



# Indian and Northern Affairs Canada and Canadian Polar Commission

## Performance Report

For the period ending  
March 31, 1999

Canada

## **Improved Reporting to Parliament Pilot Document**

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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Available in Canada through your local bookseller or by mail from

Canadian Government Publishing — PWGSC

Ottawa, Canada K1A 0S9

Catalogue No. BT31-4/6-1999

ISBN 0-660-61018-3



## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 82 Departmental Performance Reports and the government's report *Managing for Results* - Volume 1 and 2.

This *Departmental Performance Report*, covering the period ending March 31, 1999, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's pilot *Report on Plans and Priorities* for 1998-99. The key result commitments for all departments and agencies are also included in Volume 2 of *Managing for Results*.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

As part of its ongoing efforts to streamline reporting requirements, the Treasury Board of Canada Secretariat has requested that Agriculture and Agri-Food Canada, Human Resources Development Canada, Indian and Northern Affairs Canada and Canadian Polar Commission, National Defence and Natural Resources Canada explore alternative reporting structures to this year's performance reports. It has, therefore, exempted these departments from having to follow the guidelines for the preparation of this report.

This report is accessible electronically from the Treasury Board Secretariat Internet site: <http://www.tbs-sct.gc.ca/tb/key.html>

Comments or questions can be directed to the TBS Internet site or to:

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**Indian and Northern  
Affairs Canada  
and  
Canadian Polar Commission**

**Performance Report**



**For the period ending  
March 31, 1999**

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The Honourable Robert D. Nault, P.C., M.P.  
Minister of Indian Affairs and Northern Development



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## Section I – Messages

### Minister's Message

I am pleased to present the 1998–99 performance report for Indian and Northern Affairs Canada and the Canadian Polar Commission. This report discusses the implementation of *Gathering Strength — Canada's Aboriginal Action Plan* and demonstrates that its initiatives have already begun to produce positive results. We are seeing encouraging results from long-term efforts to improve community well-being in the areas of education, economic development and community infrastructure. In the North, we celebrated a historical achievement when Canada welcomed the new territory of Nunavut into our national family on April 1<sup>st</sup> of this year.

Since the announcement of *Gathering Strength* in January 1998, we have built the foundation for lasting change. We have worked to renew partnerships with Aboriginal people through the Statement of Reconciliation and creation of the Aboriginal Healing Foundation, as well as by working together to set priorities and resolve issues. With an evolving relationship based on trust and mutual responsibility, we have a solid basis for moving ahead together.

Looking forward, we envision sustainable and accountable Aboriginal governments leading healthy, self-sufficient and economically viable communities. *Gathering Strength* is a fully integrated government-wide strategy that provides a bridge to that better future. It leads from our troubled past to a promising tomorrow — a Canada which offers a high quality of life to all who live here. Our biggest challenge is to ensure that the opportunities that exist for Canadians exist equally for Aboriginal people.

In cooperation with the Assembly of First Nations and Inuit Tapirisat of Canada, we have developed the foundation for this bridge — renewing partnerships, resolving outstanding grievances, strengthening governance and developing a new fiscal relationship are key enablers towards the overall goal of strong communities, people and economies. As the structure takes shape, we see clearly where more work will need to be done, but we also see that by working together we will reach our common goal.

I invite you to read our performance report to discover the progress and achievements that First Nations, Inuit and northerners have made in recent years and in particular in the first full year of the *Gathering Strength* program. I would also encourage you to learn more by consulting the additional documents and visiting the many Web sites referenced throughout this document.





## Executive Summary

First Nations and Inuit communities in partnership with INAC are endeavoring to achieve comparability with similar non-Aboriginal communities, in terms of socio-economic parity and the availability of the full range of basic services. Achievement of this objective is clearly a long-term goal, as many First Nation and Inuit communities continue to lag far behind the rest of Canada. Nevertheless, there has been real and steady progress in several areas which are key to healthy, self-sustaining communities: concrete results are evident in the areas of education, economic development, community infrastructure, and accountability. With respect to education, the participation rate for elementary/secondary education is about 80 percent of the relevant population. In terms of schooling in First Nations communities there are improvements – 37 percent of the on-reserve population had at least a high school education in 1996, compared to 31 percent of the population in 1991. This compares to 65 percent of the Canadian population who had at least high school in 1996 (see pages 14-15).

For First Nations and Inuit communities, as for non-Aboriginal communities, higher education results in increased workforce participation and higher incomes. In fact, the employment rate for post-secondary graduates living on reserve was about 60 percent compared to 46 percent for high school graduates. The percentage of Aboriginal people with a post-secondary education has risen from 39 percent in 1991 to 43 percent in 1996 compared to 51 percent for Canada in 1996. Post-secondary graduates living on reserve earned an average of about \$19,100 in 1996 compared to about \$14,300 for those with only high school. Investments in education produced concrete results at both an individual and a community level (see pages 14-15).

Investments in economic development have also produced solid results such as the Opportunity Fund which in 1998–99 created 429 full-time and 301 part-time direct jobs and 135 full-time and 75 part-time indirect jobs (see page 17). At the same time, these economic activities have been bolstered by results in the area of claims, with 23 specific claims and one comprehensive claim settled in 1998–99 (see page 22). Resolution of issues concerning title to land and resources clears the way for investment and economic development.

With respect to community infrastructure, there have been major improvements over time. Key results include the number of houses with water and sewage service which has reached 98 percent and 93 percent respectively (see page 16). Much progress has also been made in the area of accountability. To this end, 81 percent of First Nation financial audits received a clear (unqualified) audit opinion from an independent, accredited auditor (see page 25).

In the North, the creation of Nunavut reflects the realization of a long-term goal (see page 28), the outcome of many years of planning and hard work and a tribute to the tenacity and perseverance of the Inuit and other territorial residents who worked so hard for its creation. At the same time, there were positive results on the legislative and regulatory front, for example, the *Mackenzie Valley Resource Management Act* and the introduction and first reading of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* by Parliament (see page 29). In the Yukon, provincial-type responsibilities for oil and gas were transferred to the territorial government and work is continuing on devolving our remaining responsibilities in this area (see page 29).

First Nations and northerners have made significant strides in recent years, however, there is much to be done (see Challenges on pages 5–6). While *Gathering Strength* outlines a range of integrated government-wide initiatives to achieve the structural reforms necessary to address these challenges, this report concentrates on the activities and achievements to date. However, lasting and meaningful change is a long-term commitment.



## Section II – Departmental Overview

### Mandate, Vision and Mission

The broad mandate of Indian and Northern Affairs Canada (INAC) is rooted in a solid legislative base that includes the *Indian Act*, the *Department of Indian Affairs and Northern Development Act* and legislation pertaining to the territories ([www.inac.gc.ca/legisl/legisl.html](http://www.inac.gc.ca/legisl/legisl.html)).

INAC has primary responsibility to meet the federal government’s constitutional, political and legal responsibilities to First Nations, Inuit and northerners. The department provides funding to enable Status Indians living on reserve to enjoy basic services similar to those provided to other Canadian residents by provincial, territorial and municipal governments. These services include education, housing, community infrastructure, social assistance and social support services. In addition, INAC negotiates and oversees implementation of comprehensive and specific land claim settlements, promotes economic development and, on behalf of the federal government, negotiates and implements self-government.

**Mission:** Working together to make Canada a better place for First Nations, Inuit and northern peoples.

**Vision:** INAC’s vision is embodied in *Gathering Strength*. Successful implementation will create an environment that fosters a more promising future for all First Nations, Inuit and northern peoples and promotes self-sufficiency, economic independence, and accountable Aboriginal governments.

In Canada’s North, the department assists in developing territorial governance structures, promotes sustainable development, protects the northern environment, and fosters Canadian leadership in environmental stewardship and sustainable development among circumpolar nations.

In keeping with directives set out in the *Canadian Polar Commission Act*, the Canadian Polar Commission (CPC) operates as an independent agency and reports to Parliament through the Minister of Indian Affairs and Northern Development.

Established in 1991 as the lead agency in the area of polar research, the CPC has responsibility for monitoring, promoting, and disseminating knowledge of the polar regions; contributing to public awareness of the importance of polar science to Canada; enhancing Canada’s international profile as a circumpolar nation; and recommending polar science policy direction to government.

**Mission:** To be an effective national and international presence in polar regions in relation to polar science and technology that contributes to a broader understanding of polar issues.

**Vision:** By the year 2002, the CPC will be central to the development and dissemination of northern knowledge through consultation, communication, and partnership for the benefit of all Canadians and their responsibilities in



## Operating Environment

### Profile Of Canada's Aboriginal Population

In Canada, the total Aboriginal population in 1999 is estimated at 1,377,900 (see Figure 1). Approximately 4.5 percent of all Canadians have Aboriginal ancestry. There are 610 First Nations, comprising 52 nations or cultural groups and more than 50 languages. Indians on reserve represent 58 percent of the Status Indian population.

The on-reserve Status Indian population is growing at a rate of 2.1 percent per year, while the off-reserve Status population is growing by 2.7 percent, about twice the overall Canadian rate. Over the period 1999 to 2009, the Status Indian population is projected to grow by 19 percent, compared to about 10 percent for the total Canadian population.

The Registered Indian population is young, with a median age of 25 compared to a median age of 35 for all Canadians. Over 60 percent of the on-reserve population is under the age of 30 (see Figure 2).

These demographics illustrate ongoing pressures for the provision of basic services like education, schools, housing and public infrastructure and for increased social services to support the high rate of new family formations. They also indicate rising pressures on job markets. Similar demographics exist among Aboriginal populations in the North.

Although Aboriginal people live all across Canada, there are significant concentrations in the territories (representing 85 percent in Nunavut, 49 percent in the N.W.T., and 23 percent in Yukon based on the 1996 census) as well as in the western provinces.

Notably, 64 percent of First Nations communities have fewer than 500 residents — only five percent have more than 2,000. Overall, 36 percent of on-reserve Indians live in urban zones, while 45 percent live in rural zones, 17 percent in special access zones and two percent in remote zones. These factors result in higher costs of providing services.

In the North, the environment for Aboriginal policy presents different challenges than are found in southern Canada. The North has few reserves and the proportion of Aboriginal people is extremely high — about 56 percent compared to 4.3 percent for the rest of Canada. Although the overall population is small, the total land mass comprises more than 40 percent of Canada.

Figure 1

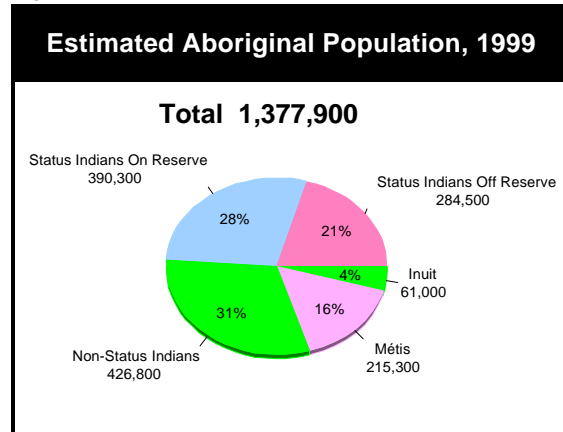
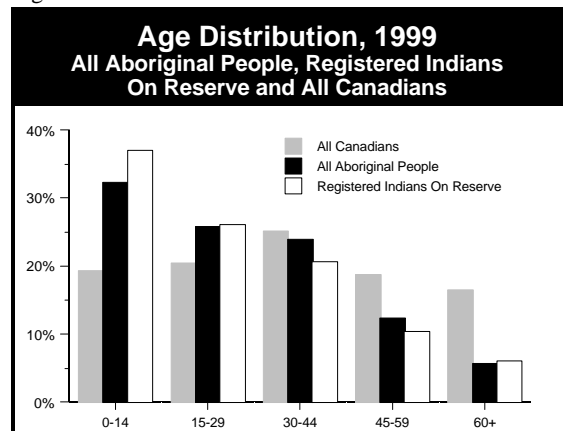


Figure 2





## Challenges

### Indian and Northern Affairs Canada

Over the past year, in partnership with First Nations and Inuit organizations, significant progress has been made; however, many challenges remain. These include the unacceptable socio-economic conditions which persist in many First Nation and Inuit communities, First Nations' accountability for the use of resources, outstanding claims and litigation, and strengthening governance structures and economic opportunities in the North.

*Socio-economic conditions: Gathering Strength* includes a range of integrated government-wide initiatives to achieve the structural reforms necessary to address the challenges (details are outlined on pages 13–17).

*Accountability:* One of the key challenges for INAC and First Nations is to ensure that effective and consistent systems of accountability are in place to address the needs of First Nations people and to build public confidence, on and off reserve, that resources are being managed effectively. This dual accountability relationship, i.e. First Nations leaders to their members and First Nations governments to the federal government, is reflected in the terms and conditions of funding arrangements with First Nations. Strengthening and building the capacity of local governance will improve accountability by clarifying the lines of authorities and responsibilities so that community members can expect and indeed demand accountable leadership. First Nations in partnership with INAC have a range of initiatives underway to strengthen accountability (details are outlined on pages 24-25).

- According to the 1996 Census, the income gap between First Nations and non-Aboriginal people was widening and most Aboriginal people were at or below the poverty line.
- The unemployment rate in 1996 for Registered Indians living on reserve was 29 percent, about three times the Canadian rate.
- Social assistance dependency on reserve was 43 percent in 1998.
- In 1996, 37 percent of Indians on reserve had more than a high school education compared with 31 percent in 1991. This lags behind the overall Canadian rate of 65 percent in 1996.
- Overcrowding continues to be a problem (18.6 percent of on-reserve dwellings have more than one person per room compared to 1.7 percent for Canada as a whole).

*Outstanding Claims and Litigation:* INAC continues to address policy implications and uncertainty created by the Delgamuukw decision in the Supreme Court of Canada. The decision has increased pressure on governments to conclude treaties in order to resolve ambiguity in regions where Aboriginal rights and title have not been dealt with (e.g., British Columbia, portions of Quebec, Ontario, N.W.T. and the Yukon). The decision imposes a more stringent duty to consult Aboriginal groups concerning infringements on their Aboriginal title caused by government activities; it also provides opportunities for Aboriginal people to work with provinces to get access to resources.



The key challenge in specific claims is to address the government's outstanding legal obligations and to forecast and provide appropriate, predictable compensation, while maintaining improved relations with First Nations. Therefore, INAC is reviewing options with First Nations including the potential creation of an Independent Claims Body which will focus on facilitating negotiations to resolve grievances. Our mutual objectives include eliminating the perception that the Government of Canada is in a conflict of interest by acting as judge, jury and defendant in resolving claims against itself, as well as improving efficiencies in the resolution process and helping to address the backlog of claims within a settlement budget.

With respect to litigation management, the number of individuals filing claims alleging abuse at Residential schools has risen tenfold in the past year. Litigation concerning non-residential schools has grown to nearly 600 cases as of the end of 1998–99. INAC is taking action to enhance alternative means of finding fair, cost-effective and lasting resolutions to these disputes.

A number of initiatives are underway to address outstanding claims and litigation (details are outlined on pages 21–23).

*The North:* The challenge is to continue to develop governance institutions sensitive to Aboriginal interests and to the shared interests of northerners and all Canadians while working to strengthen the North's economic base consistent with the 1998 Federal Budget commitment.

