



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada



Indian and Northern Affairs Canada Canadian Polar Commission and Indian Specific Claims Commission

2006–07 Estimates

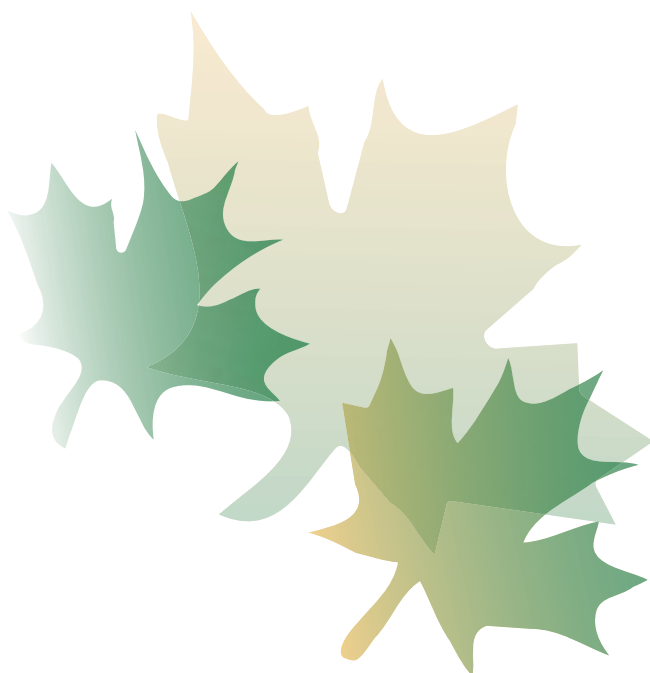
Report on Plans and Priorities



Canada

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Minister's Message

I am pleased to present the 2006–07 *Report on Plans and Priorities* for Indian and Northern Affairs Canada, the Canadian Polar Commission and the Indian Specific Claims Commission.

This is my first *Report on Plans and Priorities* since I took on the role of Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians. It is a great privilege for me to assume these responsibilities, and I am proud to lead a department that is committed to working in partnership with First Nations, Métis, Inuit and Northerners to improve their quality of life.

My vision of the best means for the advancement of Aboriginal peoples' interests is a straightforward and practical one: the attainment of prosperity and self-sufficiency through strong working partnerships based on mutual respect and trust.

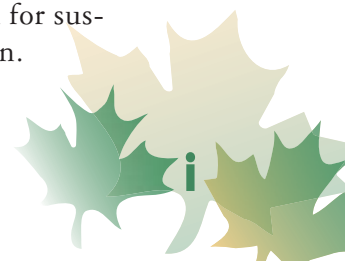
First Nations, Métis and Inuit have unique histories, cultures and traditions that are a defining feature of Canada. These social and cultural distinctions require co-operative efforts, founded on the belief that First Nations, Métis and Inuit play a central role in shaping their future.

Indian and Northern Affairs Canada (INAC) is working in co-operation with all partners to achieve improvements in priority areas, such as: education; women, children and families; accountability; drinking water and the treatment of wastewater; housing; and oil and gas development. To make significant and sustainable progress on these issues, we need to foster effective relationships with our partners and to engage provinces and territories in collaborative approaches that will produce effective and lasting results.

The Government is taking tangible, practical measures to address these issues. For instance, we have established a panel of experts to identify and assess options on the development of a regulatory framework to ensure access to safe drinking water in First Nations communities; we are developing a strategy to build a sustainable housing system and improve housing conditions on reserves; we undertook nation-wide consultations on the issue of matrimonial real property with the intent to seek recommendations for actions and possible legislative solutions to protect the rights and well-being of women and children living on reserve; and we signed a tripartite agreement on Aboriginal education — the first in a series of measures to allow First Nations to assume meaningful control over on-reserve schools.

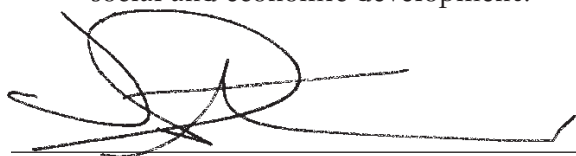
INAC is also working with First Nations organizations to increase their capacity in financial management and auditing, as part of the Government's response to Canadians' expectations for improved accountability of federal financial management.

With regard to the North's special prospects for the future, Canada's three territories are experiencing dramatic changes that offer tremendous opportunities for growth. The oil and gas industries continue to develop rapidly, providing an ever-widening foundation for sustained economic development that will benefit communities throughout the region.

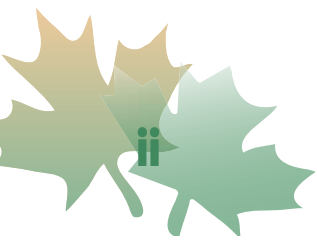


Finally, it is essential that we continue to actively support the advancement of oil and gas projects in ways that will ensure that Canada's world-class natural resources are developed in an economically, socially and environmentally responsible manner, not only in the North but also in the provinces.

This *Report on Plans and Priorities* describes the department's agenda for action for the fiscal year 2006–07, and sets out its long-term focus for realizing our shared responsibilities to make improvements in Aboriginal and northern communities. It confirms the department's commitments to managing for results and to working collaboratively with many partners in order to provide First Nations, Métis, Inuit and Northerners with opportunities to more fully participate in and benefit from Canada's political, social and economic development.



The Honourable Jim Prentice, P.C., Q.C., M.P.
Minister of Indian Affairs and Northern Development
and Federal Interlocutor for Métis and Non-Status Indians



Management Representation Statement

I submit for tabling in Parliament the 2006–07 *Report on Plans and Priorities* (RPP) for Indian and Northern Affairs Canada, the Canadian Polar Commission and the Indian Specific Claims Commission.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Program Activity Architecture structure as reflected in its Management Resources and Results Structure;
- It presents consistent, comprehensive, balanced and accurate information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports financial resources based on approved planned spending numbers from the Treasury Board Secretariat in the RPP.



Michael Wernick
Deputy Minister, Indian and Northern Affairs Canada



Section I Overview

The *Report on Plans and Priorities* is the key planning and priority-setting document for Indian and Northern Affairs Canada (INAC) for the fiscal year 2006–07. The report provides an overview in Section I; describes strategic priorities and how the department plans to achieve strategic outcomes over the next three years in Section II; presents financial tables outlining departmental planned spending and other relevant information in Section III; and presents organizational and financial information and describes the department's sustainable development strategy and its approach to risk management in Section IV.

The Minister of Indian Affairs and Northern Development is responsible for reporting to Parliament on the following entities:

- Indian and Northern Affairs Canada, including the Office of the Federal Interlocutor;
- the Canadian Polar Commission; and
- the Indian Specific Claims Commission.

The Minister is also responsible for Indian Residential Schools Resolution Canada, which has a separate *Report on Plans and Priorities*.

Indian and Northern Affairs Canada

Mandate and Mission

The department's mission is to support First Nations, Inuit, Métis and Northerners in achieving their social and economic aspirations and in developing healthy, sustainable communities where members enjoy a quality of life comparable to that of other Canadians. This mission is realized through the exercise of two distinct mandates: Indian and Inuit Affairs, and Northern Development, both of which are aimed at providing opportunities for First Nations, Inuit, Métis and Northerners to more fully participate in and benefit from Canada's political, social and economic development.

The department is generally responsible for meeting the Government of Canada's obligations and commitments to First Nations, Inuit, and Métis, and for fulfilling the federal government's constitutional responsibilities in the North. The broad mandate of the department is derived largely from the *Department of Indian Affairs and Northern Development Act*, the *Indian Act*, and territorial acts, some of which are expressions of Parliament's legislative jurisdiction found in section 91(24) of the *Constitution Act, 1867*. The department is responsible for

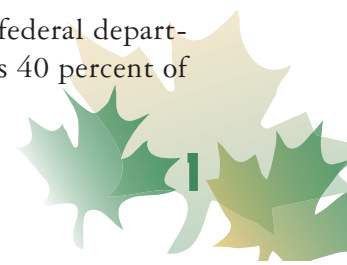
administering over 50 statutes in total. See http://www.ainc-inac.gc.ca/pr/leg/lgis_e.html.

In June 2004, the INAC Minister also became the Federal Interlocutor for Métis and Non-Status Indians. The Federal Interlocutor's role is to provide a point of contact between the Government of Canada and Métis, non-Status Indians and urban Aboriginal people.

Consequently, INAC's mandate is complex and its responsibilities encompass a broad range of programs and services. Its portfolio necessitates working with First Nations, Inuit and Métis leaders; a range of departments within the federal government, provincial and territorial governments, and circumpolar governments; Aboriginal service delivery organizations (national, regional and local); and non-governmental organizations and the private sector.

To support First Nations, Inuit and Métis in achieving their social and economic aspirations and in developing healthy, sustainable communities, the department's principal objective is to ensure Aboriginal peoples enjoy a quality of life comparable to that of other Canadians.

In the North, INAC is the lead federal department for a region that comprises 40 percent of



Canada's land mass. The department plays a direct role in the political and economic development of the territories, including province-like responsibilities for the management of land and natural resources in the Northwest Territories and Nunavut (prior to the conclusion of devolution agreements), and specific duties related to environmental protection, management of offshore oil and gas resources, and the co-ordination of scientific research in Yukon, the Northwest Territories and Nunavut.

Strategic Outcomes

INAC's goal is to provide opportunities for First Nations, Inuit and Métis to more fully participate in and benefit from Canada's political, social and economic development while accommodating their aspirations to secure their own place in the Canadian federation consistent with Aboriginal and treaty rights, and to foster self-sufficient and prosperous regions in which Northerners manage their own affairs and make strong contributions to the federation.

To achieve these goals, the department has identified five program-related strategic outcomes, under the following headings:

- **The Government:** Good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners;
- **The People:** Strengthened individual and family well-being for First Nations, Inuit and Northerners;
- **The Land:** Sustainable use of lands and resources by First Nations, Inuit and Northerners;
- **The Economy:** Aboriginal people and Northerners close the economic gap; and
- **Office of the Federal Interlocutor:** Strengthened relationships with Métis, non-Status Indians and urban Aboriginal people to raise awareness of their needs and improve access to federal services with the aim of improving their socio-economic conditions.

These strategic outcomes shape policies, programs and services offered to First Nations,

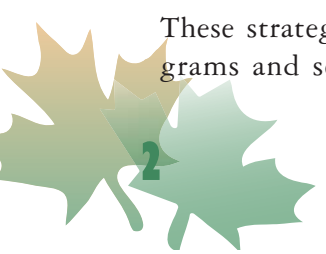
Inuit and Métis, and in the North, and provide criteria for assessing the department's performance and progress.

Planning Context

INAC is responsible for a challenging and complex portfolio that has been shaped by centuries of history, unique demographic and geographic challenges, a significant quantity of case law and judicial direction, and an ever-evolving policy and legislative agenda. Perhaps no other department is responsible for such a large range of programs and services, has such a dynamic relationship with such a wide range of clientele and partners, or has a such a distinctive evolving role.

Aboriginal peoples are the youngest and fastest-growing segment of Canada's population, with birth rates that are double those of the rest of Canadians. This has implications for the demand for school spaces, housing, public infrastructure, social services and jobs. Over time, as Aboriginal peoples become increasingly significant elements in the labour force, their prosperity, and Canada's, will be linked to adequate opportunities to access education, skills development, affordable housing, health care and other social supports.

Developing and delivering programs and services for Aboriginal peoples presents unique challenges for the federal government. Roughly 85 percent of INAC expenditures are directed at the delivery of province-like and municipal-like programs and services on reserve, resulting in a diversity of roles and responsibilities in a wide range of program areas. To be effective, these programs need to keep pace with changing needs and modern administrative standards developed in various jurisdictions. Furthermore, the large number of federal departments involved in delivering programs for Aboriginal peoples have different mandates, delivery mechanisms and reporting criteria, often creating challenges for Aboriginal service providers that administer and report on programs and services.



The involvement of provinces and territories in delivering programs and services off reserve can also contribute to the potential for overlap and duplication.

Recognizing that all partners have some role to play in addressing the challenges facing First Nations, Inuit and Métis communities, achieving more effective results often requires better coordination and integration of programs and services. In some cases, improving outcomes require structural changes to policies, authorities, legislation or regulatory frameworks that are outdated or incapable of responding to today's needs or opportunities.

Program improvements are required to support resolution of the growing inventory of claims that the Canadian government has mismanaged assets held by it on behalf of First Nations or failed to fulfil certain commitments in treaties with First Nations. In addition to managing legal liabilities, resolution enhances the capacity of First Nations to invest in their own futures, and the ability of both First Nations and neighbouring communities to develop.

The federal government has, and will continue to, engage in discussions with Aboriginal leaders, provinces and territories, and others to address the challenges facing Canada's First Nations, Inuit and Métis peoples. There is a strong consensus that outstanding Aboriginal issues need to be resolved and that specific areas require immediate action. At the November 2005 Meeting of First Ministers with Aboriginal leaders, key objectives and targets were outlined in the areas of education, housing, economic opportunities, health and strengthening of relationships. The government has indicated its support for the objectives that emerged from the First Ministers' Meeting, and is developing specific strategies to move forward, including measures for housing, water, education, governance, land claims and economic development, as well as the specific challenges facing Aboriginal women, children and families. More specifically, steps are necessary to enhance the capacity of First Nations to manage more of their own

affairs and deliver effective services to citizens as part of the move toward self-government.

INAC also promotes federal stewardship on reserves in those areas remaining with the federal government, and promotes efficient land management practices that address the Crown's interest in protecting, conserving and managing lands, resources and the environment in a manner consistent with both the principles of sustainable development and First Nations' aspirations to control their lands and resources. INAC is also responsible for carrying out core activities under the *Indian Act*.

In the North, the investments made by successive governments in political development, claims and self-government negotiations, and economic development have set the stage for major development opportunities. Canada's North holds world-class mineral, oil and gas deposits, which promise substantial long-term growth in the regional economy and a significant revenue stream for governments. Resource development opportunities are significant, with strategic importance for Canada, and the potential to make the North a major contributor to Canada's future prosperity.

Resource development is the foundation of the private sector economy in the North, but is largely dependent on the government's capacity to manage lands and resources, regulate development and work with partners to address barriers. Through the regulatory and resource management regimes, INAC is responsible for ensuring that economic and resource development activity in the North is undertaken with minimal environmental impact, protects the public interest, and ensures long-term benefits for Northerners and all Canadians.

