework for monitoring and audit of the recipients, an internal audit plan, including an evaluation of program management of the transfer payment program.

21. CANCELLATION OR REDUCTION IN DEPARTMENTAL FUNDING LEVELS BY PARLIAMENT

Program literature and agreements will include provisions for the cancellation or reduction of transfer payments in the event that funding levels are changed by Parliament.

22. DURATION OF TERMS AND CONDITIONS

These Terms and Conditions sunset on March 31, 2008.