In the fall of 1998, the first diamond mine in Canada began producing diamonds north of Yellowknife, N.W.T. Prospects are good for future diamond mines, as well as other mining and oil and gas developments. Such developments will occur against the backdrop of a North where unemployment rates are among the highest in Canada and where many communities face challenging social and economic conditions.

At the same time, it will be necessary to continue to pursue a heavy legislative agenda to provide the base for numerous resource management boards being created as a result of settled land claims. Specific initiatives to address these challenges are outlined on pages 28–32. Legislative and regulatory achievements are outlined on page 57.

### Canadian Polar Commission

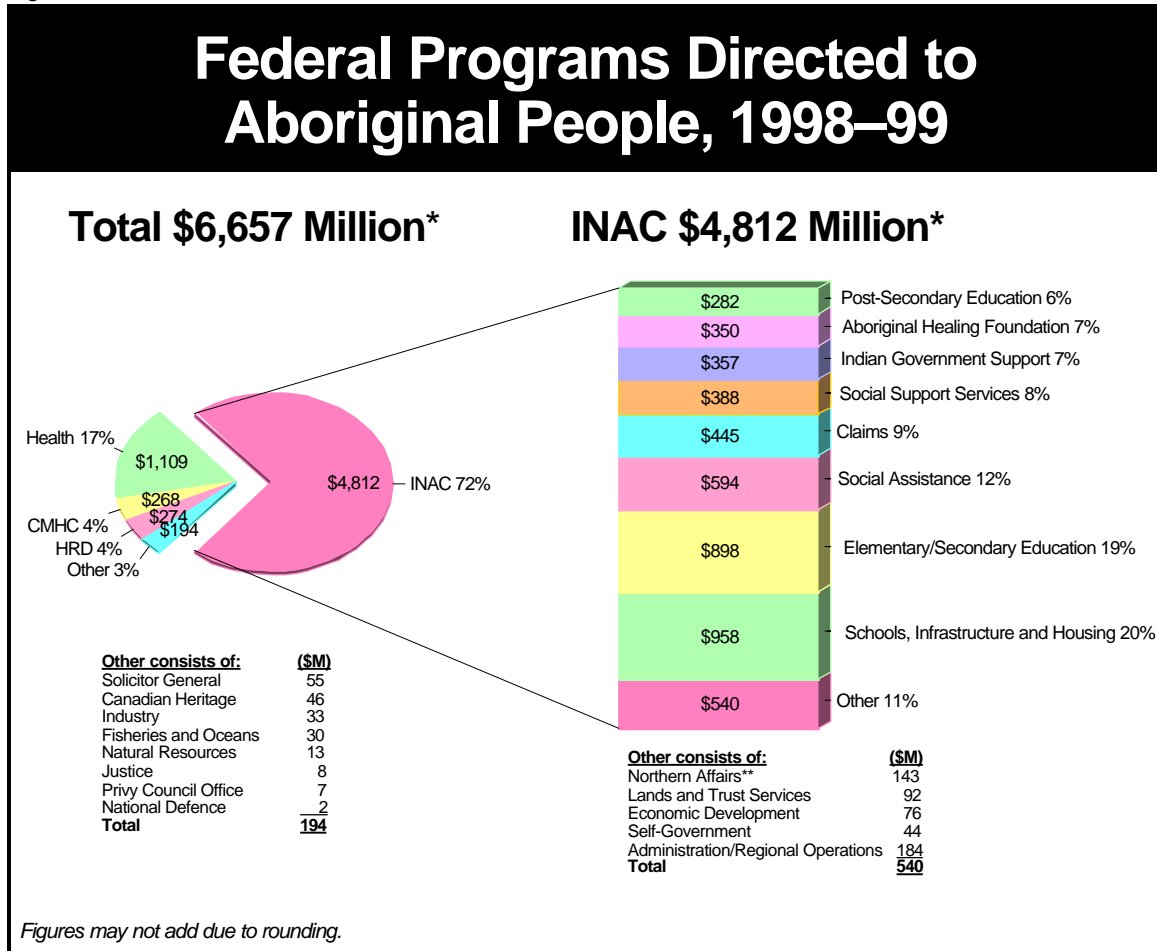
Given the broad mandate of the Canadian Polar Commission, the challenges will be to evaluate changes both within Canada and internationally, to set priorities and provide recommendations to the government that reflect new domestic and international partnerships. Various initiatives are underway to address these challenges (details are outlined on page 38).



## Position within the Government

Altogether, 12 federal departments and agencies, including INAC, offer programs for Aboriginal peoples, spending approximately \$6.7 billion in 1998–99 (see Figure 3). This money enables Aboriginal people to have access to basic services within their communities comparable to those that other Canadians receive through provincial, territorial and municipal governments.

Figure 3



\* Expenditures shown in Figure 3 are budgetary only.

\*\* Reflects proportion of expenditures based on the Aboriginal (56 percent) versus non-Aboriginal population (44 percent) in the North.



## Co-delivery Partners

The following provides a summary of the key result commitments, expenditures (\$1,845 million in total), and programs and initiatives undertaken in 1998–99 by other government departments and agencies to improve conditions for Aboriginal people across Canada.

Priorities/Federal Department or Agency	1998–99 Expenditures (\$ Millions)	Programs
<b><i>SUPPORTING STRONG COMMUNITIES, PEOPLE AND ECONOMIES</i></b>		
Health Canada	1,109.0	Non-Insured Health Benefits. Community Health Services, Environmental Health and Surveillance, and Hospital Services. National Native Alcohol and Drug Abuse Program. Brighter Futures Program – Community Mental Health and Child Development and Aboriginal Head Start. National Children’s Agenda. Aboriginal Diabetes Strategy. Aboriginal Health Institute. First Nations Home and Community Program. <i>For additional information call (613) 954-8815 or see Web site at <a href="http://www.hc-sc.gc.ca">www.hc-sc.gc.ca</a>.</i>
Human Resources Development Canada	274.2	Aboriginal Human Resources Development Strategy. Youth Employment Strategy. <i>For additional information call (819) 953-1812 or see Web site at <a href="http://www.hrhc-drhc.gc.ca">www.hrhc-drhc.gc.ca</a>.</i>
Canada Mortgage and Housing Corporation	268.1	On Reserve – Non-Profit Housing and Residential Rehabilitation Assistance Programs. Off Reserve – Rural and Native Housing, Urban Native Non-Profit Housing, Residential Rehabilitation Assistance and Emergency Repair Programs. <i>For additional information call (613) 748-2586 or see Web site at <a href="http://www.cmhc-schl.gc.ca">www.cmhc-schl.gc.ca</a>.</i>
Solicitor General of Canada	55.0	First Nations Policing Policy – On-Reserve First Nations Policing. Solicitor General Canada and Correctional Service Canada – develop innovative ways to deal with Aboriginal offenders within communities and develop appropriate programs within institutions. <i>For additional information call (613) 991-0241 or see Web site at <a href="http://www.sgc.gc.ca">www.sgc.gc.ca</a>.</i>
Industry Canada	33.2	Aboriginal Business Canada – to promote the development, competitiveness and success of Aboriginal business in Canadian and world markets. <i>For additional information call (613) 992-6033 see Web site at <a href="http://www.abc.gc.ca">www.abc.gc.ca</a>.</i>
Fisheries and Oceans Canada	30.4	Aboriginal Fisheries Strategy – to increase Aboriginal involvement in all aspects of coastal fisheries, fish habitat management and commercial fishing opportunities. <i>For additional information contact Aboriginal Affairs Directorate at (613) 993-9161 (Fisheries and Oceans Canada).</i>
Natural Resources Canada	13.2	Canada Lands Surveys, First Nations Forestry Program and capacity building initiatives in resource management. <i>For additional information contact the Financial Management Branch at (613) 996-6865 (Natural Resources Canada).</i>



Priorities/Federal Department or Agency	1998-99 Expenditures (\$ Millions)	Programs
Justice Canada	8.2	Native Courtworker Program, Legal Studies for Aboriginal People Program and Aboriginal Justice Strategy Fund. <i>For additional information contact the Programs Branch/Aboriginal Justice Directorate at (613) 957-3180 (Department of Justice).</i>
National Defence	1.2	Canadian Rangers, Bold Eagle, Northern Native Entry Program, Headstart (student employment) – these programs hire and train qualified personnel for full and part-time employment in the Canadian Forces. <i>For additional information contact Corporate Services at (613) 992-6033 (Department of National Defence).</i>
<b><u>RENEWING THE PARTNERSHIPS</u></b>		
Canadian Heritage	45.5	Aboriginal Friendship Centres, Northern Native Broadcast Access, Aboriginal Representative Organizations, Aboriginal Women's Program, Aboriginal Languages Initiative, Territorial Aboriginal Language Accords and Urban Multi-purpose Aboriginal Youth Centres. <i>For additional information contact Citizens Participation Directorate at (819) 994-3907 (Canadian Heritage).</i>
<b><u>STRENGTHENING ABORIGINAL GOVERNANCE</u></b>		
Privy Council Office	7.3	Indian Specific Claims Commission. <i>For additional information call (613) 957-5180 or see Web site at <a href="http://www.indianclaims.ca">www.indianclaims.ca</a>.</i> Aboriginal Self-Government Negotiations and Aboriginal communities and associations representing off-reserve Aboriginal peoples. <i>For additional information contact the Federal Interlocutor for Métis and Non-Status Indians at (613) 947-1848 (Privy Council Office).</i>
<b>Total</b>	<b>1,845.3</b>	





## Section III – Departmental Performance

### Chart of Key Results Commitments

Indian and Northern Affairs Canada and Canadian Polar Commission		
To provide Canadians with:	To be demonstrated by:	Achievements reported in:
an environment that fosters a more promising future for all First Nations and Inuit people by addressing past grievances and the discrepancies in living standards between First Nations and Inuit and non-Aboriginal people; and promotes enhanced skills and expertise leading to more sustainable and accountable Aboriginal governments, increased self-sufficiency and economic independence	<ul style="list-style-type: none"> <li>strong communities, people and economies</li> <li>renewed partnerships with First Nations and Inuit peoples</li> <li>strengthened Aboriginal governance</li> <li>new fiscal relationships with Aboriginal governments</li> </ul>	<p>pages 13–17</p> <p>pages 18–19</p> <p>pages 21–23</p> <p>pages 23–25</p>
a northern agenda to strengthen the economic base, promote sustainable development, safeguard the environment and develop governance systems sensitive to Aboriginal values	<ul style="list-style-type: none"> <li>managing federal interests in the North</li> <li>promoting northern sustainable development</li> </ul>	<p>pages 28–30</p> <p>pages 31–32</p>
an effective national and international presence in relation to polar science and technology that contributes to a broader understanding of polar issues	<ul style="list-style-type: none"> <li>developing and disseminating knowledge with respect to the polar regions</li> </ul>	<p>page 38</p>

### Performance Terminology

The measurement of departmental performance involves short-term, intermediate and long-term outcomes as well as activities and outputs as defined below:

Performance Term	Measured by (examples)
<b>Long-term or ultimate outcomes</b> involve changes in trends in social, cultural and economic circumstances for Aboriginal people. These trends are subject to significant outside influences.	school completion rates, health factors, economic (employment, income) indicators
<b>Short-term/intermediate outcomes</b> involve incremental changes that affect the capacity of Aboriginal people to achieve long-term outcomes.	signing an agreement, improved program capacity, increased skills, changes in physical infrastructure, changes in operating practices
<b>Activities and outputs</b> involve processes and the production of tangible products and deliverables.	continue to negotiate, develop a strategy/policy, conduct research



## Performance Accomplishments – Indian and Inuit Affairs Program

### Why Are We In The Business?

*The objective of the Indian and Inuit Affairs Program (IIAP) is to assist First Nations and Inuit communities to build healthy, sustainable, self-governing communities with basic services similar to those provided to other Canadian residents by provincial, territorial and municipal governments. The IIAP also fulfils many of Canada’s constitutional and statutory obligations to First Nations and Inuit people, and negotiates and implements land claims settlements. Such settlements resolve historical grievances, establish certainty regarding land title and access to resources, create a climate that promotes economic development and avoid time-consuming litigation.*

IIAP consists of two business lines: Indian and Inuit Programming, and Claims.

<b>How Much Did It Cost?</b>			
	<b>Indian and Inuit Programming</b>	<b>Claims</b>	<b>Total</b>
Planned Spending	\$3,856,138,000	\$392,058,000	\$4,248,196,000
Total Authorities	\$4,187,187,889	\$445,409,724	\$4,632,597,613
<b>1998–99 Actuals</b>	<b>\$4,141,732,308</b>	<b>\$445,409,683</b>	<b>\$4,587,141,991</b>

### Explanation of Variance

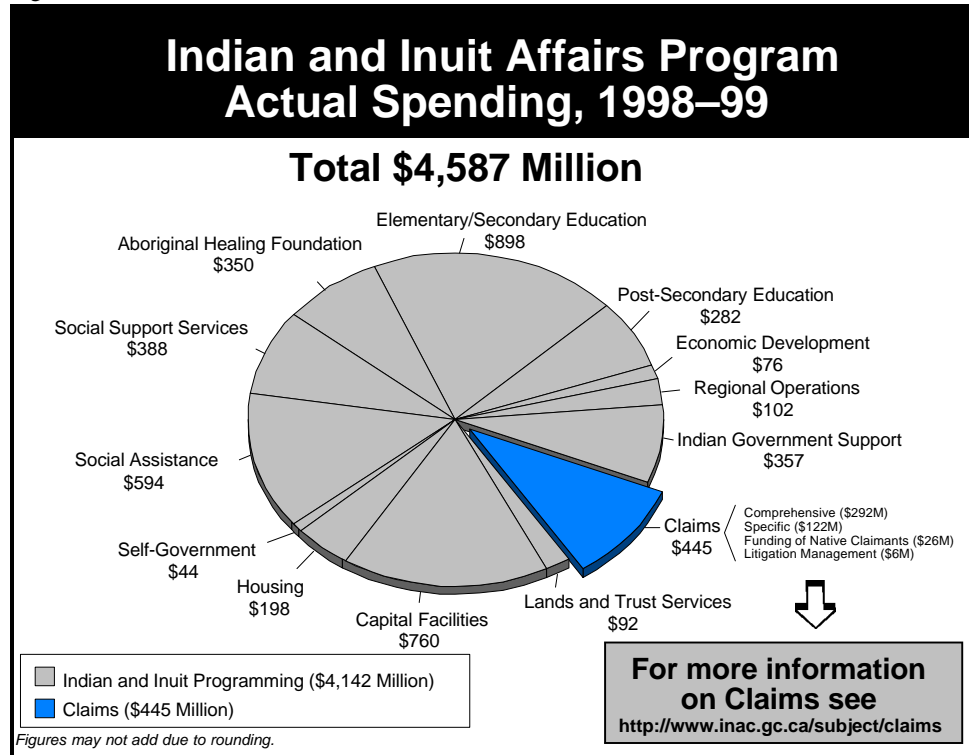
*Indian and Inuit Programming:* The variance between planned spending and total authorities is primarily attributable to the \$350 million authorized for the Aboriginal Healing Foundation (this amount was not included in the planned spending figure). The variance of \$45 million between total authorities and actual spending is attributable to the carry forward to future years of operating resources (\$12 million) and resources to fund the payment of guaranteed loans issued out of the Indian Economic Development Account (\$33 million).