At the same time, governance in the North is evolving as territorial and Aboriginal governments assume greater control over decision making through devolution and claims and self-government processes. INAC is responsible for completing the transfer of its land and resource management responsibilities to territorial



governments, and for supporting the negotiation and effective implementation of Aboriginal land claims and self-government agreements.

To keep pace with these changes, maintain the momentum and realize the North's full potential will require sustained focus and investments in Canada's North.

To guide federal efforts in all areas of Aboriginal and northern policy and program planning, all partners must adhere to some fundamental principles to ensure that results are effective, tangible and transparent to all Canadians.

These principles are:

Working within Canada's Constitutional Framework — In developing opportunities for Aboriginal peoples, individual and equality rights in the Charter protecting all Canadians must be respected. Similarly, the government must proceed in a manner that accommodates Aboriginal and treaty rights protected by Section 35 of the Constitution and fulfils its unique constitutional role and legislated responsibilities in the North.

Respect for Basic Democratic Values — The government will move forward with full attention to promoting the basic democratic values Aboriginal peoples and other Canadians demand. These include: the rule of law, due process, transparency in governance and full accountability to citizens.

21st-century Standards for Programs and Services — Aboriginal peoples and Northerners, like other Canadians, expect to have access to programs and services that are based on principles of sound governance. This includes a modern legislative base that is relevant to modern needs, investments that demonstrate value for money, and measures that report properly on results.

Clearly Identified Roles and Responsibilities — The federal government, provinces and territories, resource management boards in the North, and Aboriginal organizations and individuals all share some responsibility for improving outcomes for Aboriginal peoples and

Northerners. A clear understanding of these responsibilities and a commitment by partners to be accountable for those responsibilities will set a practical, workable course for the future providing a genuine opportunity for progress.

Mutual Respect and Reconciliation — The principles of mutual respect and reconciliation must also be observed. They include enhancing the level of understanding and acceptance of First Nations, Inuit and Métis cultures as a vibrant and integral part of Canadian society; ensuring that treaties are implemented in a manner that fosters an improved understanding among Canadians; and negotiating settlements that bring tangible benefits to all parties.

In moving forward, it is clear that the federal government cannot impose solutions unilaterally. It is also clear that money alone cannot overcome the ongoing cycle of dependency and poverty experienced by so many Aboriginal people. The government will be developing practical, affordable strategies with its partners that will provide tangible opportunities for Aboriginal peoples and Northerners to take greater control and responsibility for realizing their social, economic and political aspirations.

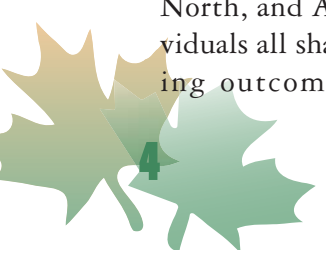
Operating Environment

INAC delivers its programs in an environment characterized by: a need for horizontal co-operation within the federal government; a high level of decentralization; collaboration with provinces and territories; and increasing devolution of responsibilities for direct delivery of services.

In the North, the transfer of the remaining land and resource management responsibilities to the governments of the Northwest Territories and Nunavut, in an environment of evolving Aboriginal governance structures, requires careful management while respecting ongoing federal responsibilities.

Horizontality

Within the federal government, responsibility for Aboriginal programming is shared among



34 departments and agencies with total planned spending of \$9.1 billion (2005–06).

The federal government has made a commitment to improve results of programs and to enhance the federal government's transparency, accountability and reporting on Aboriginal programs. This commitment entails working with First Nations, Inuit and Métis organizations and provinces and territories to clarify roles and accountability relationships. In the January 2005 *Accountability for Results* session, the federal government committed to disclosing a detailed picture of direct federal program spending targeting Aboriginal peoples in Canada for 2004–05, which is now captured in the Aboriginal Horizontal Framework. INAC is expected to play a leadership role in co-ordinating efforts among the many federal partners, each with different mandates, authorities and priorities. For a more detailed explanation of the Framework and detailed schedule of programs, please see http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc_e.asp.

In the North, INAC is the lead federal department with a mandate to co ordinate federal activities across the territories.

Decentralization

INAC is highly decentralized, with a presence in every geographical region in Canada: it works with over 600 First Nations communities and organizations; Inuit national and regional organizations; provincial and territorial governments; other federal departments and agencies; and seven circumpolar nations. While many federal departments are operational in nature, INAC's role with respect to Indian and Inuit programs is largely one of providing overall leadership and support, which is nonetheless crucial to achieving healthy, sustainable communities. INAC funds First Nations governments and institutions and Inuit organizations and communities with the goal of providing access to a range of services reasonably comparable to those enjoyed by other Canadians. First Nations and Inuit directly administer more than 85 percent

of Indian and Inuit programs, which provide for provincial-type services directly on reserve. To transfer funding and ensure accountability for the delivery of programs and services, the department uses a broad range of funding mechanisms — from grants, to agreements for specific program funding, to multi-year block funding for alternative funding arrangements and self-government agreements. The largest share of program expenditures is for basic provincial and municipal-like services (for example, education, income assistance, infrastructure and band support for First Nations on reserve), and for claims and self-government agreements.

In the North, the majority of these types of programs and services are provided by the territorial governments to all Northerners, including Aboriginal people.

Devolution

On an ongoing basis, INAC supports the development of strong Aboriginal governments that operate in a transparent and accountable manner. The department works with partners, including other government departments, to achieve integrated, interdepartmental policy development, program design and service delivery; jointly developed management and accountability frameworks; and jointly agreed-upon performance indicators to measure the effectiveness of services and to support First Nations and Inuit control over policies, programs and services that most directly affect their quality of life.

In the North, the devolution of province-like land and resource management responsibilities to territorial governments has been a longstanding federal policy objective intended to give Northerners greater control over their economic future while strengthening governance capacity. The landscape is also evolving with respect to Aboriginal governance in the North, where the settlement of claims and establishment of self-government is advancing more quickly than anywhere else in the country.

Furthermore, Aboriginal Northerners will reap greater benefits as settlement of land claims



and self-government agreements provide greater certainty over rights to natural resources. This certainty will contribute to a more positive investment climate and create greater potential for economic development, jobs and growth, as well as new means for Aboriginal Northerners to participate in the economy.

Departmental Priorities

Given the department's unique operating environment, complex planning context and broad mandate, the annual identification of priorities relies on an awareness of INAC's ongoing responsibilities, because paying special attention to certain key areas will help to achieve progress in other areas. Mindful of the linkages between its different areas of responsibility, the department is committed to focusing on a number of key priorities for the 2006–2009 planning period:

Education

Access to high-quality education is essential for Aboriginal people to realize their individual and collective goals and aspirations. Improving Aboriginal education outcomes is key to eliminating Aboriginal poverty. INAC is preparing an education policy framework and a management framework that will serve as the basis for a fiscally sustainable plan aimed at achieving measured progress in Aboriginal high school graduation rates.

During the current planning period, the department will:

- invest in students on reserve;
- work with Aboriginal leaders, provinces and territories to enhance the capacity of public schools to provide quality education to Aboriginal students who attend school off reserve;
- work with First Nations to establish the appropriate legislative framework for education; and
- develop and implement systems (i.e., school boards) to ensure performance accountability.

Women, Children and Families

The government recognizes the pivotal role that Aboriginal women play within their families and communities, and in improving socio-economic outcomes. However, within First Nations communities, women are often the most seriously disadvantaged and in Canadian cities, half of all Aboriginal children are members of lone-parent families living in poverty. Therefore, it is a priority of this department to address some of the most devastating obstacles that have, for far too long, afflicted the lives of Aboriginal women in this country, the lives of their children and the health of communities.

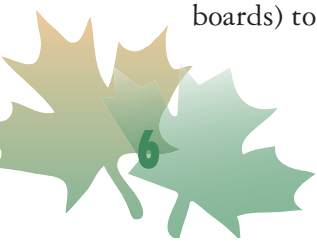
On June 13, 2006, INAC obtained authority to undertake a collaborative consultation process on Matrimonial Real Property (MRP) that heavily involves the Assembly of First Nations and Native Women's Association of Canada. On June 20, 2006, the Minister announced a series of measures to protect the rights and well-being of Aboriginal women, children and families on reserves, including the MRP consultation process. In addition, the Minister announced the appointment of a Ministerial Representative for the MRP consultation, who will facilitate a three-phase consultation process and ensure that an appropriate legislative solution is proposed to the Minister at its conclusion.

During the 2006–2009 planning period, INAC will focus on:

- MRP on reserve;
- family violence prevention;
- First Nations child and family services; and
- lone-parent families led by Aboriginal mothers.

Accountability and Capacity Building

The department and its partners need to clarify the roles and responsibilities among all parties. Currently there is a lack of clarity between government and band councils, and between accounting for funding and responsibility for delivering programs and services. Self-government and devolution, along with an enhanced capacity of First Nations to manage more of their



own affairs, are all means of realigning accountability and responsibility. This will also require First Nations to strengthen their capacity in financial management and auditing. Off reserve, the governance challenges are different. Nonetheless, the department needs to identify innovative, yet practical, ways to enable Aboriginal people and organizations to be involved in decisions that affect their lives.

During the 2006–2009 planning period, INAC will:

- work with First Nations organizations to improve accountability;
- work with Métis organizations to increase their governance capacities;
- streamline reporting systems;
- work with partners to modernize the legislative and regulatory framework, including the modernization of the *Indian Oil and Gas Act* and regulations, the implementation of the *First Nations Commercial and Industrial Development Act*, and the modernization of the Lands Registry; and
- continue to implement the Environmental Stewardship Strategy.

Drinking Water and Wastewater

For too long, First Nations have not enjoyed what many Canadians take for granted: clean, safe drinking water. On March 21, 2006, the Minister launched a plan of action to address drinking water concerns in First Nations communities (see http://www.ainc-inac.gc.ca/nr/prs/j-a2006/2-02757_e.html).

To address the on-reserve drinking water and wastewater issue, the department will:

- implement the protocol for Safe Drinking Water in First Nations communities;
- establish a panel of experts to advise on an appropriate regulatory framework and develop an implementation plan;
- establish a regime to ensure all water systems are overseen by certified operators; and
- implement remedial plans for First Nations communities with serious water issues.

Housing

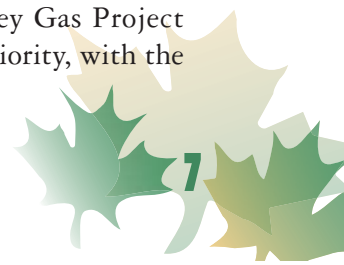
The government recognizes the challenge in sustaining suitable on-reserve and off-reserve housing for the fastest-growing sector of the Canadian population. Progressive First Nations are poised to increase housing production, especially market alternatives. INAC wants to explore opportunities to capitalize on the current levels of equity in band-owned housing to create market options and stimulate the use of public and private equity to increase the number of homes built. Off reserve, local housing markets have resulted in an inadequate supply of affordable housing and have contributed to increased homelessness of Aboriginal people.

During the 2006–2009 planning period, the department will:

- work with First Nations organizations to examine options for First Nations-controlled housing authorities and institutions;
- support the creation of new rental and ownership housing in accordance with a foundation of sound business principles and comparability;
- work towards advancing a modern regulatory framework to facilitate individual property interests on reserve; and
- work with First Nations to expand options for the purchase and financing of new and existing housing.

Mackenzie Gas Project

International demands for new sources of oil and natural gas have resulted in a major commitment to exploration investment in the North, including a proposal to bring into production major gas fields in the Mackenzie Delta and to build a gas pipeline down the Mackenzie Valley. This is a transformative development for the North, and for the Northwest Territories in particular, and will require significant effort to ensure that the federal government is equipped to make timely and sound decisions on the project. Consequently, INAC's role in leading the Government of Canada's project management approach to the Mackenzie Valley Gas Project continues to be a departmental priority, with the



goal of ensuring that the Government of Canada advances national interests while meeting its obligations and responsibilities with respect to the pipeline project in a timely, efficient way.

During the 2006–2009 planning period, the department will:

- support the advancement of this project through regulatory review to the operational phase; and
- address socio-economic pressures on NWT communities from the Mackenzie Gas Project.

Northern Development

Canada's three territories have been transformed in recent decades, but there is tremendous potential for carefully considered further development. The increasing capacity of territorial institutions, new governance models, and effective partnerships between Aboriginal and non-Aboriginal groups are providing a solid foundation that will give Northerners greater control over the most important decisions regarding the future of their territories. The North possesses world-class diamond, gold and other mineral deposits, along with enormous oil and gas reserves. Major gas pipeline projects are under consideration. Development of these assets will generate significant economic benefits not only for Northerners, but also for all Canadians. It is important to ensure that such activities are managed effectively and responsibly, and that the northern environment is protected. Internationally, Canada is often viewed as a leader in the circumpolar world. Circumpolar and global co operation is beginning to address the international dimension of northern issues, in particular the effects of transboundary pollutants.

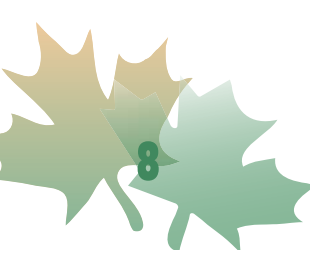
To support northern development during the 2006–2009 planning period, the department will:

- develop a Regulatory Improvement Initiative Strategy to build greater efficiency and effectiveness into the regulatory system in a manner that is consistent with natural resource management objectives contained in signed land claims in all three territories;
- make progress on devolution in the Northwest Territories and Nunavut; and
- support International Polar Year research.

Summary Information

Financial and Human Resources Indian and Northern Affairs Canada			
	2006-07	2007-08	2008-09
Financial Resources (\$ millions)	6,453.4	6,241.8	6,017.6
Human Resources (FTEs)	4,276.4	4,490.8	4,447.3

In a new approach to planning, the 2006–07 *Report on Plans and Priorities* focuses on a number of key priority areas (see Summary Chart). Each priority has a corresponding set of plans or initiatives, which are explained in detail in Section II. This approach identifies high-level strategic direction plus specific initiatives or plans that will receive primary attention; at the same time, it reflects day-to-day business by identifying and explaining all 16 program activities according to the department's approved Program Activity Architecture (see Figure 1).



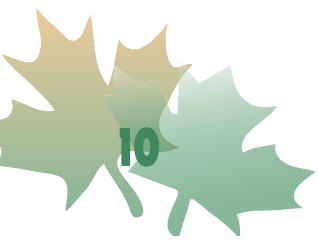
Summary Chart: Departmental Priorities by Strategic Outcomes

Priority	Type	Program Activity	Expected Results*
Strategic Outcome: The Government			
Accountability and Capacity Building	New	Governance and Institutions of Government	Strengthened First Nations and Inuit governance and capacity through legislative, policy and programming initiatives.
Northern Development	Ongoing	Northern Governance	Strong northern governance and effective institutions allowing Northerners to be prepared for the challenges and opportunities resulting from northern development.
Strategic Outcome: The People			
Education	Ongoing	Education	Students residing on reserve have access to elementary and secondary programs and services that are reasonably comparable to programs and services available in public schools in the province or territory in which the reserve is located. Eligible First Nations and Inuit people benefit from post-secondary education opportunities.
Women, Children and Families	New	Social Development	Woman's rights are protected and eligible clients on reserve receive social services that are reasonably comparable to services provided by the province or territory in which the reserve is located.
Accountability and Capacity Building	New	Managing Individual Affairs	A complete, accurate and current Indian register.
Strategic Outcome: The Land			
Accountability and Capacity Building	New	Responsible Federal Stewardship	Implementation of environmental management and stewardship programs and strategies, and modernized legislative and policy framework, for example, for commercial and industrial development, oil and gas management, and the Lands Registry.
		First Nations Governance over Land, Resources and the Environment	Expansion of the <i>First Nations Land Management Act</i> and implementation of the <i>First Nations Oil and Gas and Moneys Management Act</i> .
Housing	Ongoing	Responsible Federal Stewardship	Modernized legislative and regulatory framework for housing on reserve.
Mackenzie Gas Project Northern Development	Ongoing	Northern Land and Resources	The North's natural resources developed in an economically, socially and environmentally responsible manner.



Priority	Type	Program Activity	Expected Results*
Strategic Outcome: The Economy			
Water and Wastewater for First Nations Communities	New	Community infrastructure	First Nations communities' water and wastewater facilities meet federal guidelines.
Housing	Ongoing	Community infrastructure	Adequate on-reserve housing for First Nations communities.
Strategic Outcome: The Office of the Federal Interlocutor			
Education	Ongoing	Co-operative Relations	Development and implementation of practical ways of improving socio-economic conditions of Métis and non-Status Indians and urban Aboriginal people through: development of effective partnerships, development of organizational capacity and professional development.
Women, Children and Families			
Housing			
Accountability and Capacity Building			

*For planned spending, by program activity, refer to Section II.



Program Activity Architecture

Figure 1 presents an overview of 16 activities and sub-activities in the Program Activity Architecture (PAA) of Indian and Northern Affairs Canada.

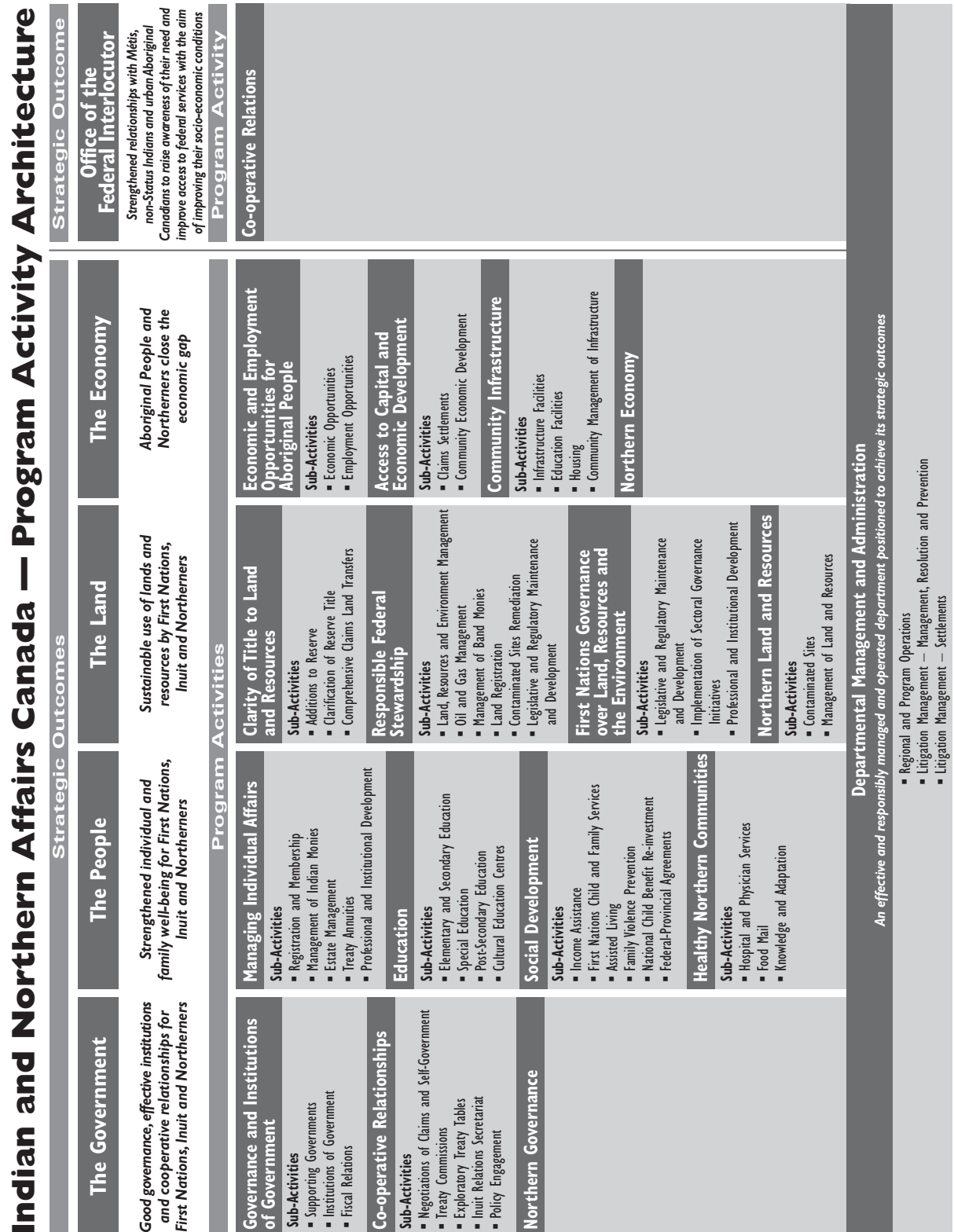


Figure 1: Program Activity Architecture



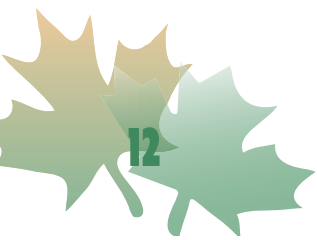
The department's PAA was modified slightly in August 2005: the program activities for Governance and Institutions were combined into one program activity, and the Office of the Federal Interlocutor was added as a separate strategic outcome. In addition, the language regarding many sub-activities was clarified to reflect the refinement of the department's understanding of how these elements contribute to the strategic outcomes. For example, previous categories related to "other" activities were eliminated to ensure that each sub-activity was contributing directly to the achievement of a strategic outcome.

Different strategic outcomes have different client and stakeholder groups. For example, the Office of the Federal Interlocutor strategic outcome applies to Métis, non-Status Indians and urban Aboriginal people, whereas other strategic outcomes focus on First Nations, Inuit and Northerners. The descriptions of each strategic outcome and program activity clarify their scopes in terms of client and stakeholder groups.

The chart below shows how the department's strategic outcomes align with the Government of Canada's outcomes as reported in *Canada's Performance 2005* (http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc_e.asp).

Alignment of INAC's Strategic Outcomes with Government of Canada's Outcomes

Government of Canada's Outcomes	INAC Strategic Outcomes	INAC Program Activities
Economic: Strong Economic Growth	The Economy — Aboriginal people and Northerners close the economic gap.	Economic and Employment Opportunities for Aboriginal People
	The Economy — Aboriginal people and Northerners close the economic gap.	Access to Capital and Economic Development
	The Economy — Aboriginal people and Northerners close the economic gap.	Community Infrastructure
	The Economy — Aboriginal people and Northerners close the economic gap.	Northern Economy
	Office of the Federal Interlocutor — Strengthened relationships with Métis, non-Status Indians and urban Aboriginal Canadians to raise awareness of their needs and improve access to federal services with the aim of improving their socio-economic conditions.	Co-operative Relations
	The Land — Sustainable use of lands and resources by First Nations, Inuit and Northerners.	Clarity of Title to Land and Resources
	The Land — Sustainable use of lands and resources by First Nations, Inuit and Northerners.	First Nations Governance over Land, Resources and Environment
	The Land — Sustainable use of lands and resources by First Nations, Inuit and Northerners.	Northern Land and Resources



Government of Canada's Outcomes	INAC Strategic Outcomes	INAC Program Activities
Social: Diverse Society That Promotes Linguistic Duality and Social Inclusion	The People — Strengthened individual and family well-being, for First Nations, Inuit and Northerners.	Managing Individual Affairs
	The People — Strengthened individual and family well-being, for First Nations, Inuit and Northerners.	Education
	The Government — Good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners.	Co-operative Relationships
	The Government — Good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners.	Governance and Institutions of Government
	The Government — Good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners.	Northern Governance
	The People — Strengthened individual and family well-being, for First Nations, Inuit and Northerners.	Social Development
	Office of the Federal Interlocutor — Strengthened relationships with Métis, non-Status Indians and urban Aboriginal Canadians to raise awareness of their needs and improve access to federal services with the aim of improving their socio-economic conditions.	Co-operative Relations
Social: Healthy Canadians with Access to Quality Health Care	The People — Strengthened individual and family well-being, for First Nations, Inuit and Northerners.	Healthy Northern Communities
Economic: A Clean and Healthy Environment	The Land — Sustainable use of lands and resources by First Nations, Inuit and Northerners.	Responsible Federal Stewardship
Economic: Income Security and Employment for Canadians	The Economy — Aboriginal people and Northerners close the economic gap.	Economic and Employment Opportunities for Aboriginal People.



Canadian Polar Commission

The Canadian Polar Commission is responsible 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 circum-polar nation; and
- recommending policy direction to government.

Established in 1991 as Canada's lead agency in polar research, the Commission operates as an independent agency under the *Canadian Polar*

Commission Act. It reports to Parliament through the INAC Minister.

The Commission has one strategic outcome: increased Canadian polar knowledge.

Summary Information

Financial and Human Resources Canadian Polar Commission			
	2006-07	2007-08	2008-09
Financial Resources (\$ millions)	1.0	1.0	1.0
Human Resources (FTEs)	5.0	5.0	5.0

Indian Specific Claims Commission

Mandate and Strategic Outcome

The mission of the Indian Specific Claims Commission is to assist First Nations and Canada to resolve specific claims. The Commission operates at arm's length from government and First Nations. It is a commission of inquiry offering to a First Nation, at its request, an independent and objective process — other than litigation — to inquire into a specific claim when its claim has been rejected by the INAC Minister or when the First Nation disputes the compensation criteria the government proposes to use in negotiating the settlement of its

claim. In addition, at any stage of the specific claims process, the Commission can provide mediation or facilitation services to assist the parties in reaching a satisfactory resolution when requested by both the First Nation and Canada.

The Commission has one strategic outcome: fair resolution of specific claims.

Planning Context

In 1991, after the Oka crisis of 1990, the federal government created the Indian Specific Claims Commission pursuant to the *Inquiries Act*. This statute permits the Governor in Council to approve an Order in Council establishing an independent commission to conduct inquiries on matters associated with good government. The original Order in Council designated the Prime Minister as the minister responsible for purposes of the *Financial Administration Act*. Subsequently, in July 2004, the INAC Minister was designated the minister responsible for these purposes. It should be noted, however, that the Commission operates on an arm's-length basis, independent of government. It reports on its activities in an annual report to the Governor in Council as well as in INAC's *Report*

Specific Claims and Comprehensive Claims

Current federal policy divides claims into two categories: specific and comprehensive claims. Specific claims arise from Canada's breach or non-fulfilment of lawful obligations found in treaties, agreements or statutes (including the *Indian Act*). Comprehensive claims are based on unextinguished Aboriginal rights where no treaty has been signed. Other claims involving grievances that resemble comprehensive or specific claims, but do not meet established program criteria for addressing these claims may also be considered in exceptional circumstances.

For more information, visit http://www.ainc-inac.gc.ca/ps/clm/scb_e.html.



on *Plans and Priorities and Departmental Performance Report*. The Commission has an agreement with the Canadian Human Rights Commission for the provision of corporate services.

The Commission also provides information to the public concerning its activities and results; issues special reports; and, from time to time, is called upon to conduct speaking engagements.

Operating Environment

The Commission operates at arm's length and is independent from government and First Nations. It operates as a commission of inquiry, not as a court. It is important to note that the Commission is not, therefore, bound by strict rules of evidence, limitation periods in which claims can be brought or other technical defences that might otherwise present obstacles to resolution of a First Nation's claim. This flexibility enhances the Commission's ability to conduct its inquiries in a fair and impartial manner and to expedite the process of making recommendations to the Minister regarding a First Nation's specific claim. This process fosters the development and implementation of innovative solutions that can resolve complex and contentious issues of policy and law related to specific claims.

When a First Nation has researched its specific claim and submitted it to the INAC Minister together with any supporting documentation, INAC's Specific Claims Branch performs its own research and, with the involvement of the federal Department of Justice, determines if the claim establishes an *outstanding lawful obligation* on the part of the government. If the

federal government does not believe it has an outstanding lawful obligation, the First Nation's claim is denied and the INAC Minister informs the First Nation that it will not negotiate a settlement. The First Nation then has two options: it can seek a remedy from the appropriate court, or it can request the Commission to conduct an inquiry. An inquiry typically takes between two and five years to complete, depending on the number of parties involved and the complexity of issues considered.

The Commission's staff is working at full capacity within the resources provided. Currently, the Commission is conducting 40 inquiries and supporting 24 mediation or facilitation cases, as well as meeting information demands from the public and First Nations. With respect to the future workload, INAC's Specific Claims Branch reports 658 specific claims under review, 50 having received a legal opinion from the Department of Justice about lawful obligation. The branch estimates it will be receiving about 70 new specific claims annually. Given the size of the current caseload, the demand for the Commission's services is forecast to continue well into the foreseeable future.