*Claims:* The variance of approximately \$53 million between planned spending and total authorities is primarily attributable to the following major items: James Bay Cree – construction of an all-season road (\$24 million); increased litigation management costs (\$17 million); out-of-court settlements (\$7 million); and funding for the Tr’ondëk Hwëch’in for their Final and Self-Government Agreements (\$5 million).



Figure 4 shows how the \$4.6 billion in Indian and Inuit Affairs Program expenditures was allocated in 1998–99, based upon mutually supportive and interdependent priorities.

Figure 4



It should be noted that today, First Nations have assumed responsibility for the delivery of almost all social and economic programs funded by INAC. Approximately 85 percent of Indian and Inuit Programming funds go directly to First Nations and their organizations for government services such as education, social services, infrastructure and local government. A further nine percent is transferred to the provinces for program services to First Nations and Inuit communities. The department directly administers only about six percent of funds; most of this expenditure relates to legal obligations to First Nations and Inuit people.

### Priorities

*Gathering Strength* is an integrated, government-wide plan to address the key challenges facing Aboriginal people — the need for structural reform of the federal government’s Aboriginal programming to promote self-sufficiency and economic development and the need to enhance and strengthen the capacity of Aboriginal governments and organizations to run accountable, responsive government systems. The action plan consists of a number of initiatives that are grouped under four related priorities:

- Supporting strong communities, people and economies (page 13)
- Renewing the partnerships (page 18)
- Strengthening Aboriginal governance (page 20)
- Developing a new fiscal relationship (page 23)



For each of the Indian and Inuit Affairs Program's priorities, the following pages outline expected results, actual accomplishments and an assessment of our performance.

## Supporting Strong Communities, People and Economies

### What Did We Promise To Achieve?

The **ultimate outcome**, to achieve healthy, self-sustained and economically viable communities and individuals, is measured by long-term trends in socio-economic indicators and by initiatives in the following areas:

- Investments in people
- Health and safety
- Economic development

### What Factors Influenced Performance?

The challenges inherent in reducing the discrepancies in living standards between Aboriginal and non-Aboriginal people is compounded by the fact that the Aboriginal population is growing about twice as fast as the overall Canadian population. Moreover, approximately 60 percent of Aboriginal people are under 30, and about 37 percent of reserve residents are under the age of 15, further increasing the demand for school space, housing, public infrastructure, social services and jobs.

### What Did We Accomplish In 1998-99?

#### *Investments in People*

Linking social assistance to training and development:

- A national Policy Coordinating Group including the Assembly of First Nations (AFN), Human Resources Development Canada (HRDC) and INAC is working towards the development of a framework for welfare reform.
- Over 145 First Nations communities are participating in 37 welfare demonstration projects to increase linkages between welfare recipients and community training and employment opportunities.
- Regional protocol agreements on social welfare reforms have been signed with the Atlantic Policy Congress and the Assembly of First Nations of Quebec and Labrador.



Enhancing programs and services for families with children:

- INAC is working with First Nations to implement the National Child Benefit system.
- Consistent with the broad objectives of the National Child Benefit system, First Nations are developing community-based initiatives that promote the employability of parents and the health and well-being of First Nations children.

Developing new training opportunities:

- More than 17,000 First Nations and Inuit youth benefit annually from participation in the First Nations and Inuit Youth Employment Strategy. INAC's interim evaluation and input into the Interdepartmental Evaluation of the Youth Employment Strategy indicates that INAC's initiatives are well received by participants.
- The Aboriginal Workforce Participation Initiative helped to increase employment by working with employers on strategies to recruit, retain and promote Aboriginal people.

Improving education:

- INAC is supporting 146 education reform projects through criteria developed with the AFN.
- The British Columbia Ministry of Education, First Nations and INAC are working on special needs and governance.
- Alberta's Tribal Chiefs Institute is developing Cree learning tools for junior high schools.
- Mi'kmaw Kina'matnewey, the Nova Scotia Ministry of Education, Canadian Heritage, HRDC and INAC are developing Aboriginal studies and language curricula for use in band and provincial schools.
- INAC is working with a First Nations Education Council representing 21 Quebec First Nations on a major education pilot project, looking at programming for children with special needs.
- An Education Centre for Excellence is being established in Manitoba.
- In 1998-99, the number of First Nations students on reserve attending elementary and secondary schools rose to 101,214 (see Figure 5). This represents a participation rate of 80 percent of the relevant population. Three out of five students attended band-managed schools on reserve (see Figure 6).

Figure 5

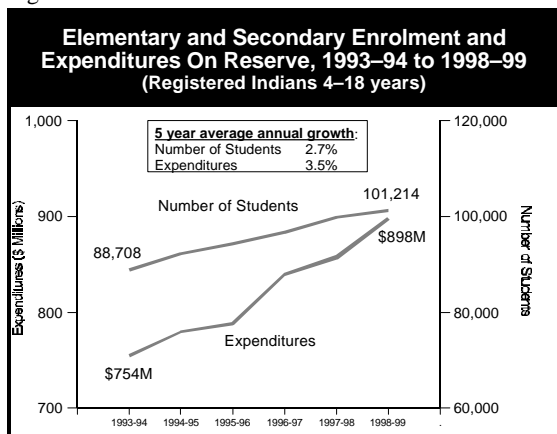
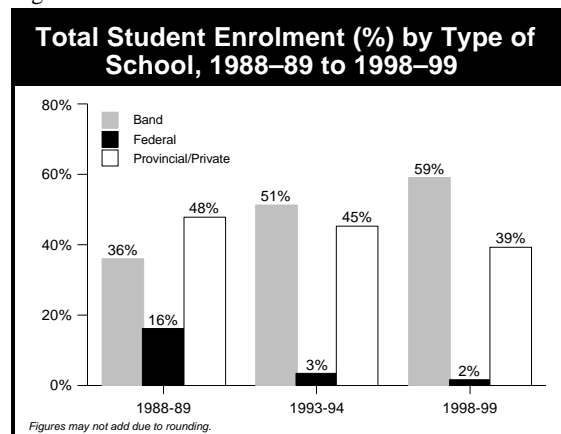


Figure 6





- More First Nations students are completing high school and continuing with post-secondary education. In 1998–99 77 percent of on-reserve students remained in school until grade XII, compared to 75 percent in 1997–98. Although educational attainment for First Nations lags behind national averages, it has been improving – 37 percent of the on-reserve population had at least a high school education in 1996, compared to 31 percent of the population in 1991. This compares to 65 percent of the Canadian population who had at least high school in 1996 (see Figure 7).
- Since 1993–94, investments in the post-secondary education budget have increased from \$212 million to \$282 million (see Figure 8). Enrolment of First Nations students has risen from 23,068 in 1993–94 to approximately 27,000 in 1998–99. Employment rates for on-reserve Status Indians are substantially higher for post-secondary graduates (60 percent) than for high school graduates (46 percent).
- Average individual incomes are also higher for post-secondary graduates (\$19,137 versus \$14,331 for high school graduates). The benefits of education are not limited to immediate employment opportunities, because graduates with new skills, trades and abilities are valued assets in supporting a sustainable human resource base in their communities.
- The percentage of Aboriginal people with a post-secondary education has risen from 39 percent in 1991 to 43 percent in 1996 compared to 51 percent for Canada in 1996. During the same period, the proportion of the Aboriginal population with less than high school decreased from 50.4 percent to 48.4 percent.

Figure 7

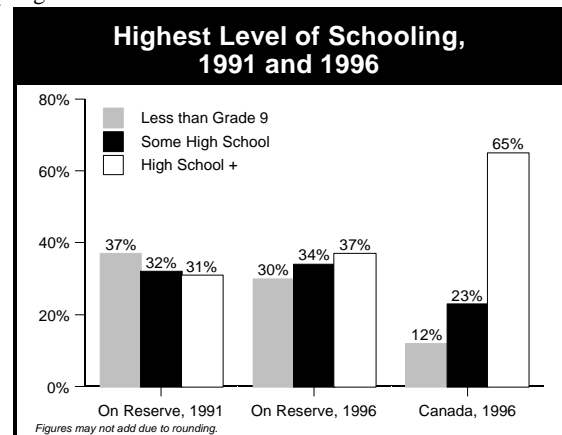
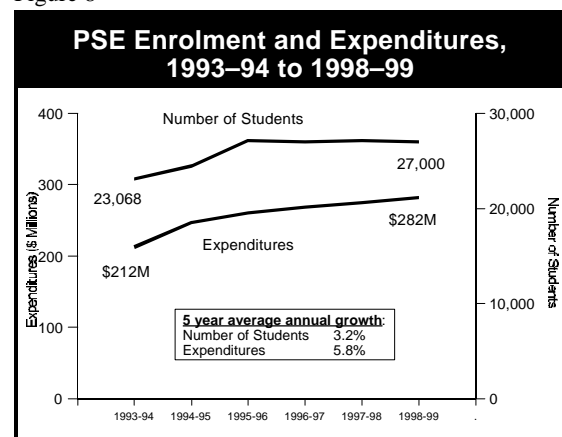


Figure 8



## Health and Safety

### Housing and infrastructure and safe communities:

- For more information see the national Web site on Community Infrastructure and Housing at <http://www.inac.gc.ca/regions/hq/infra/intro.html>.
- A new Housing Innovation Fund is promoting capacity development and innovation in housing. To date, 27 projects have been funded and are currently underway. Several of these projects include sustainable development objectives such as reduced water, sewer and energy consumption.



- An evaluation study of five pilot projects undertaken as part of the 1995 First Nation’s Innovative Housing Initiative found that the use of local construction materials and labour was effective in contributing to First Nations housing.
- The percentage of adequate houses on reserve increased from 46 percent in 1993–94 to 55 percent in 1998–99 (see Figure 9). In 1998–99, 2,675 housing units were completed and 2,864 were renovated.
- The department is placing a priority on increasing the number of homes with basic infrastructure by funding water and sewage projects on reserve. In 1998–99, 98 percent of houses had water delivery and 93 percent had sewage disposal systems, up from 92 percent and 86 percent respectively in 1993–94 (see Figure 10). In addition, progress was maintained in the funding of additional on-reserve school space, which increased from 675,689 m<sup>2</sup> in 1993–94 to 839,494 m<sup>2</sup> in 1998–99 (or a five-year average annual growth rate of 4.4 percent).

Figure 9

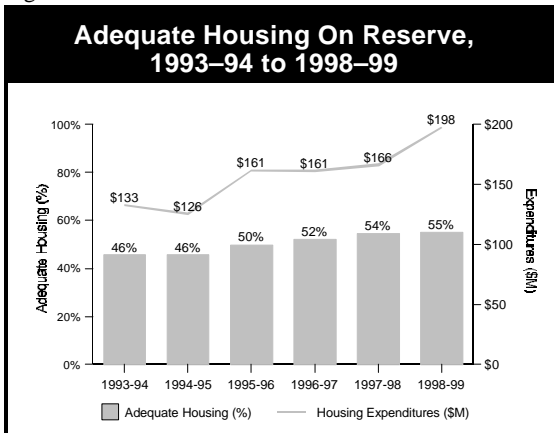
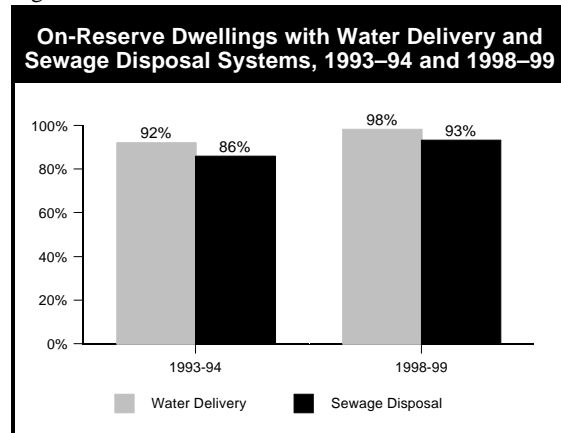


Figure 10



- First Nations continue to make greater use of their by-law powers to address health and safety issues on reserve lands. During 1998–99, a total of 71 general and intoxicant bylaws were enacted by First Nations related to health and safety issues.

Remediation of priority contaminated sites on reserves:

- The department has been working diligently to meet its objectives to identify, assess and remediate contaminated sites. Approximately 2,400 environmental issues have been identified and investigated to date and remediation has been undertaken respecting approximately 450 sites. During 1998–99, \$16.5 million was invested in assessments, priority site remediation, addressing off-reserve environmental issues affecting reserve lands and community preventative training.



## *Economic Development*

### Creating a positive climate:

- Under the Procurement Strategy for Aboriginal Businesses, federal government departments set a target of approximately \$80 million in federal contracts to Aboriginal businesses for the calendar year 1998. INAC's interim evaluation status report on implementation of the strategy indicated that government targets have been exceeded.
- There were 103 projects approved under the Opportunity Fund in 1998–99. Each dollar of INAC equity funding levered \$7.13 in First Nations equity and other sources of funding (equity and debt). This in turn created 429 full-time and 301 part-time direct jobs and 135 full-time and 75 part-time indirect jobs.
- There were 34 projects approved under the Resource Acquisition Fund in 1998–99. Each dollar of INAC equity funding levered \$3.30 in First Nations equity and other sources of funding (equity and debt). This in turn created 247 full-time and 59 part-time direct jobs and 75 full-time and 86 part-time indirect jobs.
- The Federal/Provincial/Territorial Regional Partnering Initiative assisted Aboriginal participation in planning and implementation of 10 major resource-based projects across Canada in forestry, energy, irrigation, agriculture and eco-tourism. Direct economic benefits include employment, training and infrastructure development, in addition to related small business development spinoffs.
- INAC support for business partnership forums such as Business at the Summit in British Columbia, the Ontario Economic Renewal Forum, the Corporate Circle in Saskatchewan and the Joint Economic Development Initiative in New Brunswick is improving cooperation and partnerships between the private sector and Aboriginal governments.
- A Financial Services Round Table involving federal officials, the Canadian Bankers Association and several major financial institutions has identified ways to improve Aboriginal access to lending for commercial and community development purposes.
- A total of 68 new or amended First Nations taxation bylaws were processed during the year. In addition, some 92,252 reserve land leases, licences, permits and other land transactions were processed, the majority of which directly support First Nations economic development activities.
- Indian Oil and Gas Commission activities resulted in the drilling of 97 new wells on First Nations lands, the completion of 160 audits of royalty submissions and the collection of over \$98 million dollars from oil and gas operations on behalf of First Nations.
- INAC's Resource Access Negotiations Program expended over \$5 million to support negotiations by First Nations with governments and the private sector respecting access to, or management of off-reserve resources; obtaining benefits from major projects; and the disposition of reserve resources.





## How Well Did We Do? – Value For Money

Results have been mixed. Some First Nations and Inuit communities have achieved significant improvements. However, too many communities remain far behind in terms of most indicators of a healthy community. Investments that create strong communities, people and economies will not only contribute to the health and well-being of on-reserve populations, but will also result in more economically viable and self-sustaining communities, with a corresponding reduction in health and other social costs.

## Renewing the Partnerships

### What Did We Promise To Achieve?

The **ultimate outcome** envisions a renewed partnership with First Nations and Inuit people based on mutual respect and responsibility. Such partnerships are necessary to effect needed reforms, reconciliation and healing, and programs that are workable in design and implementation. Achievements are measured by:

- Effective working relationships
- Education of Canadian public on Aboriginal issues
- Implementation of Reconciliation/Healing Strategy
- New approaches to federal/provincial/territorial relations with First Nations

### What Factors Influenced Performance?

Objectives for addressing Aboriginal issues can only be achieved if all levels of government work cooperatively with each other and Aboriginal people, and move beyond debate and disagreements over jurisdictions and responsibilities and employ new approaches that support partnerships.

### What Did We Accomplish in 1998–99?

Effective working relationships:

- An *Agenda for Action with First Nations* was developed jointly with the Assembly of First Nations (AFN) as the framework to implement *Gathering Strength* at the national, regional and community levels.
- An Inuit Action Plan is being developed jointly with the Inuit Tapirisat of Canada to ensure specific Inuit priorities are part of the decision-making process.



- Priorities have been mutually agreed upon with the Congress of Aboriginal Peoples, such as the need to develop government structures and institutions to address Aboriginal interests off reserves.
- New regional agendas, similar to the national *Agenda for Action with First Nations*, have been signed with Saskatchewan, Ontario and the Atlantic Region.
- In Saskatchewan, the Federation of Saskatchewan Indian Nations, the Office of the Treaty Commissioner and the Government of Canada are undertaking exploratory treaty discussions, with the province of Saskatchewan participating as an observer. This has resulted in a Statement of Treaty Issues.
- The INAC/AFN Joint Task Force is an excellent example of partnership in action. The joint task force has produced options including the proposed creation of an Independent Claims Body to improve the effectiveness of the specific claims process.

#### Education of Canadian public on Aboriginal issues:

- Joint public education efforts with regional and national Aboriginal organizations are underway to increase public awareness of Aboriginal issues.
- Independent survey research indicates that, although Aboriginal issues barely register in the minds of Canadians as priorities, Canadians in large numbers (71 percent) nonetheless believe the government should be paying the same or more attention to Aboriginal issues as to other issues. Other research indicates that almost seven out of 10 Canadians are aware of and approve of the government's apology to Aboriginal people under the *Gathering Strength* initiative.

#### Implementation of Reconciliation/Healing Strategy:

- The Aboriginal Healing Foundation, an Aboriginal non-profit corporation established to administer and manage the \$350 million healing fund, is supporting community-based healing initiatives to address the legacy of physical and sexual abuse at residential schools. For additional information see the following Web site at <http://www.ahf.ca>.

#### New approaches to federal/provincial/territorial relations with First Nations:

- Federal, provincial and territorial Ministers and national Aboriginal leaders met in May 1998 to move beyond jurisdictional issues and find better ways to work together to achieve practical results.
- On urban Aboriginal issues, the Government of Canada published an updated *Guide to Federal Initiatives for Urban Aboriginal People*, continued to participate in the Aboriginal Single Window Initiative in Winnipeg, and organized two round tables on urban issues involving federal provincial, municipal, Aboriginal and private sector representation.
- A joint AFN/INAC partnership development unit has been established as a result of the National Think Tank on partnership held in February 1999. The unit will serve as a "nerve centre" for cooperative efforts with regional think tanks and others to develop strategies for frontlining partnerships between INAC, First Nations and others.



## How Well Did We Do? – Value For Money

It will take time to establish new working relations and increase awareness of Aboriginal issues. However, investments in renewed partnerships will provide a solid basis for moving ahead together in a concerted effort to develop sustainable and accountable Aboriginal governments, leading healthy, self-sufficient and economically viable communities.

## Strengthening Aboriginal Governance

### What Did We Promise To Achieve?

The **ultimate outcome** is to provide strengthened First Nations and Inuit governments that are accountable to their members, with the jurisdictional authorities and other attributes of governance necessary to effectively govern their communities and manage their relationships with other levels of government. In addition, greater certainty with respect to Aboriginal rights, land title, access to land and resources, and the resolution of outstanding grievances is demonstrated by achievements in the following areas:

- Self-government agreements
- Progress in governance capacity
- Devolution of federal functions
- Negotiated claims settlements
- Improvement of the specific claims process
- Improved litigation management
- Improved communications

### What Factors Influenced Performance?

As always, the courts have a significant effect on Aboriginal issues. The Delgamuukw decision by the Supreme Court of Canada with respect to Aboriginal title profoundly affected not only the British Columbia treaty process, but also the way in which Aboriginal title is dealt with generally. The Peter Paul decision in New Brunswick had a significant impact not only on forestry in that province, but also on the tenor of relations with Aboriginal people in New Brunswick and elsewhere. Media attention to issues of Aboriginal governance has helped to raise public awareness and expectation for accelerated progress in this area. For details of court decisions see Web site at: [www.droit.umontreal.ca/doc/csc-scc/en/index.html](http://www.droit.umontreal.ca/doc/csc-scc/en/index.html).



## What Did We Accomplish In 1998-99?

### Self-government agreements:

- Progress continued on more than 80 self-government agreements across the country. Key accomplishments included:
  - A final agreement with the Nisga'a Tribal Council, the Government of Canada and British Columbia was initialled on August 4, 1998, settling a century-old land claim and advancing self-government.
  - A final agreement was also signed with the Tr'ondëk Hwëch'in First Nation in the Yukon on July 16, 1998.
  - Self-government agreements-in-principle were signed with Westbank (July 3, 1998) and Sechelt First Nations (April 16, 1999) in British Columbia and the United Anishnaabeg Councils (June 21, 1998) in Ontario.
  - A Declaration of Intent was reached with Treaty 8 in Alberta to begin a treaty and self-government process.
  - Framework agreements were signed with the Anishinabek Nation Union of Ontario Indians on November 26, 1998, and with three groups in British Columbia under the British Columbia Treaty Commission process (Carcross/Tagish on November 10, 1998, Ktunaxa-Kinbasket on May 6, 1998 and Kwakiutl Laich-Kwil-Tach Council of Chiefs on August 19, 1998).

### Progress in governance capacity:

- A Governance, Capacity Building and Accountability initiative was launched to assist Inuit, First Nations, and Tribal Councils, along with regional/national professional associations and institutions, in developing skills and training, governance processes and institutions, management tools and long-range integrated community planning.
- Training opportunities were provided to more than 1,500 First Nations administrators on Lands and Trust Services activities, including 83 who participated in INAC's comprehensive nine-module Land Management Training Program.

### Devolution of federal functions:

- An AFN/INAC Joint Initiative for Policy Development has been established to develop policy and operational options by which First Nations may assume greater control of lands and governance. This is a First Nations driven initiative and as such is a first in INAC/First Nation relations.
- The *First Nations Land Management Act* received Royal Assent on June 17, 1999.
- Five First Nations are participating in the First Nations Oil and Gas Management Initiative, a pilot project leading to First Nations' full management and control of oil and gas resources on reserves.
- Fully 127 First Nations are participating in INAC's regional lands administration program; an additional 15 First Nations have received the authority to manage their lands pursuant to Sections 53/60 of the *Indian Act*.



#### Negotiated claims settlements:

- *Yukon claim:* On July 16, 1998, final and self-government agreements and implementation plans were signed with the Tr'ondëk Hwëch'in, in Dawson City, Yukon, and were brought into effect on September 15, 1998.
- *Makivik claim:* In 1998, parties reached agreement on core issues on the N.W.T. portion. In February 1999, parties started negotiations on the Labrador portion. It is intended that the resulting agreements-in-principle be combined to allow for negotiating one final agreement for the Nunavik Inuit.
- *Labrador Inuit Association claim:* On December 18, 1998, negotiators reached a tentative verbal agreement on all aspects of the agreement-in-principle.
- *Nisga'a claim:* On August 4, 1998, the Nisga'a Tribal Council, the Government of Canada and British Columbia initialled a final agreement settling a century-old land claim and advancing self-government. The Nisga'a voted in support of the final agreement on November 6 and 7, 1998. Settlement legislation was introduced into the British Columbia legislature on November 30, 1998, and received Royal Assent on April 26, 1999. The agreement was signed by the representatives of the Nisga'a Tribal Council and the Province of British Columbia on April 27, 1999, and by the Minister of INAC on May 4, 1999. It is anticipated that federal legislation will be introduced in Parliament this fall.
- *Sechelt Claim:* Negotiators initialled an agreement-in-principle on a comprehensive land claim settlement.

The settlement of a claim is not viewed as an end in itself, but rather as a beginning in which the Aboriginal claimants are starting to regain control of their destiny. In most cases, final settlements take several years to achieve due to the number of parties involved, the age of the claims and the unique nature and complexity of each claim.

#### Improvement of the specific claims process:

- During the 1998–99 fiscal year, the department settled 23 specific claims.
- In the same period, approximately 10 claims, previously under assessment, entered negotiations. An additional 15 new claims were submitted for assessment.
- Currently, the department is assessing the validity of 302 claims and has accepted 140 claims for negotiations.
- An AFN/INAC joint task force has produced options including the proposed creation of an Independent Claims Body to improve the effectiveness of the specific claims process.

#### Improved litigation management:

- INAC and the Department of Justice progressed towards managing the ever-growing litigation caseload more effectively. Beginning with a comprehensive review of INAC's litigation inventory, a more strategic approach to litigation management is being implemented. The introduction of portfolios which group similar cases together will allow the leverage of knowledge and policy capacity across INAC.



### Improved communications

- It is important that all Canadians have a better understanding of the self-government negotiations process. Through communications activities, negotiation tables are providing a means for affected parties to understand the process, issues, benefits and outcomes of claims and self-government agreements. All negotiation tables are required to undertake public information and communication activities throughout the negotiation process.

## How Well Did We Do? – Value For Money

Both the *First Nations Land Management Act* and self-government negotiations contribute significantly to fulfilling the Sustainable Development Strategy's commitment to increase First Nations' empowerment, through greater involvement in the management of natural resources and establishment of effective and culturally appropriate environmental regulatory regimes.

Settling claims and promoting self-government not only meets our legal obligations but benefits First Nations and all Canadians by providing the groundwork for First Nations to become economically self-sufficient. Settling claims strengthens First Nations communities by providing an economic base necessary to improve socio-economic conditions and decrease social dependency. Claims settlements remove uncertainty that may exist regarding the status of land in a claim area, which in turn facilitates business transactions and supports economic development.

Focus groups, research papers and regional involvement processes of the AFN/INAC Joint Initiative for Policy Development are identifying: ways to move greater control of Lands and Trust functions to First Nations; co-management opportunities between First Nations and INAC; ways for INAC to do a better job; and opportunities and requirements for First Nation capacity building.

## Developing a New Fiscal Relationship

### What Did We Promise To Achieve?

The **ultimate outcome** entails government-to-government fiscal transfers that provide more stable and predictable funding and that will eventually enable First Nations to share in the cost of their governments. Important components include the development of information systems that serve First Nations' needs and enhancement of local accountability based on the principles of transparency, disclosure and redress in ways that reflect Aboriginal traditions and are consistent with other governments in Canada. Progress is indicated by achievements in the following areas:

- New fiscal arrangement models
- Strong accountability
- Financial skills and capacity in First Nations.



## What Factors Influenced Performance?

Discussions concerning own-source revenue must take into consideration the relatively low level of economic development in First Nations communities.

Public perception of First Nations government and management will continue to be influenced by negative incidents reported in the media. First Nations are increasingly recognizing the importance of articulating an accountability framework that is responsive to community needs and improves credibility with the Canadian public.

## What Did We Accomplish In 1998–99?

New fiscal arrangement models:

- On January 1, 1999, a new taxation regime for Aboriginal people living in the Yukon and tax collection agreements for the seven self-governing First Nations were implemented.
- Through the Tripartite Fiscal Relations Table, the Government of Canada, the Federation of Saskatchewan Indian Nations (FSIN) and the Province of Saskatchewan are addressing fundamental issues pertaining to the nature of fiscal relations. Negotiations will result in a new government-to-government fiscal relationship in support of First Nations self-government. The parties have completed a substantial amount of work in the areas of accountability, data collection, and management and revenue options.
- At the national level, the Government of Canada is working in partnership with the Assembly of First Nations on a National Table on Fiscal Relations which will share information, build capacity, and develop standards and institutions.

Strong accountability:

- First Nations are assessing their management practices and developing fiscal bylaws, policies and systems based on the principles of transparency, disclosure and redress in ways appropriate to their traditions, and at the same time consistent with other governments in Canada.
- The FSIN's Governance and Accountability Conference brought together federal and provincial representatives, Chiefs and Council, grass-roots citizens' groups and the media to discuss accountability and hear such speakers as the Auditor General of Canada.
- Alberta Chiefs launched a pilot project to demystify federal and provincial financial administration, access to information and privacy acts; they plan to develop a sample code, comparable to that of other governments but appropriate to their culture and situation.
- Six First Nations, with INAC support, are testing ways to strengthen performance reporting. INAC and First Nations have jointly developed a *Guidebook on Performance Measurement* that is currently being pilot tested as a means of evaluating how well community programs meet community goals.



- First Nations have significantly improved the quality of their annual consolidated financial statements, based on standards used by governments in Canada. Since 1984–85, First Nations' statements receiving a clear (unqualified) opinion from an independent and accredited auditor, rose from 57 to 81 percent (see Figure 11). Furthermore, these audits are prepared and disclosed to both band members and the federal government on a more timely basis. INAC now receives about 60 percent of First Nation audits within 120 days of fiscal year-end.
- INAC reviews the audits of First Nations and their organizations in order to assess their financial health and compliance to the financial requirements within funding arrangements. As of March 31, 1999, 75 percent of these audits required no further follow-up (673 of 896 audits). Otherwise, where an audit indicated a problem such as excess indebtedness (First Nations use debt primarily for housing and economic development purposes), an intervention was required. INAC applies three levels of intervention which progress from recipient managed plans, to co-managed, to third party managed, based on the severity of the problem (see Figure 12).

Figure 11

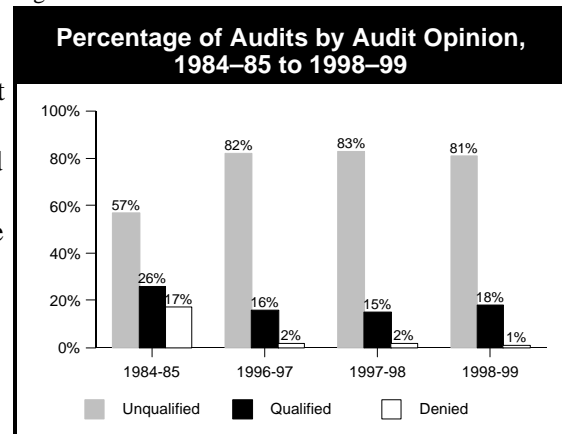
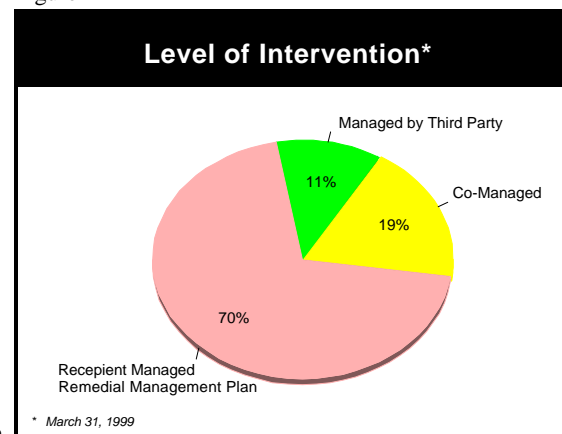


Figure 12



#### Financial skills and capacity in First Nations:

- Work proceeded on creation of a National Aboriginal Finance Officer Association. The British Columbia association launched its Web site to share developmental work ([www.afoabc.org](http://www.afoabc.org)).
- Capilano College in British Columbia successfully pilot tested a six-course Aboriginal financial management program, to be introduced in 1999–2000.
- The Banff Centre for Management moved its Effective Financial Management Course off-site to work with tribal groups seeking to come to grips with management issues.
- In partnership, the AFN and Certified General Accountants' Association of Canada are examining the accounting standards that are appropriate to First Nations needs, and are exploring professional development opportunities.
- INAC has prepared an innovative pamphlet to help Chiefs and Council effectively communicate the content of First Nations financial statements to band members.