Summary Information

Financial and Human Resources Indian Specific Claims Commission			
	2006-07	2007-08	2008-09
Financial Resources (\$ millions)	6.8	—	—
Human Resources (FTEs)	49	—	—



Section II Analysis of Program Activities by Strategic Outcome

The department's program activities contribute to strategic outcomes or long-term results in support of the department's mission and the priorities of the Government of Canada outcome table. Strategic outcomes also provide the basis for horizontal linkages with other federal departments.

The department's Program Activity Architecture (PAA) (Figure 1) outlines four program-related strategic outcomes: the Government, the People, the Land and the Economy. Activities for northern programs cut across all four program-related strategic outcomes.

A fifth program-related strategic outcome sets program activities for the Office of the Federal Interlocutor.

Although the North is not a program activity identified on its own in the department's PAA, activities related to the North have been included under the program activities, reflecting the complex nature of federal interests in the North.

The PAA also includes one management-related strategic outcome to reflect the contribution of departmental management and administration. Because so much of Indian and Inuit programming is delivered by First Nations and Inuit — hence INAC's role in the transfer of funds — the management-related strategic outcome is an essential component to achieving the department's vision.

Allocation Methodology

Within the government budget process, departments do not receive money specifically for departmental management and administration; funds are allocated to strategic outcomes and program activities. From this perspective, INAC is in a special situation, given that it is primarily in the business of transferring funds to third parties for the delivery of programs meeting its objectives and mandate. As such, it has to ensure the proper administration of these transfers, undertake monitoring and accountability activities, and provide policy advice and other services (e.g., litigation management). As such, INAC may allocate a significantly higher proportion of staff to Departmental Management and Administration activities than other departments might. It should be noted, however, that the proportion of INAC's total budget allocated to Departmental Management and Administration amounts to less than 5 percent, which is comparable to other departments.

Allocating Departmental Management and Administration resources to program activities will, in most cases, distort the real picture of the resources in place to deliver program activities since the programs are largely delivered by third parties. The difference between the direct resources allocated to the program activities and the resources that have to be attributed to the activities on the basis of a corporate cost allocation model have therefore been noted in the following financial tables.



Strategic Outcome: The Government

Strategic Outcome

The Government

Good governance, effective institutions and cooperative relationships for First Nations, Inuit and Northerners

Program Activities

Governance and Institutions of Government

Sub-Activities

- Supporting Governments
- Institutions of Government
- Fiscal Relations

Co-operative Relationships

Sub-Activities

- Negotiations of Claims and Self-Government
- Treaty Commissions
- Exploratory Treaty Tables
- Inuit Relations Secretariat
- Policy Engagement

Northern Governance

This long-term goal envisions: capable, effective, sustainable and representative First Nations and Inuit governments; capable, effective and sustainable institutions controlled by First Nations and Inuit and responsive to community needs, with the professional capacity to support increasingly self-reliant communities and governments; and co-operative intergovernmental relations in pursuit of shared objectives.

Under this strategic outcome, activities support good governance, effective institutions and co-operative relationships as the foundation for self-reliant First Nations, Inuit and Northerners. Building trust and effective accountability between First Nations and Inuit and their governments is a prerequisite to success. In the North, the role of the federal and territorial governments and the evolving Aboriginal governance structures create a complex operating environment. Getting the mix right is a necessary component for progress toward this outcome.

Financial and Human Resources by Strategic Outcome: The Government

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	858.7	816.9	806.7
Attributed*	44.5	50.2	51.7
Total	903.2	867.1	858.4
Human Resources (FTEs)			
Direct	551.2	554.2	539.7
Attributed*	401.1	450.0	460.7
Total	952.3	1,004.2	1,000.4

*Due to rounding, figures may not add to the totals shown.
See box on p. 17

Program Activity: Governance and Institutions of Government

Financial and Human Resources by Program Activity: Governance and Institutions of Government

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	611.0	601.7	609.2
Attributed*	30.9	36.2	38.2
Total	641.8	637.9	647.3
Human Resources (FTEs)			
Direct	105.0	105.0	105.0
Attributed*	284.9	329.3	345.6
Total	389.9	434.3	450.6

*Due to rounding, figures may not add to the totals shown.
See box on p. 17

Effective governance and institutions are the cornerstones of sustainable First Nations and Inuit governments and healthy First Nations and Inuit communities. Individual First Nations and Inuit communities are at different stages of development in the context of self-government. Departmental initiatives and activities strive to respond to diverse needs of First Nations and Inuit for governance capacity and to support First Nations and Inuit communities in implementing strong, effective and sustainable governments over the longer term.

Expected Results

- Innovative and equitable fiscal relationships with First Nations and Inuit governments and communities.
- Strengthened First Nations, Inuit governance capacity.
- Development of First Nations and Inuit institutions, including those that facilitate and support the development of governance capacity.

Performance Indicators

- Funding agreements that respond to First Nations and Inuit governments and communities needs and are matched to their governance responsibilities and capacities.
- Legislative, policy and programming initiatives under agreed-upon joint processes in place.

- New institutions created that facilitate and support the development of governance capacity.
- Successful implementation of the National Centre for First Nations Governance and the

four institutions established under the *First Nations Fiscal and Statistical Management Act*.

Contribution to Departmental Priorities

Priority: Accountability and Capacity Building

Plans

Strengthen recipients' capacity by providing targeted funding under the Professional and Institutional Development program for activities related to the development and implementation of remedial management plans.

Implement fully the *First Nations Fiscal and Statistical Management Act*.

Increase funding for the Aboriginal Financial Officers Association for programs and activities related to remedial management plans.

Milestones/Timeframes

Fall 2006: Access Budget 2006 funding.
December 2006: Begin funding approved projects.

March 2007

Fall 2006; Seek approval to access Budget 2006 funding.
December 2006: Begin funding approved projects.

Program Activity: Co-operative Relationships

Financial and Human Resources by Program Activity: Co-operative Relationships

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	237.0	204.4	186.8
Attributed*	13.0	13.3	12.8
Total	250.0	217.8	199.6
Human Resources (FTEs)			
Direct	392.2	395.2	380.7
Attributed*	110.9	114.6	108.7
Total	503.1	509.8	489.4

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

*See box on p. 17

Together, federal, provincial and territorial governments and First Nations and Inuit governments and institutions are building the foundation for co-operative relationships by: negotiating and implementing land claims and self-government agreements; engaging in consultation and policy development; mutually exploring Historic Treaties; and putting in place mechanisms and tools that allow all parties to work together to identify priorities for action.

Negotiations and agreements help to create favourable conditions for socio-economic and cultural growth of communities. Negotiations fulfil constitutional obligations, address historic lawful obligations, promote mutual respect and reconciliation, build partnerships, help define common agendas, and reduce conflict. Agreements give First Nations and Inuit the tools they need to improve their economic and social well-being and support their cultures.

Expected Results

- Increased clarity and certainty over lands and resources.
- Establishment of First Nations and Inuit governments accountable to their citizens.
- Outstanding historical lawful obligations addressed.
- Implementation of land claims and self-government agreements.
- Productive land claims and self-government negotiations.
- Identification, clarification and resolution of policy issues.



Performance Indicators

- Reduction in disputes over rights to lands and resources.
- Number of First Nations and Inuit governments operating under self-government agreements.
- Resolution of specific claims.
- Implementation activities carried out in accordance with the implementation plans.

- Achievement of deliverables and key milestones identified in all parties' agreed-upon work plans (i.e., key issues resolved; agreement chapters completed; constitutions completed; agreements completed: interim measures, framework, agreement in principle, final).
- Development of new policies, guidelines and tools, and the provision of ongoing support to negotiators.

Strategic Outcome: The People

Strategic Outcome

The People

Strengthened individual and family well-being for First Nations, Inuit and Northerners

Program Activities

Managing Individual Affairs

Sub-Activities

- Registration and Membership
- Management of Indian Monies
- Estate Management
- Treaty Annuities
- Professional and Institutional Development

Education

Sub-Activities

- Elementary and Secondary Education
- Special Education
- Post-Secondary Education
- Cultural Education Centres

Social Development

Sub-Activities

- Income Assistance
- First Nations Child and Family Services
- Assisted Living
- Family Violence Prevention
- National Child Benefit Re-investment
- Federal-Provincial Agreements

Healthy Northern Communities

Sub-Activities

- Hospital and Physician Services
- Food Mail
- Knowledge and Adaptation

According to socio-economic indicators, First Nations and Inuit are among the most disadvantaged groups in Canada.

Activities within The People Strategic Outcome, which focus primarily on Aboriginal peoples on reserve, support the commitment to improve socio-economic well-being by promoting access to a range and level of services that are reasonably comparable to those enjoyed by Canadians living off reserve in similar circumstances. This strategic outcome also supports enabling First Nations and Inuit control, and eventual jurisdiction, over the policies, programs and services that most directly affect individual and

family well-being. Together, the activities under this strategic outcome create a continuum of essential services throughout an individual's life. The management of individual affairs —

Financial and Human Resources by Strategic Outcome: The People

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	2,979.8	3,189.5	3,276.1
Attributed*	153.5	186.9	200.8
Total	3,133.4	3,376.4	3,476.8
Human Resources (FTEs)			
Direct	222.0	216.0	216.0
Attributed*	1,417.3	1,700.5	1,816.9
Total	1,639.3	1,916.5	2,032.9

*Due to rounding, figures may not add to the totals shown.
See box on p. 17

from the registration of eligible persons as Indians to estate administration and the fulfilment of statutory and treaty obligations — is a foundational service. Educational services promote the empowerment of the individual. Social services ensure that individuals have the necessities of life. Healthy individuals contribute to safe, stable and healthy families and communities. By ensuring that basic needs are met, and by focusing on education, this strategic outcome looks at key socio-economic indicators to effect real change.

Program Activity: Managing Individual Affairs

The Minister of Indian Affairs and Northern Development, in accordance with the *Indian Act*, has responsibilities with respect to maintaining the Indian Register, registration of Indians and the issuance of Certificates of Indian Status, membership, the management of trust funds, estates management, and the payment of treaty annuities and allowances.

**Financial and Human Resources by Program Activity:
Managing Individual Affairs**

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	15.0	15.0	15.0
Attributed*	0.8	0.9	1.0
Total	15.8	16.0	16.0
Human Resources (FTEs)			
Direct	73.0	73.0	73.0
Attributed*	7.3	8.5	8.9
Total	80.3	81.5	81.9

*Due to rounding, figures may not add to the totals shown.
See box on p. 17

Expected Results

- A complete, accurate and current Indian Register.
- Secure Certificates of Indian Status issued to eligible individuals.
- Devolution of control of section 10 membership lists (i.e., those that are managed/controlled by the First Nations, and not by the department) to First Nations (see http://www.ainc-inac.gc.ca/ps/lts/nelts/remetcm_e.html).
- Responsibilities and functions of the Office of the Indian Registrar are delegated to regions and First Nations Indian Registration Administrators.
- Effective professional administration of individual moneys (for minors/incompetent adults) held in the Consolidated Revenue Fund.
- First Nations and First Nations individuals are well informed and able to manage their estates effectively/capably, and the final affairs of deceased individuals are settled in a timely, sensitive and professional manner (in cases involving INAC).

- Treaty annuity and allowance obligations met.
- A professional First Nations public service that manages and operates First Nations institutions.
- A new band creation policy.

Performance Indicators

- Complete, accurate and current section 11 band lists (i.e., those that are managed/controlled by the department, and not by First Nations).
- Number of Certificates of Indian Status Cards issued.
- Number of First Nations exercising control of section 10 membership lists.
- Number of Indian Registration Administrators and types of tasks performed.
- Number of estates settled and time required to conclude settlements.
- Number of estates administered by INAC and number of estates administered by First Nations (or other, non-departmental administrators).
- Number of treaty events held and number of annuitants receiving payments.

Contribution to Departmental Priorities

The current status card, a simple, laminated paper card, is highly vulnerable to misuse and counterfeiting, resulting in a conservatively estimated loss to the Government of Canada of \$33 million annually (2003-04 dollars) from lost program expenditures and foregone tax revenue. In addition, the degraded legitimacy of the existing card and cases of misuse for illegal border crossings have raised security issues.

Priority: Accountability and Capacity Building

Plans

Complete the Indian Registration System/Certificate of Indian Status initiative by introducing nationally a new secure status card and provide ongoing support for its issuance and for maintaining the integrity of the Indian Register.

Milestones/Timeframes

Procurement process, product development and training plan finalized: March 31, 2007.
Implementation of national print centre and regional and First Nations deployment and training completed: March 31, 2008.
Full market reach and replacement of existing laminated Certificates of Indian Status with new secure cards: March 31, 2011.



Program Activity: Education

Financial and Human Resources by Program Activity: Education

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	1,575.6	1,698.4	1,744.3
Attributed*	80.9	98.3	105.5
Total	1,656.5	1,796.7	1,849.8
Human Resources (FTEs)			
Direct	133.0	133.0	133.0
Attributed*	746.7	894.4	954.9
Total	879.7	1,027.4	1,087.9

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

**See box on p. 17*

Education is a key factor in enabling First Nations and Inuit individuals and communities to develop to their full potential and achieve a quality of life comparable to that of other Canadians. The Education program activity supports the objectives of increased educational attainment and improving the skills for employability through:

- support for the provision of culturally relevant elementary and secondary education programs and services, including special education;
- opportunities for First Nations and Inuit youth to improve their job skills and acquire work experience;
- provision of financial support for Status Indian and Inuit students for participation in post-secondary education studies; and
- support for First Nations and Inuit cultural education for development of curriculum and activities to preserve and promote Aboriginal languages and cultures.

Expected Results

- Students residing on reserve have access to elementary and secondary programs and services that are reasonably comparable to programs and services available in public schools in the province or territory in which the reserve is located.
- Students residing on reserve with moderate to profound special education needs have access to elementary and secondary programs and services that are reasonably comparable to those available in public schools in the province or territory in which the reserve is located, which will allow them to maximize their learning potential and learning outcomes.
- Eligible First Nations and Inuit benefit from post-secondary education opportunities.
- Preservation and revitalization of First Nations and Inuit cultures and languages within the education system and through the cultural education centres.