## How Well Did We Do? – Value For Money

The federal government will continue to be the major provider of funds to First Nations governments for some time, given the limited economic resources of many First Nations communities. Moreover, discussions concerning own-source revenues and taxation have indicated that there is a perception among some First Nations that the government is trying to off-load its responsibility with respect to funding obligations. To address this obstacle, INAC is proceeding in full partnership with First Nations, at a pace which recognizes their concerns. New fiscal relationships will take time to develop, but will create more stable and predictable funding sources for First Nations and lead to increasingly self-reliant Aboriginal governments.

Public perception of the accountability issue remains a major issue for INAC and First Nations. Although accountability has been improved and First Nations are increasingly recognizing the importance of articulating a strong accountability framework, there is still much to be done to improve credibility with the Canadian public. As outlined above, First Nations and the department have a number of initiatives underway to address this issue.



## Performance Accomplishments – Northern Affairs Program

### Why Are We In The Business?

*The Northern Affairs Program (NAP) works to help northerners, including Aboriginal people, to develop political and economic institutions that will strengthen the North's role within the Canadian federation. Until the eventual transfer of responsibility for provincial-type functions to northern governments, the program's responsibilities are to support northern political and economic development, to implement northern land claims and self-government agreements, and to manage sustainable development and environmental protection of the North's lands and natural resources (covering more than 40 percent of Canada's land mass); and, to manage ongoing federal responsibilities in areas like science and technology and international circumpolar relations.*

How Much Did It Cost?	
Planned Spending	\$198,603,900
Total Authorities	\$264,812,493
<b>1998–99 Actuals</b>	<b>\$256,435,293</b>

### Explanation of Variance

The variance of approximately \$66 million between planned spending and total authorities is primarily attributable to the following major items: fire suppression in the Yukon (\$18 million); implementation projects for Nunavut (\$17 million); waste management and contaminants program (\$13 million); and operating costs for major initiatives such as the BHP Diamond Projects Evaluator and Yukon devolution, as well as increased personnel costs in support of program activities (\$16 million).

The variance of approximately \$8 million between total authorities and actual spending is primarily attributable to the carry forward to future years of funding for operating resources.

### Priorities

- ❑ Managing federal interests – \$154.5 million (page 28); and
- ❑ Promoting northern sustainable development – \$101.9 million (page 30).

For each of the Northern Affairs Program's priorities, the following pages outline the expected results, the actual accomplishments and an assessment of our performance.



## Managing Federal Interests

### What Did We Promise To Achieve?

The **ultimate outcome** of managing federal interests is the creation of a fundamentally different federal presence in the North, wherein the federal government's provincial-type responsibilities for land and resources have been fully devolved to the territorial governments. Accomplishments towards this end are indicated by:

- The creation of Nunavut
- Devolving provincial-type responsibilities to the Yukon
- Completing claims-related resource management legislation
- Promoting strong international Arctic relationships
- Managing the Northern Air Stage (Food Mail) Program
- Supporting N.W.T. governance structures
- Participating in a partnership approach to regional economic development in the North

### What Factors Influenced Performance?

Completion of a devolution transfer agreement with the Government of the Yukon and First Nations is closely linked to the finalization of land claims and implementation of self-government agreements, as is political development in the western N.W.T. In addition, five remaining pieces of complex legislation are required to implement integrated resource management regimes in the Yukon, Nunavut, Gwich'in and Sahtu final land claims agreements. For instance, the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (C-62), has been introduced and is awaiting second reading in the House of Commons.

### What Did We Accomplish In 1998-99?

The creation of Nunavut:

- On April 1, 1999, the new territory of Nunavut was established. Core machinery functions are now in place, along with several key intergovernmental agreements. The Government of Nunavut has put in place contract-back service arrangements with the Government of the Northwest Territories and continues the transition towards a fully staffed territorial government.
- INAC continues to work with the Government of Nunavut and Nunavut Tunngavik Incorporated on such initiatives as implementing the Nunavut Human Resources Development Strategy and the Canada Nunavut Community Infrastructure Program. An interim evaluation of the Nunavut Infrastructure Partnering Arrangement is currently underway and preliminary indications are that implementation was effective and widely supported.



#### Devolving provincial-type responsibilities to the Yukon:

- INAC, the Yukon Government and First Nations made progress on several key issues, including transfer of management of water, lands, forestry and minerals, related to Yukon devolution now set for completion on March 31, 2000.
- Provincial-type responsibilities for northern oil and gas were transferred to the Yukon Government on November 19, 1998, giving the Yukon responsibility for petroleum administration and legislation onshore.

#### Completing claims-related resource management legislation:

- The *Mackenzie Valley Resource Management Act* was passed and proclaimed (except Part IV).
- The *Nunavut Waters and Nunavut Surface Rights Tribunal Act* was introduced in Parliament and received first reading.
- Aboriginal people's participation in development, design and decision-making is being guaranteed in the process leading to integrated resource management regimes.

#### Promoting strong international Arctic relationships:

- In May 1998, Canada hosted an International Circumpolar Conference on Sustainable Development in the Arctic: Lessons Learned and the Way Ahead, the first conference and workshop of its kind ([www.inac.gc.ca/sds/index.html](http://www.inac.gc.ca/sds/index.html)). The conference yielded many valuable recommendations which are being incorporated into domestic policies and programs and into international and circumpolar strategies, as appropriate.
- Canada hosted the first Arctic Council Ministerial meeting in Iqaluit. The Ministerial Declaration signed at the meeting provides direction to the Arctic Council into the new millennium (<http://arctic-council.usgs.gov>).
- Under Canada's leadership, a Regional Program of Action for the Protection of Arctic Marine Environment was completed and adopted by the Arctic Council.
- Canada is the lead country for the Arctic Council initiative on *The Future of Children and Youth in the Arctic*. INAC manages the Canadian secretariat for this international initiative and is also responsible for an international youth internship program and a circumpolar network program.
- Canada rejuvenated high-level political dialogue with Russia under the Canada/Russia Co-operation Agreement on the Arctic and the North resulting in a Memorandum of Understanding on Northern Development and Aboriginal Issues.

#### Managing the Northern Air Stage (Food Mail) Program:

- A report, *Changes in Nutrition and Food Security in Two Inuit Communities, 1992 to 1997: A Review of the Food Mail Program*, was submitted to the Departmental Audit and Evaluation Committee as part of the review of the Northern Air Stage (Food Mail) Program, which is to be completed in 1999–2000, as part of ongoing efforts to renew the program and find ways to enhance its effectiveness.
- In order to avoid postage rate increases for Food Mail service in 1999, INAC obtained approval to remove the funding cap that was placed on the program in 1996.



Supporting N.W.T. governance structures:

- In the N.W.T., considerable progress has been made towards building a consensus among Aboriginal and territorial government partners on an Intergovernmental Process and Forum. The forum will provide an opportunity to begin the tripartite dialogue necessary to move forward on territorial, political and economic development including how the territorial government and emerging Aboriginal governments will take control of and share further in the wealth from land and natural resources.

Participating in a partnership approach to regional economic development in the North:

- The department is working with our northern and Aboriginal partners, in common efforts to design regionally-based economic development strategies for each of the three territories, which will build on existing strengths and opportunities.

How Well Did We Do? – Value For Money

Work carried out in 1998–99 set the stage for major political change in the North during 1999–2000. Just as Canada’s third territory has become a reality, agreement was reached with the Yukon Territorial Government and Yukon First Nations on major elements of a devolution package, laying the ground for the Yukon Government to assume responsibility for the remaining provincial-type responsibilities: land, water, mineral and forestry resources. In addition, progress continued to be made on enabling northern Aboriginal people to become full partners in the management of the North’s natural resources through their involvement in resource management boards and agencies.

Promoting Northern Sustainable Development

What Did We Promise To Achieve?

The **ultimate outcome** of promoting northern sustainable development through management of natural resources and protection of the environment is the creation of stronger communities with sustainable economies in the North. Progress is indicated by measures taken in the following areas:

- Natural resources legislation, regulations and policies
- Protection of the environment and renewable resources
- Managing resource development
- Implementation of a Sustainable Development Strategy



## What Factors Influenced Performance?

Mineral and petroleum development continues to influence workloads in the areas of inspections, permits, claims registration, mineral assessment verification, project reviews and environmental assessment, all of which are the responsibility of the department. Rejuvenated oil and gas exploration and development in the Yukon, as well as large new gas discoveries in the N.W.T., are creating workload pressures. Moreover, the decline in gold prices and the resulting mine closures in the N.W.T. since 1997–98, have created new pressures and priorities for staff. Both the Giant Mine (N.W.T.) and Faro Mine (Yukon) are currently in receivership, which could leave INAC with major liabilities if INAC is not successful in its efforts to find private sector solutions for both mines. Finally, implementation of new legislative and regulatory obligations poses additional workload challenges for the department.

## What Did We Accomplish In 1998–99?

Natural resources legislation, regulations and policies:

- Approval of the Yukon Placer and Yukon Quartz Mining Land Use Regulations on December 16, 1998, will result in the implementation of modern mineral and environmental resource management practices in the Yukon beginning in 1999–2000.
- The Mackenzie Valley Land Use Regulations were approved on August 26, 1998.
- Revisions to the mining royalty regime in the *Canada Mining Regulations* were approved on May 13, 1999, and the three-year royalty period was repealed on August 16, 1998. For more details, see Legislation and Regulations on page 57 and the departmental Web site at: <http://www.inac.gc.ca/legisl/legisl.html>.
- A forestry strategy was completed for the Yukon.

Protection of the environment and renewable resources:

- The results of environmental assessments are now being incorporated into conditions attached to permits and licences.
- The department continued to work in partnership to develop a unique environmental assessment process for the Yukon, to implement the clean-up of hazardous waste sites across the North, and to deliver the Northern Contaminants Program which addresses the issue of contaminants in traditional foods. INAC spent \$4.1 million on 128 projects that fulfilled needs for human health research, education and monitoring.
- Communities have been kept informed of the progress of waste management and clean-up through consultations and information-sharing, and through the direct participation of northerners on the management committees for the Northern Contaminants Program.
- The results of work in the Northern Contaminants Program, conducted in association with other departments and territorial governments, were built into the *Arctic Monitoring and Assessment Program Report: Arctic Pollution Issues* and other reports.



### Managing resource development:

- INAC continued to work with the territories, Aboriginal groups and industry to try and find solutions to deal with the closure of the Faro Mine in the Yukon and the Giant Mine in the N.W.T.
- The BHP EKATI™ Diamond Mine began full operations on October 14, 1998. Impact and Benefit Agreements were signed with the North Slave Métis Alliance, the Inuit of Kugluktuk and the Kitikemeot Inuit Association. The mine is providing significant employment and economic opportunities and is expected to generate over \$2 billion in revenue over 20 years.
- A second mine, Diavik, underwent a comprehensive environmental review led by INAC in 1998–99.
- Partnerships between Aboriginal groups and industry are being fostered as oil and gas exploration continues to build capacity, jobs and business opportunities for Mackenzie Valley communities. Three large gas discoveries in the N.W.T. promise to sustain the momentum.

### Implementation of a Sustainable Development Strategy:

- Capacity building included promoting northern political development, implementing land claims agreements and encouraging community participation in resource development.
- Maintaining effective partnerships promote sustainable development through collaboration with northern governments, Aboriginal organizations and other government departments (e.g., partnership with the Qikiqtaaluk Corporation for assessment and clean-up of the abandoned military communication site on Resolution Island).
- Sustainable development is being integrated into decision-making by involving northerners in decisions of the Northern Contaminants Program and appointing northerners to the membership of resource management boards.
- Healthy environments are fostered through activities such as the clean-up of abandoned waste sites, inspections for water licences, the assessment of contaminants in food, and land use permits, leases, and mineral dispositions.
- Sound resource management regimes included Impact Benefit Agreements between resource developers and Aboriginal groups, a mining reclamation policy for the N.W.T. and a forestry strategy for the Yukon.
- International obligations are being addressed through such means as collaboration in Arctic Council programs and ratification of the United Nations Economic Commission for Europe, and the Convention on Long Range Transboundary Air Pollution held in December 1998.

## How Well Did We Do? – Value For Money

Departmental efforts to create an efficient and stable regulatory regime and to work with northerners, territorial governments and the private sector to take advantage of economic opportunities are having a direct impact on jobs and growth throughout the North. Ensuring that development in the North proceeds in a manner that does not compromise the ability of future generations to meet their own needs is at the core of INAC's sustainable development efforts in the North.



## Performance Accomplishments – Administration Program

### Why Are We In The Business?

*The Administration Program supports INAC's operating programs, providing policy direction and coordination and central advisory services. It is responsible for administrative services, finance, human resources, communications and technical services. It provides liaison with Parliament, Cabinet policy committees, other federal departments and other levels of government. Its functions include strategic and financial planning, informatics, material management, and ministerial correspondence and briefings. The program also conducts evaluations and internal audits in accordance with Treasury Board policy.*

### How Much Did It Cost?

Planned Spending	\$70,866,645
Total Authorities	\$85,122,440
<b>1998–99 Actuals</b>	<b>\$81,560,118</b>

### Explanation of Variance

The variance of approximately \$14 million between planned spending and total authorities is primarily attributable to incremental funding required to support systems enhancements and maintenance (ensuring system readiness as the year 2000 approaches), telecommunications upgrades and personnel costs.

The variance of approximately \$4 million between total authorities and actual spending is primarily attributable to the carry forward to future years of operating resources.

### Priority

- Supporting *Gathering Strength* by finding innovative ways of doing business – \$81.6 million (page 34).

The following pages outline the expected results, the actual accomplishments and an assessment of our performance.





## Supporting *Gathering Strength* by Finding Innovative Ways of Doing Business

### What Did We Promise To Achieve?

The **ultimate outcome** of this priority is the creation of an efficient and effective departmental program that provides a high level of quality services in support of First Nations and northerners. This will be accomplished in an environment that promotes Aboriginal representation; fosters sound management practices, leadership, innovation, values and ethics; and pursues opportunities available through change. Success in these endeavours is indicated by:

- Increased Aboriginal representation within a dynamic and skilled work force
- Leadership in sound management practices (modern comptrollership)

### What Factors Influenced Performance?

*Gathering Strength* called for a new vision of the department's role. For many years, our overriding focus was to transfer responsibility to First Nations and prepare ourselves to go out of business. *Gathering Strength* recognized that we have a legitimate and appropriate role to play in assisting the capacity development of First Nations and Inuit and in assisting in development of policy for strong and sustainable governance structures.

### What Did We Accomplish In 1998–99?

Increased Aboriginal representation within a dynamic and skilled work force:

- During 1998–99, 40 percent of all those appointed to the department were Aboriginal, thus increasing Aboriginal representation to 27 percent from 23 percent in 1996–97. Using INAC-designed programs and a focused approach, Aboriginal representation in the Executive Group category increased from 17 to 25 percent in the same period.
- Aboriginal Workforce Participation Initiative (AWPI) partnerships were established at all levels: nationally, regionally and locally. Fruitful relationships were established between AWPI and partners such as Aboriginal organizations, private sector corporations and educational institutions. The Government of Canada promoted the recruitment, retention and advancement of Aboriginal employees.



- In the spirit of partnerships, AWPI conducted a thorough consultation process with employers and Aboriginal groups to develop the *AWPI Employer Toolkit* (national version). The result is a document designed for our partners reflecting their direct input, which comprehensively addresses Aboriginal employment issues. It enables employers to build their own approach to Aboriginal employment based on proven practices and sound business considerations. Reactions have been extremely positive. For more information, visit the Aboriginal Workforce Directorate at <http://www.inac.gc.ca/awd/index.html>.

#### Leadership in sound management practices (modern comptrollership):

- INAC is one of six departments working with the Treasury Board Secretariat to pilot the task of implementing modern comptrollership in the federal public service. From INAC's perspective, modern comptrollership is about sound management practices in such key areas as performance information, risk management, control systems, and ethics, ethical practices and values. These principles are well entrenched in the department's management functions. The following are key areas that are fundamental to the department's ongoing work in comptrollership modernization.
  - *Risk Management*: The department continues to foster an environment that encourages proactive management of risk and risk-taking in developing opportunities, resolving issues and improving operational processes. The management of risk is integrated into a corporate management and accountability framework. It is an integral component of our decision-making process and is a core management competency. Copies of INAC's Risk Management Framework are available through the Departmental Audit and Evaluation Branch at (819) 994-4311.
  - *Leadership Competency Profile*: The profile outlines the competencies needed to transform and improve INAC as it moves to meet the challenges of the 21<sup>st</sup> century. In 1998, INAC used a consultative process to flesh out the profile at both individual and corporate levels; the goal was to identify specific behavioral indicators that can be used to develop self-assessment and performance evaluation tools, learning plans and training programs. For more information on leadership and our leadership tool kit, contact the departmental kiosk at (819) 997-0380 or visit our Web site at [www.inac.gc.ca/pubs/learning/index.html](http://www.inac.gc.ca/pubs/learning/index.html).
  - *Planning and Accountability*: Like every large organization, this department has systems in place to plan our work and to measure what we have accomplished against what we set out to do. The department has worked to ensure that its current accountability framework is fully consistent with the objectives and intent of *Gathering Strength — Canada's Aboriginal Action Plan* with respect to partnerships with First Nations and northerners and consultation among sectors and regions. For more information, please see our Web site at [www.inac.gc.ca/info/planning.html](http://www.inac.gc.ca/info/planning.html).
  - *Results-Based Management and Reporting*: The department is working with the Treasury Board Secretariat to enhance results-based planning and reporting through the Estimates documents — Report on Plans and Priorities and the Performance Report. These public documents are a key element of the government's efforts to improve reporting to Parliament and restore public trust in government institutions. As such they are a cornerstone of public accountability. INAC's Estimates documents are available at <http://www.inac.gc.ca/pubs/estimates/index.html>.



- *Environmental Management System (EMS)*: EMS was implemented to deal with departmental operations in the areas of procurement, fleet management, land and facilities management, waste reduction, and water and energy usage. To date we have completed an environmental review of departmental operations in the areas of procurement, waste reduction and fleet management; completed Phase I of the environmental review of departmental properties; established a petroleum storage tank data base; created a “green” Web site as part of a departmental Intranet site with links to relevant documents and sites; and implemented ongoing downsizing and improvements to the efficiency of the departmental fleet.

## How Well Did We Do? – Value For Money

AWPI progress increased partnerships with Aboriginal organizations, private sector corporations, educational institutions and governments.

Throughout the period of this review, Human Resources Learning and Planning Advisors have been promoting leadership, risk management, partnerships and human resource competencies in support of sound management practices. The department is currently finalizing a review of its management practices as part of the comptrollership initiative. A work plan will be developed to address any potential gaps subsequent to the review.

Ensuring that sound management practices consistent with the goals of modern comptrollership are in place maximizes the effective use of resources and achievement of concrete results.

In addition, the implementation of “green” initiatives throughout the department and participation in federal government initiatives to improve the environment will result in long-term savings. Short-term savings have been demonstrated through the downsizing of the departmental fleet and the replacement of vehicles with more fuel-efficient models.



## Performance Accomplishments – Canadian Polar Commission

### Why Are We In The Business?

*The Canadian Polar Commission was established by Parliament in 1991 as the lead federal agency in the area of polar science. It reports to Parliament through the Minister of Indian Affairs and Northern Development.*

#### How Much Did It Cost?

Planned Spending	\$945,000
<i>Total Authorities</i>	<i>\$987,100</i>
<b>1998–99 Actuals</b>	<b>\$956,347</b>

### Explanation of Variance

The variance of \$42,100 between planned spending and total authorities is primarily attributable to the carry forward from 1997–98 of funding for operating resources.

The variance of \$30,753 between actual spending and total authorities is mainly attributable to the carry forward to future years of funding for operating resources.

### Priority

- Developing and disseminating knowledge of polar regions – \$956,347 (page 37).

## Developing and Disseminating Knowledge of Polar Regions

### What Did We Promise To Achieve?

The **ultimate outcome** of the activities of the Canadian Polar Commission is a broader understanding of polar issues and an effective national and international presence in polar regions and in the field of polar science and technology. Performance is indicated by:

- Promoting polar knowledge
- Raising public awareness of polar science
- Enhancing Canada’s international profile as a circumpolar nation
- Fostering science and technology in the North



## What Factors Influenced Performance?

Success will depend on the priority assigned polar research by federal departments and agencies and on support from the polar research community.

## What Did We Accomplish In 1998–99?

### Promoting polar knowledge:

- The Commission has been active in the coordination of polar data from international scientific research ensuring that the results of Canadian research are available to the international community, supporting international obligations with respect to polar science and technology. As well, the Commission has produced databases and bibliographies on Canada's polar science community and a directory of circumpolar research facilities.

### Raising public awareness of polar science:

- The importance of polar science to Canadians was promoted through: on-line information resources; the Commission's publishing and communications program; public affairs and media relations; and through ongoing consultations with other federal departments and agencies aimed at identifying and evaluating information technologies applicable to the broader exchange of polar information.

### Enhancing Canada's international profile as a circumpolar nation:

- The Commission provided support for the Canadian Antarctic Research Program and the Canadian Committee on Antarctic Research. The Commission also applied for full membership status on the Scientific Committee for Antarctic Research and continued to work closely with the Arctic science community as the national body on the International Arctic Science Committee.

### Fostering science and technology in the North:

- The Commission helped foster science and technology in the North through ongoing monitoring and reporting on the state of Canadian polar science and through its work as a partner in the federal Northern Science and Technology Strategy. The Commission also produced a study of northern research licensing data and a bibliography on northern traditional knowledge.

## How Well Did We Do? – Value For Money

The Commission has provided valuable input into the state of Canadian polar knowledge and has helped focus national attention on the need for world class research and information infrastructure. The Commission serves as an important source of information on polar research and a link between the research sector, Aboriginal communities, industry, academia, governments and Canadians. It serves as Canada's primary point of contact with the circumpolar scientific community. Such activities not only complement the Commission's work with respect to domestic research activities but also provide a means of input into multilateral scientific projects of relevance to Canadian interests.



## Section IV – Supplementary Information

### Year 2000 Readiness

The department has been addressing the Year 2000 (Y2K) issue since 1996–97 and has completed the work required to ensure that its Government-Wide Mission Critical information technology (IT) systems are Y2K compliant, specifically, the systems for accounting, transfer payments, trust fund management, nominal roll and Indian government support. The department has provided its contingency planning documents to Treasury Board and has been reporting regularly since the spring of 1998.

In addition, the department has identified a number of headquarters and regional IT systems that are Departmental Mission Critical systems. These include such systems as e-mail, Peoplesoft, document tracking and also some of the regional lands and royalty systems in the North and at Indian and Oil Gas Canada (IOGC). These are compliant.

In the fall 1998, under the ambit of “duty to warn, duty of care” and notwithstanding the absence of a legal or statutory obligation, the department decided that it would assist First Nations officials to address the embedded Y2K system issues that could occur consequent to a malfunction in facilities such as First Nations water or sewage-treatment equipment. All regions have initiated the work necessary to deal with this potential problem and will be completing the assessment phase during the June-July 1999 time frame. Any remediation work will be undertaken during the summer and completed by October 1999. Furthermore, IOGC officials have sent letters to all contractors regarding their obligations to ensure that on-reserve drilling and/or production equipment is Y2K compliant. Confirmation follow-up will ensue through the summer.

This cooperative exercise will help strengthen the capabilities of First Nations communities consistent with the philosophy of *Gathering Strength*.

### Sustainable Development

#### **Progress towards Sustainable Development**

The Sustainable Development Strategy supports the *Gathering Strength* initiative by providing an integrative approach to the social, economic and environmental aspects of development. It also enunciates INAC’s commitment to ongoing dialogue with First Nations, Inuit and northerners.

The principles which guide the policies and programs of the department are:

- open, inclusive and accountable decision-making
- honouring treaty and fiduciary obligations and international agreements
- consideration of economic viability, culture and environmental values as policies and programs are developed
- provision of fair and equitable opportunities for First Nations and northern peoples



- consideration of sharing the risks and benefits from development
- respect for diverse cultures and traditional values
- respect for the land and its diversity as the foundation for healthy communities
- consideration of transboundary and cumulative impacts in decision-making
- efficient use of natural resources and minimization of pollution in INAC's operations
- fiscal responsibility.

As INAC implements its Strategy, it is building more effective partnerships through cooperation with First Nations communities and organizations. An example is the recent establishment of the Land Trust Services/Assembly of First Nations Joint Initiative for Policy Development, which explores how the department and First Nations can work together to create policy and an operational framework whereby First Nations may assume control over lands and governance. In addition, the *First Nations Land Management Act* will allow 14 First Nations to opt out of the land management sections of the *Indian Act* and establish their own regimes to manage their lands and natural resources, providing for more control at the local level. As well, both the Westbank and United Anishnabe Confederacy self-government negotiations have reached the point where controlled environmental management regimes are being discussed.

The department is developing training modules for departmental managers, First Nations and community representatives to assist in the integration of sustainable development into decision-making processes. The first of these modules will be piloted early in the year 2000.

In cooperation with Natural Resources Canada, the department is working with several communities in Manitoba to develop and pilot test community-based sustainable development strategies. This process is being led by the communities and the strategies are being built around the specific social, economic, cultural and environmental needs of each community. These pilot projects reflect the department's commitment to encourage interested First Nations to create their own sustainable development strategies.

Strengthening communities by building capacity at the community level and increasing natural resource management has also been a focus. Preparing the northern territories for devolution of provincial-type responsibilities has been achieved through capacity building. The new territory of Nunavut has been created. New integrated environmental regulation regimes involve all levels of government, provide more public participation in decision-making and guarantee rights of participation for Aboriginal peoples on public decision-making boards. Initiatives have also included the management of contaminated sites, the promotion of economically and environmentally sound forest management on reserves, and the heightening of awareness of Aboriginal issues among federal departments.

Action to "green" departmental operations is ongoing. Significant achievements are recycling programs at headquarters and in regional and district offices, completion of an environmental review of departmental properties, a review and downsizing of the departmental fleet of vehicles, establishment of a petroleum storage tank database and progress on replacing or improving tank systems.



## Fuel Storage Tanks 1998 Annual Report

This is the second annual report presented by INAC under Section 12 of the Registration of Storage Tank Systems for Petroleum Products and Allied Petroleum Products on Federal Lands Regulations.

This is a consolidated report which consists of statistics on storage tank systems, including those registered under the Administration Program which are departmentally owned and operated, those registered under the Indian and Inuit Affairs Program which are located on reserve lands, and those registered under the Northern Affairs Program which are located in the Yukon and Northwest Territories.

### Status of Fuel Storage Tanks on INAC-Owned Land – Annual Report for April 30, 1999

As required under the *Canadian Environmental Protection Act*, Part IV, Registration of Storage Tank Systems for Petroleum Products and Allied Petroleum Products on Federal Lands Regulations, this report provides the information set out in Schedule II of the regulation, updated to December 31, 1998.

#### 1. The following number of aboveground storage tank systems:

Are registered with INAC: 573.

Comply with the Federal Aboveground Storage Tank Technical Guidelines: 191.

Do not comply with the Federal Aboveground Storage Tank Technical Guidelines: 382.

Should be upgraded in accordance with Schedule I of the Federal Aboveground Storage Tank Technical Guidelines:

a) 558 in 1999.

b) 3 in 2000.

#### 2. The following number of underground storage tank systems:

Are registered with INAC: 252.

Comply with the Federal Underground Storage Tank Technical Guidelines: 191.

Do not comply with the Federal Underground Storage Tank Technical Guidelines: 61.

Should be upgraded in accordance with Schedule I of the Federal Underground Storage Tank Technical Guidelines:

a) 148 in 1999.

b) 101 in 2000.





## Financial Performance

### Financial Performance Overview

<b>How Much Did It Cost?</b>	
<b>Indian and Northern Affairs Canada</b>	
Planned Spending	\$4,517,666,545
<i>Total Authorities</i>	<i>\$4,982,532,546</i>
<b>1998–99 Actuals</b>	<b>\$4,925,137,402</b>
<b>Canadian Polar Commission</b>	
Planned Spending	\$945,000
<i>Total Authorities</i>	<i>\$987,100</i>
<b>1998–99 Actuals</b>	<b>\$956,347</b>

INAC and the Canadian Polar Commission's financial resources were spent on the delivery of the strategic objectives outlined in this document. Explanations of significant variances and the details on how First Nations, Inuit, Northerners, and other Canadians are receiving value for this spending are elaborated throughout the report by business line, as follows:

<b>Business Lines</b>	<b>Explanation of Significant Variances Reported On:</b>	<b>How Does This Achieve Value for Money Reported On:</b>
Indian and Inuit Programming/Claims	page 11	pages 18, 20, 23, 26
Northern Affairs	page 27	pages 30, 32
Administration	page 33	page 36
Canadian Polar Commission	page 37	page 38

The following financial summary tables (Tables 1–11) provide additional details with respect to the department's utilization of financial resources.