Performance Indicators

- Number of students completing elementary and secondary school.
- Percentage of eligible students receiving appropriate elementary and secondary special education services (by educational type).
- Number of eligible First Nations and Inuit enrolled in and graduating from post-secondary institutions.

Note: A collaborative process will be undertaken with First Nations to develop a revised set of performance indicators for inclusion in the First Nations Education Management Framework (June 2007). As a result, indicators listed in this document are subject to change.

Contribution to Departmental Priorities

2006–2009 Departmental Priority: Education

Plans

Milestones/Timeframes

Implement INAC's Education Action Plan.

Develop a draft Education Policy Framework: Spring 2007.
 Develop an Education Management Framework: June 2007.
 Develop performance indicators, reporting requirements, a data capture tool and performance reporting system: June 2007.
 Implement redesigned education compliance regime and guidelines: June 2007.

Develop tools to support school-board type services for schools on reserve with a view to increasing local capacity and improving results.

Conduct research and consultations: 2006.
 Program design and implementation: 2007.

Program Activity: Social Development

Financial and Human Resources by Program Activity: Social Development

	2006–07	2007–08	2008–09
Financial Resources (\$ millions)			
Direct	1,287.2	1,341.4	1,381.7
Attributed*	67.5	82.8	89.1
Total	1,354.7	1,424.1	1,470.8
Human Resources (FTEs)			
Direct	3.0	3.0	3.0
Attributed*	623.1	753.1	806.3
Total	626.1	756.1	809.3

*Due to rounding, figures may not add to the totals shown.
 See box on p. 17

This activity supports the safety and well-being of First Nations individuals and families. It involves providing support for the delivery of social services on reserve. Social services include: basic needs, such as food, clothing and shelter; child and family services; non-medical assistance for persons with functional limitations; and family violence prevention. Social services are to be provided at a level that is reasonably comparable to provincial and territorial programs and standards.

Expected Results

- Eligible clients on reserve receive social services, including income assistance, child and

family services, non-medical assistance for persons with functional limitations and family violence prevention services, that are reasonably comparable to services provided by the province or territory in which the reserve is located.

- Children and families on reserve receive culturally sensitive prevention and in-care services.
- On-reserve residents with functional limitations are able to maintain their independence, maximize their level of functioning, and live in healthy and safe conditions.
- Safe family environments on reserve.
- Child poverty on reserve is reduced.
- Social services on reserve are provided in accordance with federal-provincial agreements.

Performance Indicator

- INAC has initiated a process, in collaboration with First Nations partners, to develop a comprehensive list of performance indicators for all social development programs. Such indicators could include the number of communities where First Nations are designing, implementing and controlling integrated systems, and the number of service agencies managed by First Nations delivery partners.



Contribution to Departmental Priorities

2006–2009 Departmental Priority: Women, Children and Family

Plans	Milestones/Timeframes
<p>Expand efforts with respect to family violence prevention (FVP) by:</p> <ul style="list-style-type: none"> • enhancing prevention programming; • expanding the reach of the FVP Shelter Network to more communities through the construction of new shelters; and • increasing operational funding to existing shelters. 	<p>Information dissemination and awareness raising through various media: \$4 million by 2010–11. Working with the Canada Mortgage and Housing Corporation, build 8 to 10 new shelters by 2008–09. Increase base funding by \$11 million by 2010–11.</p>
<p>Review and adapt program authorities relating to First Nations Child and Family Services (CFS) to enable a greater degree of comparability with provincial child welfare programs and services.</p>	<p>Co-ordinate CFS, FVP and early childhood development (ECD) programming at the community level: 2007–08. Program evaluation completed by March 31, 2007. Revised performance measurement strategy and compliance methodologies for “reimbursement of actuals” by March 31, 2007.</p>
<p>Work with the Assembly of First Nations (AFN) and Native Women’s Association of Canada (NWAC) in a consultation process to develop options for a legislative or other solution to matrimonial real property issues; recommendations to be made to the Minister by the ministerial representative.</p>	<p>Ministerial representative will facilitate the consultation process with INAC, NWAC, and AFN to be launched in September 2006. Consultations concluded: February 2007. Consensus report: February/March 2007. Introduction of bill, if appropriate: May 2007.</p>
<p>Improve community capacity at Sheshatshiu through implementation of elements of a co-ordinated Labrador Innu Comprehensive Healing Strategy.</p>	<p>Construction of two safe houses, a healing lodge, and a wellness centre: 2006–07. Create a reserve for Sheshatshiu: 2006–07.</p>



Strategic Outcome: The Land

Strategic Outcome

The Land

Sustainable use of lands and resources by First Nations, Inuit and Northerners

Program Activities

Clarity of Title to Land and Resources

Sub-Activities

- Additions to Reserve
- Clarification of Reserve Title
- Comprehensive Claims Land Transfers

Responsible Federal Stewardship

Sub-Activities

- Land, Resources and Environment Management
- Oil and Gas Management
- Management of Band Monies
- Land Registration
- Contaminated Sites Remediation
- Legislative and Regulatory Maintenance and Development

First Nations Governance over Land, Resources and the Environment

Sub-Activities

- Legislative and Regulatory Maintenance and Development
- Implementation of Sectoral Governance Initiatives
- Professional and Institutional Development

Northern Land and Resources

Sub-Activities

- Contaminated Sites
- Management of Land and Resources

This strategic outcome promotes efficient land management practices that address the Crown's interest in protecting, conserving and managing lands, resources and the environment, in a manner consistent with both the principles of sustainable development and First Nations' aspirations to control their lands and resources.

Historically, the federal government has had statutory authority to approve every transaction relating to First Nations reserve lands, resources and environment, and Indian moneys derived therefrom. The department is now committed to moving forward, in partnership with First Nations, from a relationship characterized by dependency to one in

which First Nations assume greater jurisdiction, authority and control over their lands, resources and environment.

The strategy is to:

- pursue initiatives to clarify title to lands and resources to facilitate land transactions and enable First Nations to benefit to the maximum extent possible from economic opportunities;
- support sound horizontal federal stewardship in those areas of responsibility remaining

Financial and Human Resources by Strategic Outcome: The Land

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	274.5	264.8	167.2
Attributed*	14.1	16.2	10.6
Total	288.6	281.0	177.8
Human Resources (FTEs)			
Direct	509.6	504.0	495.0
Attributed*	130.1	147.0	95.6
Total	639.7	651.0	590.6

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

*See box on p. 17

with the federal government during the transition to First Nations governance; and

- work with interested First Nations to develop the legislative tools and intergovernmental agreements necessary to enable them to assume governing authority and responsibility over their reserve lands, resources and environment.

Program Activity: Clarity of Title to Land and Resources

Financial and Human Resources by Program Activity: Clarity of Title to Land and Resources

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	10.7	6.4	5.8
Attributed*	0.6	0.4	0.4
Total	11.3	6.8	6.1
Human Resources (FTEs)			
Direct	22.5	22.5	16.5
Attributed*	5.2	3.6	3.3
Total	27.7	26.1	19.8

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

*See box on p. 17

Clarity of title and expansion of the reserve land base are critical steps toward enabling First Nations to benefit from economic opportunities flowing from access to land and resources. Through means such as comprehensive land claims settlements and Additions to Reserve (ATRs), First Nations are more fully able to realize their economic goals and aspirations.

Expected Results

- An effective, timely ATR process that responds to community land expansion needs.

- Clarity of title for future land transactions, as a result of comprehensive and specific claim settlements, including ATRs.

Performance Indicators

- Average length of time required to complete an ATR (total and by category).
- Number of hectares converted to reserve by ATR.
- Number of hectares transferred as a result of comprehensive claims.

Program Activity: Responsible Federal Stewardship

Financial and Human Resources by Program Activity: Responsible Federal Stewardship			
	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	54.8	45.3	43.1
Attributed*	2.5	2.4	2.5
Total	57.3	47.7	45.6
Human Resources (FTEs)			
Direct	108.2	106.0	106.0
Attributed*	22.6	22.2	22.3
Total	130.8	128.2	128.3
<i>Due to rounding, figures may not add to the totals shown.</i>			
<i>*See box on p. 17</i>			

Responsible federal stewardship on reserve means supporting sound practices in those areas of responsibility remaining with the federal government with the following aims: to protect the health and safety of First Nations people; to preserve the environmental integrity of reserve lands; to ensure sustainable economic development and sound resource management; and to carry out core activities under the *Indian Act* and the *Indian Oil and Gas Act*.

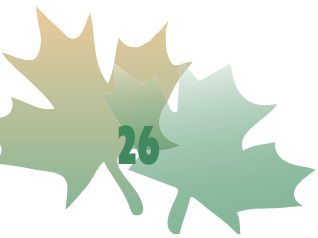
During the transition to First Nations governance, the first priority will always be to invest in building First Nations institutions, capabilities and authorities. Ongoing risk assessment will be undertaken to determine where exceptional investments are required to strengthen federal stewardship on reserve. Examples of federal stewardship initiatives include the implementation of the *First Nations Commercial and Industrial Development Act*, the proposal to modernize the *Indian Oil and Gas Act*, proposed national ATR legislation, work with other federal departments and agencies to provide First Nations with proper authority and capacity for environmental assessment and protection on reserve, and modernization of the Lands Registry.

Expected Results

- Modernized policies, procedures, risk management and accountability framework, and legislation.
- Reduced number of contaminated sites.
- Implementation of the *First Nations Commercial and Industrial Development Act*.

Performance Indicators

- Average number of days to register a transaction in the Indian Lands Registry (total and by type).
- Percentage reduction in Class 1 and 2 contaminated sites liabilities.
- Number of *First Nations Commercial and Industrial Development Act* tripartite agreements, regulations and leases.



Contribution to Departmental Priorities

2006–2009 Departmental Priority: Accountability and Capacity Building

Plans	Milestones/Timeframes
Implement the Environmental Stewardship Strategy.	Develop a federal policy for regulating activities on reserve in the context of the Smart Regulations Initiative: 2006–07. Implement internal Environmental Performance Framework: 2006.
Implement Reserve Lands and Environment Management Program.	Delivery of general training: 2006–07. Delivery of technical training: 2006–07.
Modernize the <i>Indian Oil and Gas Act</i> and Regulations.	Complete draft of legislation: 2006–07. Complete drafting of regulations: 2007–08.
Implement the <i>First Nations Commercial and Industrial Development Act</i> (FNCIDA).	Coming into effect of FNCIDA: April 1, 2006. Completion of Management Control Framework: 2006–07. Project recognition and tripartite agreements for Fort McKay and Fort William projects: 2006–07. Completion of regulations for Fort McKay and Fort William projects: 2007–08.

2006–2009 Departmental Priority: Housing

Plans	Milestones/Timeframes
Modernize the Indian Lands Registry System (ILRS).	Digitize records: 2006–07. Integrate and harmonize ILRS information with Canada Lands Survey Records administered by Natural Resources Canada: 2006–07 and 2007–08. Review of ILRS and identification of land registration options and models: 2006–07. Consultations with Regions and First Nations organizations: 2006–07 and 2007–08. Business analysis and software development: 2007–08. Training of First Nations people to use the modernized system: 2008–09.
Design structural improvements to the land management system.	Developing options to address underlying title on reserve in Quebec: 2006–07 and 2007–08. Draft legislation to give Quebec First Nations access to the <i>First Nations Land Management Act</i> : 2006–07. Develop options to advance a modern regulatory framework for the use of Certificates of Possession to facilitate individual property interests on reserve: 2006–07. Develop policy/legislative options for streamlining Additions to Reserve (ATR) and bringing in national ATR legislation: 2006–07. Develop options to address gaps in existing <i>Indian Act</i> regime in areas such as landlord and tenant law: 2006–07.



Program Activity: First Nations Governance over Land, Resources and the Environment

Financial and Human Resources by Program Activity: First Nations Governance over Land, Resources and the Environment

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	43.7	42.8	42.6
Attributed*	2.3	2.7	2.8
Total	46.0	45.5	45.4
Human Resources (FTEs)			
Direct	47.0	47.0	47.0
Attributed*	21.4	24.3	25.2
Total	68.4	71.3	72.2

Due to rounding, figures may not add to the totals shown.
*See box on p. 17

The department is committed to working with interested First Nations to develop legislative tools and intergovernmental agreements to enable them to assume governing authority over their lands, resources and the environment.

As a component of legislative and regulatory renewal, this program activity focuses on providing options for First Nations that desire greater control over their economic futures and that may wish to make the transition to self-government arrangements. The approach builds on previous successes with statutes such as the *First Nations Land Management Act* and the *First Nations Oil and Gas and Moneys Management Act*, in which interested First Nations played a crucial role.

Expected Results

- Implementation of the *First Nations Oil and Gas and Moneys Management Act*.
- Expansion of the *First Nations Land Management Act*.

Performance Indicators

- Number of *First Nations under the First Nations Oil and Gas and Moneys Management Act* and in process.
- Number of new First Nations under the *First Nations Land Management Act*.

Contribution to Departmental Priorities

2006-2009 Departmental Priority: Accountability and Capacity Building

Plans	Milestones/Timeframes
Work with Indian Resource Council (IRC) on future options for Indian Oil and Gas Canada.	Initiate engagement and consultation: 2006-07. Develop options by IRC in partnership with Indian Oil and Gas Canada Co-management Board: 2006-07 to 2007-08.
Implement professional and institutional development initiatives.	Complete consolidation of authorities for a number of First Nations-led professional and institutional development initiatives under way: 2006-07.
Expand First Nations land management.	Fund 30 participants every two years: 2006-07 and 2007-08.
Implement <i>First Nations Oil and Gas Moneys Management Act</i> .	Put voting regulations in place to enable pilot First Nations to take control over oil and gas and/or moneys: 2006-07.

Strategic Outcome: The Economy

Strategic Outcome
The Economy
<i>Aboriginal People and Northerners close the economic gap</i>
Program Activities
Economic and Employment Opportunities for Aboriginal People
Sub-Activities
▪ Economic Opportunities
▪ Employment Opportunities
Access to Capital and Economic Development
Sub-Activities
▪ Claims Settlements
▪ Community Economic Development
Community Infrastructure
Sub-Activities
▪ Infrastructure Facilities
▪ Education Facilities
▪ Housing
▪ Community Management of Infrastructure
Northern Economy

This strategic outcome concentrates on establishing a supportive investment/business climate to enable First Nations, Inuit and northern individuals, communities and businesses to seize economic opportunities. It also focuses on building the economic and community foundations necessary to increase Aboriginal and northern participation in the economy. Through settlement of claims, First Nations and Inuit have access to funds that may be used to invest in opportunities

for economic growth. Revenue generated through economic growth can be re-invested in local programming to improve the lives of community members according to their circumstances and priorities. Public sector economic development activities facilitate greater participation in the economy by First Nations, Inuit and Northerners; increase business opportunities; and support economic development, capacity development and economic infrastructure.

Financial and Human Resources by Strategic Outcome: The Economy

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	1,985.3	1,615.8	1,412.0
Attributed*	102.2	92.9	83.9
Total	2,087.5	1,708.6	1,495.9
Human Resources (FTEs)			
Direct	47.6	47.6	37.6
Attributed*	943.5	844.8	758.9
Total	991.1	892.4	796.5

*Due to rounding, figures may not add to the totals shown.
See box on p. 17

Program Activity: Economic and Employment Opportunities for Aboriginal People

Financial and Human Resources by Program Activity: Economic and Employment Opportunities for Aboriginal People

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	1.0	1.0	1.0
Attributed*	0.1	0.1	0.1
Total	1.1	1.1	1.1
Human Resources (FTEs)			
Direct	7.0	7.0	7.0
Attributed*	0.5	0.6	0.6
Total	7.5	7.6	7.6

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

**See box on p. 17*

This activity supports increased economic and employment opportunities for Aboriginal people and promotes contracting opportunities for Aboriginal businesses.

Expected Results

- Increased participation of Aboriginal people in the economy.
- Increased employment opportunities and job creation.
- Aboriginal businesses secure more federal contracts and increase their revenues, contributing to increased employment of Aboriginal people.

Performance Indicators

- Number of new employment opportunities resulting from economic development initiatives, such as the creation of new Aboriginal businesses.
- Number of jobs resulting from new employment opportunities.
- Percentage increase in total value of contracts awarded to Aboriginal businesses from all federal government departments and agencies.



Program Activity: Access to Capital and Economic Development

Financial and Human Resources by Program Activity: Access to Capital and Economic Development

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	648.7	322.8	256.2
Attributed*	34.9	21.1	17.6
Total	683.6	343.9	273.8
Human Resources (FTEs)			
Direct	21.5	21.5	21.5
Attributed*	321.9	192.4	159.1
Total	343.4	213.9	180.6

*Due to rounding, figures may not add to the totals shown.
See box on p. 17

Economic development programs facilitate economic development opportunities and the development and implementation of economic development strategies. Claims settlements are available to First Nations and Inuit communities to improve socio-economic conditions.

Expected Results

- The increased participation of First Nations and Inuit communities in the economy.
- Economic development initiatives are pursued within the communities (involved in the settlements process), resulting in jobs for Aboriginal people and community wealth.
- Funds from claims settlements to be used by First Nations and Inuit communities to improve socio-economic conditions.

Performance Indicators

- Number of community members employed through funded projects or initiatives.
- Percentage decrease in the unemployment rate within targeted communities.
- Number of community member businesses that have been created.
- Number of community member businesses that have been expanded through funded projects or initiatives.
- Indicators of success in the context of claims settlements are determined by the recipient First Nation or Inuit community.

Program Activity: Community Infrastructure

Financial and Human Resources by Program Activity: Community Infrastructure

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	1,305.1	1,265.4	1,128.3
Attributed*	65.7	70.0	64.5
Total	1,370.8	1,335.4	1,192.8
Human Resources (FTEs)			
Direct	10.0	10.0	0.0
Attributed*	606.2	636.8	583.6
Total	616.2	646.8	583.6

*Due to rounding, figures may not add to the totals shown.
See box on p. 17

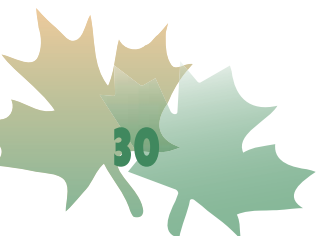
This activity funds the acquisition, construction, operation and maintenance of community facilities, such as administrative offices, roads, bridges, and water and sewer systems; of educational facilities, such as schools, as well as the provision of teachers; and of on-reserve housing. It also funds the remediation of contaminated sites on reserve.

Expected Results

- Effective and timely development and maintenance of community infrastructure.
- First Nations communities have water and wastewater facilities that meet federal guidelines.
- Education facilities meet School Space Accommodation Standards.
- Improved management of Capital Facilities and Maintenance Program delivery by First Nations and INAC.
- Adequate on-reserve housing for First Nations communities.
- Maintenance and management plans that ensure on-reserve housing meets average design life standard.
- Development of options for market-based housing on reserve.

Performance Indicators

- Percentage of outstanding health and safety situations per asset groups.



- Percentage of schools where enrolment meets or exceeds School Space Accommodation Standards.
- Condition of school.
- Percentage of houses with water and sewage service.

Contribution to Departmental Priorities

2006–2009 Departmental Priority: Water and Wastewater

Plans	Milestones/Timeframes
Establish a panel of experts on regulatory regime for drinking water.	Consultation completed and action plan for implementation plan developed: Fall 2007.
Implement mandatory training for all water system operators and a regime to ensure all water systems have the oversight of certified operators.	All systems to be supervised by certified operator by December 2006.
Implement the new regulatory regime.	Completed in spring 2008.
Implement remedial plans for First Nations communities with serious water issues.	Reduction of all high-risk, and the majority of medium-risk sites identified in the National Assessment of Water and Wastewater Systems in First Nations communities: April 2008.

2006–2009 Departmental Priority: Housing

Plans	Milestones/Timeframes
Examine options for First Nations housing authorities and institutions.	Review of options completed by March 2007.
Develop a 10-year strategy to build a sustainable housing system and address housing conditions in First Nations communities.	Completed by March 2007 (specific timeframe for progress will depend on First Nation participation in the implementation of new measures).
Work with First Nations to expand purchase and financing options.	Support the creation of new home ownership programs in First Nations in five regions in 2007, and in all regions in 2008.



Strategic Outcome: Office of the Federal Interlocutor

Strategic Outcome

Office of the Federal Interlocutor

Strengthened relationships with Métis, non-Status Indians and urban Aboriginal Canadians to raise awareness of their need and improve access to federal services with the aim of improving their socio-economic conditions

Program Activity

Co-operative Relations

The Office of the Federal Interlocutor for Métis and non-Status Indians was created in 1985, in response to Métis and non-Status Indian leaders seeking constitutional protection for their peoples' rights. It provides a point of contact for Métis, non-Status Indians and urban Aboriginal people.

The Federal Interlocutor is:

- the point of first contact between the federal government and Métis and non-Status Indians including the Métis National Council (MNC) and the Congress of Aboriginal Peoples (CAP) (bilateral relationships);
- the advocate within Cabinet for consideration of Métis and non-Status Indian issues and concerns;
- the Minister responsible for federal participation in self-government negotiations (tripartite negotiation processes) with Métis and off-reserve Aboriginal organizations under the Inherent Right policy; and
- the Minister responsible for federal co-ordination of the Urban Aboriginal Strategy.

To learn more about the Minister's responsibilities as the Federal Interlocutor, visit http://www.ainc-inac.gc.ca/interloc/index_e.html.

This strategic outcome is designed to work toward achieving practical ways of improving socio-economic conditions for Métis and non-Status Indians and urban Aboriginal people; to develop, maintain and nurture good relationships with Métis and non-Status Indian groups and organizations, urban Aboriginal Canadians, and provincial governments and municipalities (especially in western Canada); and to help Métis and non-Status Indian organizations to

become more self-sufficient, better able to represent their members when engaging with federal and provincial governments, and more accountable to their members and to federal and provincial governments for public funding.

Another area of responsibility is to co-ordinate federal activities to meet the needs of Canada's growing urban Aboriginal population. As the lead federal department responsible for the Urban Aboriginal Strategy, the Office of the Federal Interlocutor seeks to address, in partnership with other stakeholders, the socio-economic needs of urban Aboriginal people.

Progress toward realizing this strategic outcome is achieved through a single program activity: co operative relations.

Financial and Human Resources by Strategic Outcome: Improve the Socio-economic Conditions of Métis, Non-Status Indians and Urban Aboriginal People

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	38.7	8.2	8.2
Attributed*	2.0	0.5	0.5
Total	40.8	8.7	8.7
Human Resources (FTEs)			
Direct	35.0	22.0	22.0
Attributed*	19.0	4.7	4.9
Total	54.0	26.7	26.9

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

**See box on p. 17*

Program Activity: Co-operative Relations

This activity supports strengthening of effective interdepartmental and intergovernmental (federal, provincial, territorial and municipal) relations; co-operative relations with Métis, non-Status, off-reserve and urban Aboriginal organizations to optimize the pursuit and attainment of shared objectives; and proactive management of strategic issues related to Métis, non-Status Indians and urban Aboriginal people.

Expected Results

- Development and implementation of practical ways of improving socio-economic conditions of Métis, non-Status Indians and urban Aboriginal people through:
 - strengthened federal-provincial partnerships to respond to the needs of Métis, non-Status Indians and urban Aboriginal people;
 - enhanced collaboration with provinces and relevant Aboriginal organizations to respond to Métis Aboriginal original rights; and
 - the development of organizational capacity.

Performance Indicators

- Number of partnerships developed involving key stakeholders.
- Reducing the challenges to governments as they respond to Métis Aboriginal rights.
- Number of Aboriginal students completing secondary schools and entering post-secondary institutions.
- Number of community priorities, identified through local planning processes, that are being acted upon and supported through pilot project funding under the Urban Aboriginal Strategy.

Contribution to Departmental Priorities	
2006–2009 Departmental Priority: Education	
Plan	Milestones/Timeframes
Collaborate with provinces and territories on initiatives to increase the proportion of Aboriginal young adults with at least a high school diploma.	Consultations with partners and development of performance measurement mechanisms: 2006–07. Implementation of programs: 2006–07 to 2007–08.
2006–2009 Departmental Priority: Accountability and Capacity Building	
Plan	Milestone/Timeframe
Collaborate with provinces on initiatives to respond to Métis Aboriginal rights.	Ongoing implementation of funding through the Government of Canada’s Strategic Approach to the Powley decision.
2006–2009 Departmental Priority: Women, Children and Families; Education; and Housing	
Plan	Milestone/Timeframe
Collaborate with key partners, including provinces, municipalities and local Aboriginal organizations to enable Aboriginal people to achieve greater success within Canada’s urban centres.	Ongoing implementation of the government’s Urban Aboriginal Strategy.



The North

While each of the program activities related to the North are housed in the program-related strategic outcomes, activities regarding the North are grouped together to reflect INAC's dual mandate (Indian and Inuit Affairs and Northern Development).

The collaborative work to date, among the Government of Canada, the three territories, northern Aboriginal governments and organizations, and northern residents to identify and advance shared priorities is based on the long-term objective for the North as a self-sufficient and prosperous region in which Northerners manage their own affairs, enjoy a quality of life comparable to other Canadians and make strong contributions to a dynamic, secure federation.

INAC manages ongoing federal interests in the North, including the co-ordination of federal northern policy, federal-territorial relations, aspects of claims and self-government implementation, and federal circumpolar activities. In the Northwest Territories and Nunavut, the department is tasked with managing the sustainable development of natural resources in preparation for devolution to northern governments, and with preserving, maintaining, protecting and rehabilitating the northern environment. In addition, the department is responsible for assisting Northerners, including Aboriginal groups, to develop political and economic institutions that will enable them to assume increasing responsibility within the Canadian federation.

To reflect and address this complexity, INAC has identified four distinct program activities that contribute to strategic outcomes in the North: northern governance; northern land and resources; northern economy; and healthy northern communities. Their expected results are:

- good northern governance, effective institutions and co-operative relationships;
- sustainable development of northern natural resources;

- strengthened territorial economies with increased participation by Northerners; and
- healthy northern communities.

Plans and Initiatives for 2006–2009

INAC's strategic priorities for the North are informed by the need to manage an increasingly complex environment with multiple players and interests, while working to strengthen northern governance and establish strong foundations for economic development.

INAC will provide a basis for working in partnership with other federal departments, territorial and Aboriginal governments, and Northerners toward shared priorities to advance the political and economic development of the North. At the same time, INAC will continue to work toward the devolution of its province-like land and resource management responsibilities to territorial governments, placing greater control of lands and resources in the hands of Northerners and strengthening accountability for resource management and decision-making. Realizing the North's economic potential will also require actions to capitalize on key opportunities, such as the Mackenzie Gas Project, and manage associated risks, such as the effectiveness of the regulatory system and gaps in science and knowledge.

On the basis of these considerations, INAC has identified two priority areas for 2006–07. The priorities are:

- supporting the advancement of the Mackenzie Gas Project and associated induced oil and gas development; and
- supporting Northern Development through improvements to the northern regulatory systems starting with the Northwest Territories, making progress on devolution in the Northwest Territories and Nunavut and supporting International Polar Year research.

At the same time, INAC will continue work to address a number of high-priority political, economic, health and environmental issues within the Northern Development. These include making progress on the clean-up of contaminated sites across the North, supporting research and monitoring under the Northern Contaminants Program, supporting climate change efforts, strengthening and expanding the economies of the three territories, and helping to address nutrition and food security in isolated communities through the Food Mail Program.

Program Activity: Northern Governance (Government Strategic Outcome)

Financial and Human Resources by Program Activity: Northern Governance (Government Strategic Outcome)

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	10.7	10.7	10.7
Attributed*	0.6	0.7	0.7
Total	11.3	11.4	11.5
Human Resources (FTEs)			
Direct	54.0	54.0	54.0
Attributed*	5.3	6.1	6.4
Total	59.3	60.1	60.4

*Due to rounding, figures may not add to the totals shown.
See box on p. 17

Description

Progress toward realizing INAC's Government strategic outcome in the North is achieved through the Northern Governance program

activity in conjunction with the Government strategic outcome's expected result of building effective governance structures and institutions of public government through co-operative relationships.

Northern governance supports the growth of strong, effective and efficient government structures, as well as stable economies and healthy, productive and sustainable communities in Canada's North, through legislative, policy and programming initiatives, and through the negotiation of agreements for the transfer of land and resource management responsibilities to northern governments.

Expected Results

- Strong northern governance and effective institutions allowing Northerners to be prepared for the challenges and opportunities resulting from northern development.
- Arctic issues addressed through intergovernmental agreements, protocols and information sharing based on a common understanding and policy framework.