## Financial Summary Tables

Table 1 – Summary of Voted Appropriations

### Financial Requirements by Authority (millions of dollars)

Vote		1998–99		
		Planned Spending	Total Authorities	Actual
<b>Administration Program</b>				
1	Program expenditures	63.3	77.1	<b>73.6</b>
(S)	Statutory payments	7.6	8.0	<b>8.0</b>
	Total Program	70.9	85.1	<b>81.6</b>
<b>Indian and Inuit Affairs Program</b>				
5	Operating expenditures	219.3	247.7	<b>235.5</b>
7	To forgive certain debts and obligations due to Her Majesty in right of Canada	-	0.3	<b>0.3</b>
8	To write-off from the Accounts of Canada certain debts and obligations due to Her Majesty in right of Canada	-	0.1	<b>0.1</b>
10	Capital expenditures	5.0	2.2	<b>2.2</b>
15	Grants and contributions	3,875.2	4,197.9	<b>4,197.5</b>
(S)	Statutory payments	148.7	184.4	<b>151.5</b>
	Total budgetary	4,248.2	4,632.6	<b>4,587.1</b>
L15	Loans for the construction of houses through the Indian Housing Assistance Account	-	20.0	-
L20	Loans and guarantees of loans through the Indian Economic Development Account	-	46.7	<b>(0.1)</b>
L20	Loans to native claimants	21.5	34.6	<b>30.1</b>
L25	Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission process	24.0	24.0	<b>23.6</b>
L26	Loans to the Council of Yukon Indians for interim benefits	-	0.5	<b>0.2</b>
	Total non-budgetary	45.5	125.8	<b>53.8</b>
	Total Program	4,293.7	4,758.4	<b>4,641.0</b>
<b>Northern Affairs Program</b>				
30	Operating expenditures	83.5	115.7	<b>108.0</b>
35	Grants and contributions	90.9	123.7	<b>123.2</b>
40	Payments to Canada Post Corporation	15.6	15.6	<b>15.5</b>
(S)	Statutory payments	8.6	9.8	<b>9.8</b>
	Total budgetary	198.6	264.8	<b>256.4</b>
L40	Loans to the Government of the Yukon Territory for making second mortgage loans to territory residents	-	0.3	-
L55	Provision of Inuit Loan Fund for loans to Inuit to promote commercial activities	-	6.5	-
L81	Loans for the establishment or expansion of small businesses in the Yukon Territory through the Yukon Territory Small Business Loans Account	-	5.0	-
	Total non-budgetary	-	11.9	-
	Total Program	198.6	276.7	<b>256.4</b>
	<b>Total Department</b>	<b>4,563.2</b>	<b>5,120.2</b>	<b>4,978.9</b>
<b>Canadian Polar Commission</b>				
50	Program expenditures	0.9	0.9	<b>0.9</b>
(S)	Statutory payments	0.1	0.1	<b>0.1</b>
	<b>Total Agency</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.  
Due to rounding, figures may not add to totals shown.



Table 2 – Comparison of Total Planned to Actual Spending

**Departmental Planned versus Actual Spending by Business Line (millions of dollars)**

Business Line	FTEs	Operat- ing	Capital	Voted Grants and Contribu- tions	Total Gross Voted Expendi- tures	Statutory Grants and Contribu- tions	Total Gross Expendi- tures	Less: Respend- able Revenue	Total Net Expendi- tures
<b>Claims</b>									
(planned spending)	265	54.6	-	212.9	267.5	124.6	392.1	-	392.1
(total authorities)	466	87.7	0.6	229.2	317.6	127.9	445.4	-	445.4
(actuals)	<b>466</b>	<b>87.7</b>	<b>0.6</b>	<b>229.2</b>	<b>317.6</b>	<b>127.9</b>	<b>445.4</b>	-	<b>445.4</b>
<b>Indian and Inuit Programming</b>									
(planned spending)	1,726	187.4	5.0	3,662.3	3,854.7	1.4	3,856.1	-	3,856.1
(total authorities)	1,672	205.2	11.6	3,968.7	4,185.5	1.7	4,187.2	-	4,187.2
(actuals)	<b>1,672</b>	<b>160.2</b>	<b>11.6</b>	<b>3,968.3</b>	<b>4,140.1</b>	<b>1.7</b>	<b>4,141.7</b>	-	<b>4,141.7</b>
<b>Northern Affairs</b>									
(planned spending)	578	107.7	-	90.9	198.6	-	198.6	-	198.6
(total authorities)	592	137.8	3.3	123.7	264.8	-	264.8	-	264.8
(actuals)	<b>592</b>	<b>130.0</b>	<b>3.3</b>	<b>123.2</b>	<b>256.4</b>	-	<b>256.4</b>	-	<b>256.4</b>
<b>Administration</b>									
(planned spending)	685	70.4	-	0.5	70.9	-	70.9	-	70.9
(total authorities)	773	82.4	2.2	0.5	85.1	-	85.1	-	85.1
(actuals)	<b>773</b>	<b>78.9</b>	<b>2.2</b>	<b>0.5</b>	<b>81.6</b>	-	<b>81.6</b>	-	<b>81.6</b>
<b>Total</b>									
(planned spending)	3,254	420.1	5.0	3,966.6	4,391.7	126.0	4,517.7	-	4,517.7
(total authorities)	3,503	513.2	17.7	4,322.1	4,853.0	129.5	4,982.5	-	4,982.5
(actuals)	<b>3,503</b>	<b>456.8</b>	<b>17.7</b>	<b>4,321.1</b>	<b>4,795.6</b>	<b>129.5</b>	<b>4,925.1</b>	-	<b>4,925.1</b>
<b>Other Revenues and Expenditures</b>									
<b>Non-Respendable Revenues</b>									
(planned spending)									(104.5)
(total authorities)									(82.0)
(actuals)									<b>(82.0)</b>
<b>Cost of services provided by other departments</b>									
(planned spending)									38.5
(total authorities)									41.2
(actuals)									<b>41.2</b>
<b>Net Cost of the Department</b>									
(planned spending)									4,451.7
(total authorities)									4,941.7
(actuals)									<b>4,884.3</b>
<b>Canadian Polar Commission</b>									
(planned spending)	6	0.9	-	-	0.9	-	0.9	-	0.9
(total authorities)	6	1.0	-	-	1.0	-	1.0	-	1.0
(actuals)	<b>6</b>	<b>0.9</b>	-	-	<b>1.0</b>	-	<b>1.0</b>	-	<b>1.0</b>

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.  
Due to rounding, figures may not add to totals shown.



Table 3 – Historical Comparison of Total Planned Spending to Actual Spending

**Historical Comparison of Departmental Planned Spending versus Actual Spending by Business Line (millions of dollars)**

Business Lines	Actual 1996-97	Actual 1997-98	1998-99		
			Planned Spending	Total Authorities	Actual
<b>Budgetary</b>					
Claims	337.8	615.7	392.1	445.4	<b>445.4</b>
Indian and Inuit Programming	3,705.5	3,675.9	3,856.1	4,187.2	<b>4,141.7</b>
Northern Affairs	155.8	178.9	198.6	264.8	<b>256.4</b>
Administration	72.4	84.4	70.9	85.1	<b>81.6</b>
<b>Total Budgetary</b>	<b>4,271.6</b>	<b>4,554.9</b>	<b>4,517.7</b>	<b>4,982.5</b>	<b>4,925.1</b>
<b>Non-Budgetary</b>					
Claims	43.8	51.1	45.5	59.1	<b>53.9</b>
Indian and Inuit Programming	(2.2)	-	-	66.7	<b>(0.1)</b>
Northern Affairs	-	-	-	11.9	-
Administration	-	-	-	-	-
<b>Total Non-Budgetary</b>	<b>41.5</b>	<b>51.1</b>	<b>45.5</b>	<b>137.7</b>	<b>53.8</b>
<b>Total</b>					
Claims	381.6	666.8	437.6	504.5	<b>499.3</b>
Indian and Inuit Programming	3,703.3	3,675.9	3,856.1	4,253.9	<b>4,141.6</b>
Northern Affairs	155.8	178.9	198.6	276.7	<b>256.4</b>
Administration	72.4	84.4	70.9	85.1	<b>81.6</b>
<b>Total Department</b>	<b>4,313.1</b>	<b>4,606.0</b>	<b>4,563.2</b>	<b>5,120.2</b>	<b>4,978.9</b>
<b>Canadian Polar Commission</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities. Due to rounding, figures may not add to totals shown.



Table 4 – Non-Respendable Revenues\*

## Non-Respendable Revenues by Business Line (millions of dollars)

Business Lines	Actual 1996-97	Actual 1997-98	1998-99		Actual
			Planned Revenues	Total Authorities	
<b>Claims</b>					
Return on investments:					
• Native claimants	7.0	5.8	7.0	3.3	<b>3.3</b>
Other non-tax revenue	9.5	9.5	9.5	9.5	<b>9.5</b>
<b>Sub-total (Claims)</b>	<b>16.5</b>	<b>15.3</b>	<b>16.5</b>	<b>12.8</b>	<b>12.8</b>
<b>Indian and Inuit Programming</b>					
Goods and services tax	0.3	0.3	0.3	0.3	<b>0.3</b>
Return on investments:					
• Indian economic development fund	1.0	0.8	1.0	0.8	<b>0.8</b>
Recovery from guaranteed loans	0.7	0.4	0.7	0.1	<b>0.1</b>
Refunds of previous years' expenditures	10.4	16.3	6.7	13.0	<b>13.0</b>
Adjustment of prior year's payables at year end	1.4	1.1	1.4	19.7	<b>19.7</b>
Privileges, licences and permits	0.2	0.2	0.2	0.1	<b>0.1</b>
Services and service fees	-	-	-	-	-
Proceeds from:					
• Sales	0.3	0.2	0.3	-	-
• Disposal of surplus Crown assets	0.1	0.1	0.1	0.1	<b>0.1</b>
Other non-tax revenue	-	-	0.2	0.1	<b>0.1</b>
<b>Sub-total (Indian and Inuit Programming)</b>	<b>14.3</b>	<b>19.4</b>	<b>10.8</b>	<b>34.3</b>	<b>34.3</b>
<b>Northern Affairs</b>					
Goods and Services Tax	0.1	0.1	-	0.1	<b>0.1</b>
Return on investments:					
• Norman Wells Project profits	107.9	7.0	50.0	11.7	<b>11.7</b>
• Other	2.9	2.3	2.8	0.9	<b>0.9</b>
Refunds of previous years' expenditures	0.3	1.0	1.7	0.8	<b>0.8</b>
Adjustments of prior year's payables at year end	2.4	0.1	1.0	1.3	<b>1.3</b>
Canada mining	5.4	6.2	5.9	8.2	<b>8.2</b>
Yukon quartz mining	1.2	1.3	2.0	0.8	<b>0.8</b>
Placer mining fees	0.2	0.2	0.2	0.2	<b>0.2</b>
Quarrying royalties	0.4	0.2	0.3	0.2	<b>0.2</b>
Coal leases	-	-	-	-	-
Metallic and non-metallic	0.1	0.1	-	-	-
Oil and gas royalties	15.2	8.6	7.8	6.0	<b>6.0</b>
Oil and gas forfeitures	0.9	0.8	0.9	1.5	<b>1.5</b>
Forestry	2.6	3.7	3.0	0.9	<b>0.9</b>
Land, building and machinery rentals	0.8	0.8	0.5	0.7	<b>0.7</b>
Land use fees	0.4	0.2	0.1	0.2	<b>0.2</b>
Other fees, rentals, licences	-	-	-	0.1	<b>0.1</b>
Living accommodation and services	0.5	0.1	0.4	0.2	<b>0.2</b>



Business Lines	Actual 1996-97	Actual 1997-98	1998-99		
			Planned Revenues	Total Authorities	Actual
Proceeds from:					
• Sales	0.3	0.3	0.2	0.2	<b>0.2</b>
• Disposal of surplus Crown assets	-	-	-	-	-
Other non-tax revenues	0.1	-	0.1	0.7	<b>0.7</b>
<b>Sub-total (Northern Affairs)</b>	<b>141.8</b>	<b>32.9</b>	<b>77.2</b>	<b>34.6</b>	<b>34.6</b>
<b>Administration</b>					
Refunds of previous years' expenditures	0.1	0.1	0.1	0.3	<b>0.3</b>
Adjustments of prior year's payables at year end	-	0.1	-	0.1	<b>0.1</b>
Living accommodation and services	-	-	-	-	-
Service and service fees	-	-	-	-	-
Proceeds from disposal of surplus Crown assets	-	-	-	-	-
Other non-tax revenues	-	-	-	-	-
<b>Sub-total (Administration)</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>
<b>Total Non-Respendable Revenues (Department)</b>	<b>172.7</b>	<b>67.8</b>	<b>104.5</b>	<b>82.0</b>	<b>82.0</b>
<b>Canadian Polar Commission</b>	-	-	-	-	-

Due to rounding, figures may not add to totals shown.

\* These revenues were formerly called "Revenues credited to the Consolidated Revenue Fund".



Table 5 – Statutory Payments

## Statutory Payments by Business Line (millions of dollars)

Business Lines	Actual 1996–97	Actual 1997–98	1998–99		
			Planned Spending	Total Authorities	Actuals
<b>Claims</b>					
Grant to the Inuvialuit Regional Corporation under the <i>Western Arctic (Inuvialuit) Claims Settlement Act</i>	20.0	32.0	-	-	-
Grants to Aboriginal organizations designated to receive claim settlement payments pursuant to Comprehensive Land Claim Settlement Acts	118.3	124.6	124.6	127.9	<b>127.9</b>
Grassy Narrows and Islington Bands Mercury Disability Board	-	-	-	-	-
Payment pursuant to Section 30 of the <i>Crown Liabilities and Proceedings Act</i> in respect of judgement in favour of the Blueberry and Doig River Bands	-	147.0	-	-	-
Court awards	0.1	3.2	-	0.1	<b>0.1</b>
Contributions to employee benefit plans	2.3	2.2	3.1	3.1	<b>3.1</b>
<b>Sub-total (Claims)</b>	<b>140.7</b>	<b>309.0</b>	<b>127.7</b>	<b>131.1</b>	<b>131.1</b>
<b>Indian and Inuit Programming</b>					
Forgiveness of loans issued from Indian housing assistance account	-	-	-	-	-
Liabilities in respect of loan guarantees made to Indians for housing and economic development ( <i>Indian Act</i> )	2.0	1.5	2.0	0.1	<b>0.1</b>
Indian annuities ( <i>Indian Act</i> )	1.8	1.5	1.4	1.7	<b>1.7</b>
Payment from the Consolidated Revenue Fund of guaranteed loans issued out of the Indian economic development account	-	0.3	-	32.8	-
Contributions to employee benefit plans	11.1	13.2	17.5	18.6	<b>18.6</b>
Refunds of amounts credited to revenues in previous years	-	-	-	-	-
Spending of proceeds from the disposal of surplus Crown assets	0.1	0.1	-	0.1	<b>0.1</b>
<b>Sub-total (Indian and Inuit Programming)</b>	<b>15.0</b>	<b>16.6</b>	<b>20.9</b>	<b>53.3</b>	<b>20.4</b>



Business Lines	Actual 1996-97	Actual 1997-98	1998-99		
			Planned Spending	Total Authorities	Actuals
<b>Northern Affairs</b>					
Payments to comprehensive claim beneficiaries in compensation for resource royalties	1.6	1.2	1.5	1.6	<b>1.6</b>
Contributions to employee benefit plans	5.0	5.4	7.1	7.5	<b>7.5</b>
Refunds of amounts credited to revenue in previous years	0.3	0.4	-	0.7	<b>0.7</b>
Spending of proceeds from the disposal of surplus Crown assets	-	-	-	0.1	-
<b>Sub-total (Northern Affairs)</b>	<b>6.9</b>	<b>7.0</b>	<b>8.6</b>	<b>9.8</b>	<b>9.8</b>
<b>Administration</b>					
Minister of Indian Affairs and Northern Development - Salary and motor car allowance	-	-	-	-	-
Contributions to employee benefit plans	4.9	5.6	7.5	7.9	<b>7.9</b>
Refunds of amounts credited to revenue in previous years	-	-	-	-	-
Spending of proceeds from the disposal of surplus Crown assets	-	-	-	-	-
<b>Sub-total (Administration)</b>	<b>5.0</b>	<b>5.6</b>	<b>7.6</b>	<b>8.0</b>	<b>8.0</b>
<b>Total Statutory Payments (Department)</b>	<b>167.6</b>	<b>338.3</b>	<b>164.8</b>	<b>202.2</b>	<b>169.3</b>
<b>Canadian Polar Commission</b>					
Contributions to employee benefit plans	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.  
Due to rounding, figures may not add to totals shown.