Performance Indicators

- Achievement of key milestones in the devolution of provincial-like responsibilities to northern governments including approval of an agreement in principle for NWT devolution.
- Development and finalization of the mandate to negotiate Nunavut devolution.

Contribution to Departmental Priorities

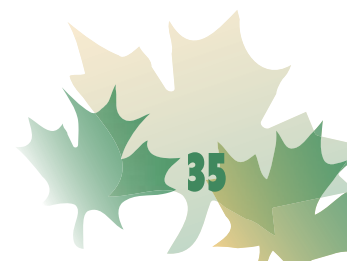
2006-2009 Departmental Priority: Northern Development

Plans

Make progress on devolution in the Northwest Territories and Nunavut.

Milestones/Timeframes

Seek an agreement in principle with the Government of the Northwest Territories and the Aboriginal Summit on the devolution of land and resource management responsibilities in the Northwest Territories: 2006-07.
Seek the approval of a mandate, and then begin devolution negotiations with the Government of Nunavut and Nunavut Tunngavik Incorporated: 2006-07.



Program Activity: Healthy Northern Communities (People Strategic Outcome)

Financial and Human Resources by Program Activity: Healthy Northern Communities (People Strategic Outcome)

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	102.1	134.7	135.1
Attributed*	4.4	4.9	5.2
Total	106.4	139.6	140.3
Human Resources (FTEs)			
Direct	13.0	7.0	7.0
Attributed*	40.2	44.5	46.8
Total	53.2	51.5	53.8

Due to rounding, figures may not add to the totals shown.
*See box on p. 17

Description

Progress toward realizing INAC's People strategic outcome is achieved through one program activity: healthy northern communities.

The health of communities and community members in the North are essential to a thriving, productive northern Canada. This program activity is responsible for the development, management and administration of programs that support environmentally sustainable communities by assessing levels, trends and effects of contaminants on the health of Northerners and wildlife under the Northern Contaminants Program. Another major element of this activity contributes to the health and well-being of Aboriginal Northerners through: reimbursement to the governments of the Northwest Territories and Nunavut of a portion of their costs for providing hospital and physician services to First Nations and Inuit residents of their respective territories; and payments made to Canada Post to subsidize the transportation of nutritious perishable food and other essential items by air to isolated northern communities under the Food Mail Program.

Expected Results

- Healthy northern communities.

Performance Indicators

- Development and implementation of a Northern Contaminants Program research plan, submitted as Canada's contribution to the Arctic Monitoring and Assessment Program, and publication of the annual summary of research booklet and the synopsis report of research results.
- The cost and quality of perishable food in isolated northern communities.

Program Activity: Northern Land and Resources (Land Strategic Outcome)

Financial and Human Resources by Program Activity: Northern Land and Resources (Land Strategic Outcome)

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	165.2	170.4	75.7
Attributed*	8.8	10.7	4.9
Total	174.0	181.0	80.7
Human Resources (FTEs)			
Direct	331.9	328.5	325.5
Attributed*	80.9	96.9	44.8
Total	412.8	425.4	370.3

Due to rounding, figures may not add to the totals shown.
*See box on p. 17

Description

Progress toward realizing INAC's Land strategic outcome is achieved through the Northern Land and Resources program activity. This program activity proceeds in conjunction with co-operative relationships for the negotiation and implementation of land claims and self-government agreements activities, in particular with respect to the establishment of northern boards required under these agreements.

Northern land and resources supports the sustainable development of the North's natural resources through improved environmental management and stewardship including the clean-up of contaminated sites, by expanding the knowledge base for sound decision making, and by improving the effectiveness of the northern regulatory environment.

Expected Results

- Development of the North’s natural resources in an economically, socially and environmentally responsible manner.

Performance Indicators

- Federal response to the Joint Review Panel complete.

- Government of Canada policies and programs regarding northern oil and gas development implemented.
- Regulatory Improvement Initiative Strategy in place by the end of the fiscal year.
- Program governance framework and structure developed and operational by the end of the fiscal year.

Contribution to Departmental Priorities	
2006–2009 Departmental Priority: Mackenzie Gas Project	
Plans	Milestones/Timeframes
Support the advancement of this project through regulatory review to the operational phase.	Ongoing until final decisions to proceed with project.
Address socio-economic pressures on NWT communities from the Mackenzie Gas Project.	Mackenzie Gas Project Impacts Fund operational by the end of 2006–07.
2006–2009 Departmental Priority: Northern Development	
Plans	Milestones/Timeframes
Improve the regulatory system in the Northwest Territories.	Regulatory Improvement Initiative Strategy developed by the end of 2006–07.
Support International Polar Year research.	Initiate a targeted science and research program to address priorities on climate change impacts and adaptation and health and well-being of northern communities: 2007–08. Provide support for government, academic and northern community researchers: 2007–08. Provide training opportunities for northern and Aboriginal people: 2007–08.



Program Activity: Northern Economy (Economy Strategic Outcome)

Financial and Human Resources by Program Activity: Northern Economy (Economy Strategic Outcome)

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)			
Direct	30.5	26.4	26.4
Attributed*	1.6	1.7	1.7
Total	32.1	28.1	28.2
Human Resources (FTEs)			
Direct	9.1	9.1	9.1
Attributed*	14.9	15.0	15.6
Total	24.0	24.1	24.7

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

**See box on p. 17*

Description

Progress toward realizing INAC's Economy strategic outcome is achieved through the Northern Economy program activity.

Healthy, vibrant economies play an important role in building strong, sustainable communities. The Northern Economy program activity develops and administers northern economic development programs; helps to build sustainable, collaborative and productive relationships among governments, organizations and associations with economic interests, the private sector, and other economic players; and advocates for the interests of northern economic development

within the federal system. The department also serves as federal delivery partner for Infrastructure Canada programs in the three territories with results reported to Parliament by Infrastructure Canada.

Expected Results

- Strengthened driver sectors of territorial economies.
- Broadened economic base of each territorial economy.
- Strengthened ability of Northerners to influence and take advantage of economic opportunities.
- Increased co-ordination among partners and programs.

Performance Indicators

- Increased scientific and policy data and knowledge and improved public accessibility to the data.
- Increased access to affordable telecommunications services and equipment.
- Enhanced promotion in domestic and foreign markets.
- Improved access to small business capital.
- Improved skills and information for organizations.
- Approved program investment plans and oversight processes.

Departmental Management and Administration

Departmental Management and Administration

An effective and responsibly managed and operated department positioned to achieve its strategic outcomes

- Regional and Program Operations
- Litigation Management – Management, Resolution and Prevention
- Litigation Management – Settlements

Departmental Management and Administration (DMA) is an operational outcome that underpins INAC's strategic outcomes and program activities. With this out-

come, the department is strategically, effectively and sustainably managed to support the department's mission to make Canada a better place for First Nations, Inuit, Métis and Northerners.

Strategic management of the department entails ongoing commitments that include ensuring corporate financial integrity and comptrollership; strategic financial management; strengthened capacity and decision-making, planning, operational and reporting processes; co-ordinated policy development and implementation; strategic priority setting; cultivating a culture of management excellence; and contributing to the broader Government of Canada goals of increased federal accountability and transparency. It is characterized by:

- integrated, strategic planning for results aligned with the Government of Canada management agenda;
- robust and sustainable financial and information management systems;
- strategic allocation and management of human, real property, technology and information resources; and
- strategic and efficient litigation management.

In addition to ongoing commitments, INAC has identified a number of management initiatives for the 2006–2009 planning period. These initiatives underline INAC's focus on accountable, strategic management practices and provide support to department priorities and ongoing operations across program activities.

The department's strategic approach to management of operations is aligned with federal requirements as outlined in the Management Accountability Framework¹. In 2006–07, INAC will continue to align and integrate elements of federal accountability requirements with the department's planning, reporting and evaluation processes.

The alignment of management initiatives with INAC's mandate, vision, priorities and results will be further supported by development and implementation of an integrated planning and reporting process. This process will improve capacity to report on the department's results, and strengthen government-wide reporting on the Horizontal Aboriginal Program Activity Architecture.

The 2006–2009 management initiatives identify milestones over the one- to three-year period.

The financial and human resources of the DMA strategic outcome are pro-rated to the program-related strategic outcomes.

Program Activity: Regional and Program Operations

This activity supports the achievement of strategic outcomes through the management of transfer payments, communications, co-ordinated financial systems, integrated planning and reporting, human resources management, risk management, streamlining of reporting by First Nations, sustainable development and emergency management.

Expected Results

- Strategic direction, priorities and shared results are jointly established and reported on.
- A diverse, representative, capable workplace and workforce to deliver INAC's mandate.
- Informed decision making and alignment of departmental communications and resources with priorities and expected results.

¹Visit the Treasury Board of Canada Secretariat web site for information on the Management Accountability Framework: http://www.tbs-sct.gc.ca/maf-crg/documents/booklet-livret/booklet-livret_e.asp.

Contributions to Departmental Priorities

In addition to ongoing management and administration, INAC has undertaken a number of initiatives for the 2006–2009 period that further strengthen the management of the department and provide support to areas of key priority. These initiatives include the appointment of a Chief Audit and Evaluation Executive, the establishment of a Chief Financial Officer organization, strengthened financial information management, a streamlined transfer payments system, and continued work to clarify and strengthen the basis for funding for First Nations and northern development. These initiatives are aligned with the government-wide agenda to improve reporting on results and strengthen management, evaluation capacity and expertise, accountability, transparency and innovation in the public service.

Strengthened Strategic Management

The Government of Canada is committed to better management of resources to ensure spending is directed to the areas that matter most to Canadians. As part of this focus, and to contribute to improved accountability and transparency, INAC will continue to strengthen management of department internal resources.

Renewing Financial Management

The Office of the Comptroller General is leading a renewal in financial policies in the Government of Canada, including the introduction of a Chief Financial Officer (CFO) model in every department. INAC is also developing a process to link financial and non-financial information to support improved financial management and decision making.

Milestones

- Develop framework for implementation of Chief Financial Officer organization (2006–07)
- Establish Integrated Financials Project database (2006–07)
- Improved process for recording soft commitments (2007–08)
- Audited financial statements (2007–08)

Expenditure Review Targets

Under the federal Expenditure Review (ER) Initiative, the Government of Canada is focused on finding efficiencies in operations so resources can be reallocated to areas that reflect Canadians' priorities. INAC is part of this reallocation exercise, and will continue its progress toward meeting ER targets.

Milestones

- Work with departmental stakeholders to identify opportunities to streamline expenditures (2006–07)
- Finalize strategy to meet expenditure reduction targets (2006–07)

Resource Management Framework

The department is assessing expenditure trends and cost drivers of basic services provided to First Nations and other Canadians. The goal is to clarify and strengthen basis for funding First Nations and northern development.

Milestones

- Broadly understood resource justification for First Nation basic services and northern development (2006–07)
- Clear funding priorities and multi-year strategy for resource acquisition (2006–07)

Integrated Business

In step with the Government of Canada's focus on managing for results, INAC continues to strengthen its integrated planning and reporting processes. This integrated approach links planned activities, reporting and resource allocation in a cycle that contributes to more effective delivery on the department's plans, priorities and strategic outcomes. An important part of this work is ensuring financial and non-financial information is linked and in place to support internal decision-making and external reporting requirements.

Milestones

- Link executive Performance Agreements to expected results in forward planning (2006–07)
- Regularize reporting on DMA key management initiatives (2006–07)

Strengthening Internal Audit and Evaluation Capacity

A new, government-wide Internal Audit Policy, introduced on April 1, 2006, sets out a number of requirements to ensure that internal audit and audit committees of departments provide deputy heads with added assurance, independent from line management, on risk management, control and governance practices. Full compliance with the policy is to be achieved by March 31, 2009.

Chief Audit and Evaluation Executive

INAC is focused on meeting the policy's requirements over the 2006–2009 period. Primary among these requirements is: the appointment of a Chief Audit and Evaluation Executive, reporting to the deputy head, to lead and direct the internal audit and evaluation function; and the establishment of an independent Audit Committee to provide independent, objective advice, guidance and assurance on the adequacy of the department's risk management, control and governance practices.

Milestones

- Strengthen audit and evaluation function through staffing of senior positions (2006–07)
- Establish Chief Audit and Evaluation Executive (2006–07)
- Establish interim independent Audit Committee (2006–07)
- Implement all requirements included in the Internal Audit Policy (2006–07 – 2008–09)

Financial Systems

The Government of Canada is calling for greater efficiency in federal services for Canadians. Transfer payments are an important facet of INAC's mandate; a coherent system is critical to efficient program delivery.

First Nations and Inuit Transfer Payments System

In partnership with recipients, INAC is developing a web-based integrated transfer payments

system. The First Nations and Inuit Transfer Payments System will significantly streamline the business processes, eliminate redundant operations and allow recipients to track the status of various reports. This initiative is designed so that it could become the single-window platform used by all departments providing funding to Aboriginal recipients.

Milestones

- Initial deployment and training of 2000 users including 150 recipient organizations (2006–07 – 2007–08)
- Transition and completion of initial deployment and training; further deployment to recipient organizations (2007–08)

Public Service Modernization

INAC is focused on creating a workforce and organization that can deliver the business of the department, and is actively working to implement required policy.

Recruitment and Appointment

INAC continues to implement a values-based staffing system and is focused on delivering on recruitment- and appointment-related policies that uphold the values of access, fairness and transparency.

Milestones

- implementation of final policies related to recruitment and appointment (2006–07)
- monitoring and reporting on the department's adherence to the policies (2006–07)

Values and Ethics

INAC continues to meet requirements of the *Values and Ethics Code for the Public Service*. The department is focused on raising awareness of the Code among employees, and on maintaining an ongoing dialogue on public service values and ethics within the framework of four key action areas: Public Service Modernization, the Values and Ethics Code, the Management Accountability Framework and employee performance management.



Milestones

- Develop learning strategy for Values and Ethics (2006–07)
- Develop tools for staff to support integrating and measuring values and ethics in day-to-day operations (2006–07)

Employment Equity

INAC continues to ensure that the departmental workforce reflects the diversity of Canada, and to enhance the way employees are recruited, supported and led, with special focus on Aboriginal employment.

Milestones

- Develop and implement recommendations to increase the recruitment and retention of Aboriginal employees (2006–07)
- Develop an approach to balance INAC's objective of 50-percent Aboriginal employment with employment equity objectives in relation to visible minorities (2006–07)

Required Learning for Managers

As part of the new public service-wide Learning Strategy, INAC will ensure that managers understand their roles, responsibilities and basic delegated authorities in finance, human resources, information management and contracting.