Table 6 – Transfer Payments

**Transfer Payments by Business Lines (millions of dollars)**

Business Lines	Actual 1996-97	Actual 1997-98	1998-99		
			Planned Spending	Total Authorities	Actual
<b>Grants</b>					
Claims	254.8	327.8	290.8	301.3	<b>301.3</b>
Indian and Inuit Programming	148.6	165.7	240.7	529.9	<b>529.9</b>
Northern Affairs	0.8	0.7	0.7	0.7	<b>0.7</b>
Administration	-	-	-	-	-
<b>Total Grants</b>	<b>404.1</b>	<b>494.3</b>	<b>532.2</b>	<b>832.0</b>	<b>832.0</b>
<b>Contributions</b>					
Claims	35.1	47.3	46.7	55.7	<b>55.7</b>
Indian and Inuit Programming	3,394.5	3,351.7	3,423.1	3,440.4	<b>3,440.0</b>
Northern Affairs	63.3	83.9	90.2	123.0	<b>122.4</b>
Administration	0.5	0.5	0.5	0.5	<b>0.5</b>
<b>Total Contributions</b>	<b>3,493.3</b>	<b>3,483.5</b>	<b>3,560.4</b>	<b>3,619.6</b>	<b>3,618.6</b>
<b>Total</b>					
Claims	289.9	375.1	337.5	357.1	<b>357.1</b>
Indian and Inuit Programming	3,543.0	3,517.5	3,663.7	3,970.4	<b>3,970.0</b>
Northern Affairs	64.1	84.6	90.9	123.7	<b>123.2</b>
Administration	0.5	0.5	0.5	0.5	<b>0.5</b>
<b>Total Transfer Payments (Department)</b>	<b>3,897.4</b>	<b>3,977.7</b>	<b>4,092.6</b>	<b>4,451.6</b>	<b>4,450.6</b>
<b>Canadian Polar Commission</b>	-	-	-	-	-

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.  
Due to rounding, figures may not add to totals shown.



Table 7 - Capital Spending

**Capital Spending by Business Line (millions of dollars)**

Business Lines	Actual 1996-97	Actual 1997-98	1998-99		
			Planned Spending	Total Authorities	Actual
Claims	0.5	1.2	-	0.6	<b>0.6</b>
Indian and Inuit Programming	611.4	594.5	515.4	494.2	<b>494.2</b>
Northern Affairs	0.2	3.4	1.0	3.3	<b>3.3</b>
Administration	2.4	2.8	0.2	2.2	<b>2.2</b>
<b>Total Capital Spending (Department)</b>	<b>614.5</b>	<b>602.0</b>	<b>516.6</b>	<b>500.3</b>	<b>500.3</b>
<b>Canadian Polar Commission</b>	-	-	-	-	-

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.  
Due to rounding, figures may not add to totals shown.



Table 8 – Capital Projects (Projects valued at \$15 million or more)

## Capital Spending by Business Line (millions of dollars)

Business Lines	Current Estimated Total Cost	Actual 1996–97	Actual 1997–98	1998–99		
				Planned Spending	Total Authorities	Actual
<b>Indian and Inuit Programming</b>						
<b>Infrastructure</b>						
<i>Atlantic</i>						
Davis Inlet Relocation	112.5	0.7	6.9	25.8	21.0	<b>21.0</b>
<i>Manitoba</i>						
God's Lake – Water and Sewer	26.3	-	2.7	-	2.8	<b>2.8</b>
Mathias Colomb – Water and Sewer	20.9	2.0	8.7	5.3	5.1	<b>5.1</b>
Sandy Bay – Water and Sewer	17.1	3.0	0.2	-	0.4	<b>0.4</b>
<b>Sub-total (Infrastructure)</b>		<b>5.7</b>	<b>18.5</b>	<b>31.1</b>	<b>29.3</b>	<b>29.3</b>
<b>Education Facilities</b>						
<i>Manitoba</i>						
Garden Hill School Phase II	31.5	-	-	4.8	-	-
Mathias Colomb School	16.9	0.7	-	5.9	8.8	<b>8.8</b>
Peguis School Phase II	23.2	-	-	5.1	-	-
St. Theresa Point School Phase I	22.6	-	8.7	8.5	11.4	<b>11.4</b>
<b>Sub-total (Education Facilities)</b>		<b>0.7</b>	<b>8.7</b>	<b>24.3</b>	<b>20.2</b>	<b>20.2</b>
<b>Land Acquisition</b>						
<i>Quebec</i>						
Kanesatake Land Unification	37.4	-	0.8	7.5	0.2	<b>0.2</b>
<b>Sub-total Indian and Inuit Programming (projects valued at \$15 million or more)</b>		<b>6.4</b>	<b>28.0</b>	<b>62.9</b>	<b>49.7</b>	<b>49.7</b>
Other Capital Expenditures		608.1	574.0	453.7	450.6	<b>450.6</b>
<b>Total Capital Spending</b>		<b>614.5</b>	<b>602.0</b>	<b>516.6</b>	<b>500.3</b>	<b>500.3</b>

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities.  
Due to rounding, figures may not add to totals shown.



## Table 9 – Status of Major Crown Projects

### **Project Name: Mushuau Innu Relocation Project (Davis Inlet Relocation)**

#### **1. Overview**

On November 13, 1996, the Mushuau Innu Band Council, the Government of Canada, and the Government of Newfoundland and Labrador executed the Mushuau Innu Relocation Agreement. Under the terms of the Agreement, the Mushuau Innu of Davis Inlet will build a new village at a site on the adjacent mainland known as Natuashish.

#### **2. Lead and Participating Departments**

Sponsoring Department:	<ul style="list-style-type: none"><li>• Indian and Northern Affairs Canada</li></ul>
Lead Participant:	<ul style="list-style-type: none"><li>• Mushuau Innu Band Council</li></ul>
Other Participant:	<ul style="list-style-type: none"><li>• Province of Newfoundland and Labrador</li></ul>
Contracting Authority:	<ul style="list-style-type: none"><li>• Mushuau Innu Band Council</li></ul>
Other Contributors:	<ul style="list-style-type: none"><li>• Canadian Environmental Assessment Agency</li><li>• Environment Canada</li><li>• Public Works and Government Services Canada</li><li>• Atlantic Canada Opportunities Agency</li><li>• Department of Fisheries and Oceans</li><li>• Royal Canadian Mounted Police</li><li>• Transport Canada</li><li>• Human Resources Development Canada</li><li>• Health Canada</li><li>• Justice Canada</li><li>• Industry Canada</li></ul>

#### **3. Prime and Major Sub-Contractors**

(Firms and Joint Ventures with over 500 person days of employment through June 1999)

- |                                                                                                                                                                                                                            |                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Mushuau Innu Construction Ltd.</li><li>• H.J. O'Connell Construction</li><li>• Old Mokami Construction Ltd.</li><li>• Construction Polaris</li><li>• Pittman Enterprises</li></ul> | <ul style="list-style-type: none"><li>• Mushuau Innu Camp and Catering Inc.</li><li>• East Coast Catering</li><li>• Davis Engineering &amp; Associates</li></ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|



#### 4. Major Milestones

- Statement of Political Commitments by Canada: February 25, 1994
- Mushuau Innu accept Statement of Political Commitments: April 15, 1994
- Preliminary Treasury Board approval: October 31, 1996
- Mushuau Innu relocation agreements signed by INAC, the province of Newfoundland and Labrador, and Mushuau Innu: November 13, 1996
- Effective Treasury Board Approval of Phase I construction: June 18, 1998
- Effective Treasury Board approval of Phase II: July 27, 1999
- Planned Treasury Board submission for Phase III (final) construction: December 1999

#### 5. Progress

- Barge Landing Site is complete (November 1997)
- Main access road is approximately 75 percent complete\* (August 1999 completion)
- Airstrip and terminal is 85 percent complete\* (August 1999 completion)
- Townsite water and sewer is approximately 50 percent complete\* (November 1999 completion)
- Crushing and stockpiling of aggregate is approximately 55 percent complete\* (September 1999 completion)
- Maintenance garage is 85 percent complete\* (October 1999 completion)
- Camp and catering is providing full services to all contractors
- 25 houses to be completed by March 2000

\* as of the end of July 1999

#### 6. Industrial Benefits

Approximately 20 percent of the project management costs are allocated for direct involvement of the Mushuau Innu. Community employment and band revenue opportunities have been generated through Mushuau Innu Band Council's joint venture companies such as Mushuau Innu Camp and Catering and Mushuau Innu Construction Limited which are 51 percent owned by the Band Council. Two major construction contracts with a total value of approximately \$6.5 million have been awarded by public tender to Mushuau Innu Construction. Also, a sole source service agreement worth an estimated \$5 million has been awarded to Mushuau Innu Camp and Catering. In addition, the Innu are managing the residential construction which equates to approximately \$8 million of the project funds. To date, approximately \$19 million in total has been awarded in contracts to Innu companies and for residential construction. It is expected that the Band Council will continue to explore other economic development measures within the limits of the Relocation Agreement.



Table 10 – Loans

**Loans by Business Line (millions of dollars)**

Business Lines	Actual 1996–97	Actual 1997–98	1998–99		Actual
			Planned Spending	Total Authorities	
<b>Claims</b>					
Loans to native claimants in accordance with terms and conditions approved by the Governor in Council for the purpose of defraying costs related to research, development and negotiation of claims	22.8	28.0	21.5	34.6	<b>30.1</b>
Loans to the Council of Yukon Indians for interim benefits to the Yukon Elders	0.8	0.7	-	0.5	<b>0.2</b>
Loans to First Nations in British Columbia for the purpose of supporting First Nations' participation in the British Columbia Treaty Commission process	20.2	22.6	24.0	24.0	<b>23.6</b>
<b>Sub-total (Claims)</b>	<b>43.8</b>	<b>51.3</b>	<b>45.5</b>	<b>59.1</b>	<b>53.9</b>
<b>Indian and Inuit Programming</b>					
Loans - construction of houses (net)	(0.1)	(0.1)	-	20.0	-
Loans and loan guarantees through the Indian economic development account (net)	(2.2)	-	-	46.7	<b>(0.1)</b>
<b>Sub-total (Indian and Inuit Programming)</b>	<b>(2.2)</b>	<b>(0.2)</b>	-	<b>66.7</b>	<b>(0.1)</b>
<b>Northern Affairs</b>					
Loans to the Government of the Yukon Territory for making second mortgage loans to territory residents	-	-	-	0.3	-
Provision of Inuit loan fund for loans to Inuit to promote commercial activities (net)	-	-	-	6.5	-
Loans for the establishment or expansion of small businesses in the Yukon Territory through the Yukon Territory small business loans account (net)	-	-	-	5.0	-
<b>Sub-total (Northern Affairs)</b>	-	-	-	<b>11.9</b>	-
<b>Administration</b>	-	-	-	-	-
<b>Total (Department)</b>	<b>41.5</b>	<b>51.1</b>	<b>45.5</b>	<b>137.7</b>	<b>53.8</b>
<b>Canadian Polar Commission</b>	-	-	-	-	-

Total authorities are Main Estimates plus Supplementary Estimates plus other authorities. Due to rounding, figures may not add to totals shown.



Table 11 – Contingent Liabilities

**Contingent Liabilities (millions of dollars)**

<b>List of Contingent Liabilities</b>	<b>Amount of Contingent Liability</b>		
	<b>March 31, 1997</b>	<b>March 31, 1998</b>	<b>Current as of March 31, 1999</b>
<b>Loans</b>			
On-reserve Housing:			
• CMHC and other approved lenders	997.8	1,014.7	1,158.1
• Farm Credit Corporation	0.2	0.2	0.1
Indian Economic Development Guarantee Fund	2.4	2.2	2.5
Yukon Energy Corporation	-	-	-
<b>Claims and Pending and Threatened Litigation</b>			
Litigation	7,549.3	2,185.5	8,382.9
Non-litigation	618.5	173.0	174.5
Specific Claims	-	1,436.9	1,361.3
Comprehensive Native Land Claims	581.2	756.2	741.6
<b>Total (Department)</b>	<b>9,749.4</b>	<b>5,568.6</b>	<b>11,821.1</b>
<b>Sick Leave</b>			
Employees are permitted to accumulate unused sick leave. However, such leave entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which will become payable in future years cannot reasonably be determined and accordingly have not been recorded in the information provided. Payments of sick leave benefits are included in current operations as incurred.			

Due to rounding, figures may not add to totals shown.



## Legislation and Regulations

### Legislation

One key piece of resource management legislation reported in the 1998–99 Report on Plans and Priorities has been completed:

- 1) The *Mackenzie Valley Resource Management Act* received royal proclamation on December 23, 1998, with the exception of Part IV.
- 2) The *Nunavut Waters and Surface Rights Act* was introduced in parliament and received first reading on December 4, 1998.

Resource management legislation is being developed for Nunavut; legislation is also being developed to establish a surface rights tribunal in the Mackenzie Valley and a development assessment process in Yukon.

### Regulations

Four of the seven key regulatory initiatives reported in the 1998–99 Report on Plans and Priorities have been completed:

- 1) The Yukon Placer and Yukon Quartz Mining Land Use Regulations were approved on December 16, 1998; the former comes into force on December 16, 1999, the latter on June 16, 1999;
- 2) two sets of environmental regulations under the *Mackenzie Valley Resource Management Act* were approved: the Preliminary Screening Requirement Regulations and Exemption List Regulations on December 16, 1998;
- 3) the Mackenzie Valley Land Use Regulations were approved on August 26, 1998; and,
- 4) revisions to the mining royalty regime in the Canada Mining Regulations were approved May 13, 1999 and came into force on May 15, 1999.

The three remaining regulatory initiatives are in progress: amendments to the fees and administrative provisions of the *Canada Mining Regulations*, new Yukon Quartz Mine Development, Production and Reclamation Regulations and new regulations to implement the Yukon Development Assessment Process. For additional details, refer to the department's Web site:

<http://www.inac.gc.ca/legisl/legisl.html>





## References

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