Milestone

- Managers and executives complete the mandatory training and/or validation assessments (2006–07)

Program Activity: Litigation Management – Management, Resolution and Prevention

This activity supports the achievement of strategic outcomes through the strategic and efficient management of litigation.

Expected Results

- Strategic and efficient litigation management.
- Appropriate use of resources.

Program Activity: Litigation Management – Settlements

Settlement of litigation.

Expected Results

- Resolution of grievances as appropriate, through out-of-court settlements.
- Streamlined settlement process.

Canadian Polar Commission

The Canadian Polar Commission has one strategic outcome: increased Canadian polar knowledge.

Financial and Human Resources by Strategic Outcome: Increased Canadian Polar Knowledge			
	2006-07	2007-08	2008-09
Financial Resources (\$ millions)	1.0	1.0	1.0
Human Resources (FTEs)	5.0	5.0	5.0

This strategic outcome is intended to help Canada maintain its position as a leading polar nation by ensuring that:

- Canadian scientists have access to funding and resources and the logistical and infrastructure support to maintain the high standards expected of Canadian polar researchers; and
- Canadians have a better understanding of the Arctic and Antarctic, of the impact of global climate change on polar regions, and of how to live and prosper sustainably in Canada's northern regions.

The Canadian Polar Commission is responsible 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.

The polar research community is diverse and dispersed, with research institutes supporting a broad range of research activities. Members of the research community support and participate in initiatives to various degrees, while different governments assign differing priorities to polar research. The Commission needs to generate greater co-ordination and co-operation among federal and private sector research activities and to increase access to and exchange of information.

At present, Canada has an opportunity to be at the forefront of polar research as it steadily grows in global importance. Other polar nations are actively funding and undertaking projects to address crucial gaps in the knowledge of Canada's Arctic regions. An increase in Canadian polar research capacity is necessary if Canada is to avoid dependency on foreign interests for polar research.

Program Activity: Research Facilitation and Communication

Financial and Human Resources by Program Activity: Research Facilitation and Communication			
	2006-07	2007-08	2008-09
Financial Resources (\$ millions)	1.0	1.0	1.0
Human Resources (FTEs)	5.0	5.0	5.0

To carry out its mandate, the Canadian Polar Commission will initiate, sponsor and support conferences, seminars and meetings; help establish a polar information network as the principal mechanism to disseminate knowledge pertaining to the polar regions; undertake and support special studies related to the polar regions; recognize achievements and contributions related to its mandate; publish newsletters, reports and other publications; and table an annual report in Parliament.

Expected Results

- Better, more timely access to polar science information by the Canadian public and governments.
- Better awareness of Canadian and global polar science issues by the Canadian public and governments.
- Increased communication on the part of researchers through dissemination and exchange of information through the Canadian Polar Information Network.



- Canada's position maintained as a leading polar nation.
- Co-operation among federal, territorial and provincial organizations to strengthen Canada's presence in the international research community.
- Strong Canadian research presence in International Polar Year 2007–08.
- Increased federal government support for implementing a Canadian Antarctic Research Program.
- Increased federal government support for creating a National Polar Research Policy.

Performance Indicators

- Increased recognition of global science and related issues.
- Canadian research priorities are reflected in international polar research efforts, including International Polar Year 2007–08.
- Development, with partners, of a Canadian science program and research plan for International Polar Year.
- Movement toward adoption of a Canadian Antarctic Research Program by the federal government.
- Movement toward the creation of a National Polar Research Policy at the federal, territorial and provincial level.

Indian Specific Claims Commission

The Indian Specific Claims Commission has one strategic outcome: fair and impartial inquiries into specific claims.

Financial and Human Resources by Strategic Outcome: Fair and Impartial Inquiries into Specific Claims

	2006-07	2007-08	2008-09
Financial Resources (\$ millions)	6.8	—	—
Human Resources (FTEs)	49	—	—

At the request of a First Nation and in appropriate circumstances, the Indian Specific Claims Commission conducts fair and impartial inquiries when a First Nation disagrees with the Minister's denial of its specific claim or when a First Nation disputes the compensation criteria the government proposes to use in negotiating settlement of a specific claim. At the request of both parties involved in the specific claims process, the

Commission will offer the services of professional and unbiased mediators or facilitators to help them reach a successful conclusion. The Commission also keeps the public informed about the Indian specific claims process and progress in resolving First Nations specific claims.

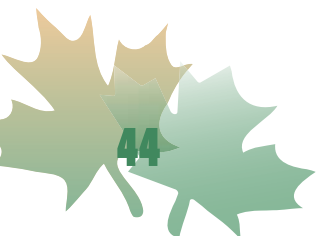
The resolution of specific claims in a manner that is perceived as fair and independent can bring closure for First Nations, provide greater certainty for both parties, and improve relationships between First Nations and the federal government.

Expected Results

Inquiries conducted and concluded with a report of the findings and recommendations.

Performance Indicators

- Number of inquiries in progress or concluded.
- Inquiries perceived as fair and impartial.



Section III Supplementary Information

Organizational Information

The following diagram displays the strategic outcomes and program activities for fiscal year 2006-07, and the associated organizational information.

Minister Deputy Minister and Associate Deputy Ministers	
Strategic Outcomes	Program Activities
<p>The Government</p> <p><i>Lead Assistant Deputy Ministers:</i> Claims and Indian Government (South) Northern Affairs (North)</p>	<p>Governance and Institutions of Government <i>Co-Lead Director General:</i> Lands and Trust Services and Claims and Indian Government</p> <p>Co-operative Relationships <i>Lead Director General:</i> Claims and Indian Government</p> <p>Northern Governance <i>Lead Director General:</i> Northern Affairs</p>
<p>The People</p> <p><i>Lead Assistant Deputy Ministers:</i> Socio-economic Policy and Regional Operations (South) Northern Affairs (North)</p>	<p>Managing Individual Affairs <i>Lead Director General:</i> Lands and Trust Services</p> <p>Education <i>Lead Director General:</i> Socio-economic Policy and Regional Operations</p> <p>Social Development <i>Lead Director General:</i> Socio-economic Policy and Regional Operations</p> <p>Healthy Northern Communities <i>Lead Director General:</i> Northern Affairs</p>
<p>The Land</p> <p><i>Lead Assistant Deputy Ministers:</i> Lands and Trust Services (South) Northern Affairs (North)</p>	<p>Certainty of Title and Access to Land and Resources <i>Lead Director General:</i> Claims and Indian Government</p> <p>Responsible Federal Stewardship <i>Lead Director General:</i> Lands and Trust Services</p> <p>First Nations Governance over Land, Resources and the Environment <i>Lead Director General:</i> Lands and Trust Services</p> <p>Northern Land and Resources <i>Lead Director General:</i> Northern Affairs</p>
<p>The Economy</p> <p><i>Lead Assistant Deputy Ministers:</i> Socio-economic Policy and Regional Operations (South) Northern Affairs (North)</p>	<p>Economic and Employment Opportunities for Aboriginal People <i>Lead Director General:</i> Socio-economic Policy and Regional Operations</p> <p>Access to Capital and Economic Development <i>Lead Director General:</i> Socio-economic Policy and Regional Operations</p> <p>Community Infrastructure <i>Lead Director General:</i> Socio-economic Policy and Regional Operations</p> <p>Northern Economy <i>Lead Director General:</i> Northern Affairs</p>
<p>The Office of the Federal Interlocutor</p> <p><i>Lead Assistant Deputy Minister:</i> Office of the Federal Interlocutor</p>	<p>Office of the Federal Interlocutor <i>Lead Director General:</i> Office of the Federal Interlocutor</p>
<p>Departmental Management and Administration</p> <p>Program Operations Policy and Strategic Direction Senior Assistant Deputy Minister; Socio-economic Policy and Regional Operations Senior/Associate Assistant Deputy Ministers; Claims and Indian Government Assistant Deputy Minister; Lands and Trust Services Assistant Deputy Minister; Corporate Services Assistant Deputy Minister; Northern Affairs Assistant Deputy Minister</p>	<p>Regional Operations <i>Lead Senior Assistant Deputy Minister:</i> Socio-economic Policy and Regional Operations <i>Regional Directors General (South)</i> British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Atlantic</p> <p><i>Lead Assistant Deputy Minister:</i> Northern Affairs <i>Regional Directors General (North)</i> Yukon, Northwest Territories, Nunavut</p>

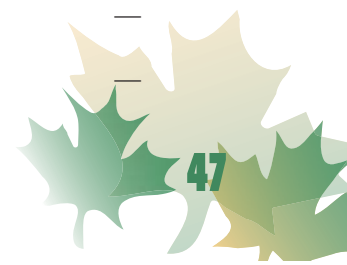


Financial Tables

Table 1: Departmental Planned Spending and Full-time Equivalents

(\$ millions)	Forecast Spending 2005–06	Planned Spending 2006–07	Planned Spending 2007–08	Planned Spending 2008–09
Indian and Northern Affairs Canada				
Governance and Institutions of Government	567.6	613.6	615.1	622.8
Co-operative Relationships	163.0	159.1	153.2	140.3
Northern Governance	14.0	11.3	11.4	11.5
Managing Individual Affairs	15.4	15.8	15.9	16.0
Education	1,562.4	1,608.4	1,670.0	1,721.1
Social Development	1,274.3	1,341.9	1,406.4	1,453.0
Healthy Northern Communities	84.9	86.7	83.1	84.3
Clarity of Title to Land and Resources	14.9	11.2	6.7	6.0
Responsible Federal Stewardship	44.7	48.7	41.5	40.3
First Nations Governance over Land, Resources and the Environment	43.9	46.0	45.5	45.4
Northern Land and Resources	126.0	174.1	181.0	80.7
Economic and Employment Opportunities for Aboriginal People	1.1	1.1	1.1	1.1
Access to Capital and Economic Development	733.4	693.2	359.2	286.7
Community Infrastructure	1,150.3	1,305.6	1,189.3	1,051.6
Northern Economy	8.3	32.1	28.1	28.2
Co-operative Relations (OFI)	21.4	40.8	8.7	8.7
Budgetary Main Estimates (gross)	5,825.5	6,189.7	5,816.3	5,597.7
Co-operative Relationships	79.0	80.8	61.5	56.3
Non-Budgetary Main Estimates (gross)	79.0	80.8	5,877.8	5,654.0
Less: Respendable Revenue	—	—	—	—
Total Main Estimates	5,904.6	6,270.5	5,877.8	5,654.0
Adjustments:				
<i>Additional Spending Requirements</i>				
Funding to address health and safety pressures and support priority investments such as increased costs of the Northern Air Stage Parcel Service and repair to houses, roads and community infrastructure damaged by flooding in Manitoba and Alberta	41.9	—	—	—
Funding related to the assessment, management and remediation of federal contaminated sites	27.1	—	—	—
Funding for the renovation and construction of housing units on reserves and the creation and servicing of building lots	31.9	—	—	—
Funding to support the ongoing implementation of the Northeastern Quebec Agreement and the James Bay and Northern Quebec Agreement	29.0	—	—	—
Operating budget carry forward	27.0	—	—	—
Incremental funding to support First Nations child and family services in the area of social development	25.0	—	—	—
Funding for strategic investments in economic development in the three territories	20.8	—	—	—
Funding to deliver federal programs and services, including health, in two Labrador Innu communities (Labrador Innu Comprehensive Healing Strategy)	14.8	—	—	—

(\$ millions)	Forecast Spending 2005–06	Planned Spending 2006–07	Planned Spending 2007–08	Planned Spending 2008–09
Funding for a settlement agreement with the Deh Cho First Nations that provides direction for land, resource and governance negotiations under the Deh Cho Process and that co-operatively resolves issues related to the review of the Mackenzie Gas Project	10.0	—	—	—
Funding for the delivery of the Special Education Program to provide additional resources such as teachers and technology to students with special needs living on reserves	9.8	—	—	—
Funding to increase federal, regional and science capacity in order to respond to the Mackenzie Gas Project and related resource development (Mackenzie Gas Project)	6.7	—	—	—
Funding to implement provisions of the Nunavut Land Claims Agreement	5.0	—	—	—
Funding for settlement and implementation of the Labrador Inuit Land Claims Agreement	75.4	—	—	—
Funding for the operations of the National Centre for First Nations Governance	5.0	—	—	—
Funding for national Aboriginal organizations to prepare for and participate in government policy processes	3.0	—	—	—
Interim funding in response to the Supreme Court decision in <i>R. v. Powley</i> to support research, multilateral discussions and capacity development for Métis organizations	13.5	—	—	—
Funding to implement and expand pilot projects under the Urban Aboriginal Strategy in up to six additional cities to better respond to the diversity of local needs of urban Aboriginal people	8.4	—	—	—
Funding to establish and maintain an Inuit Relations Secretariat to serve as a point of contact with the federal government for Inuit groups	1.4	—	—	—
Funding to support the work on the future implementation of the Claims Resolution Centre	1.1	—	—	—
Funding for First Nations infrastructure activities, such as upgrading access roads, as part of the Infrastructure Canada Program	1.0	—	—	—
Funding to modernize human resources management in the federal public service (<i>Public Service Modernization Act</i>)	0.1	—	—	—
Funding related to the reform and modernization of Canada's regulatory system in order to better respond to the needs of citizens and to enable business innovation and growth	0.1	—	—	—
Funding related to the government advertising programs	0.1	—	—	—
Collective bargaining agreements	16.3	—	—	—
<i>Public Service Modernization Act</i> — NWT Federal Council	0.1	—	—	—
Municipal rural infrastructure fund	0.3	—	—	—
Funding for the Inuit and Innu of Labrador — Voisey's Bay nickel mine project	25.0	—	—	—
Implementation of the Memorandum of Understanding — Manitoba and O'Pipon-Na-Piwin Cree Nation	6.6	—	—	—
Additional grant payments for Mi'kmaq education in Nova Scotia	0.4	—	—	—
Additional grant payments for the Northern Scientific Training Program	0.4	—	—	—
Adjustments required to negotiate and implement certain claims	0.4	—	—	—



(\$ millions)	Forecast Spending 2005–06	Planned Spending 2006–07	Planned Spending 2007–08	Planned Spending 2008–09
Less: Funding reprofiled from 2005–06 to future years	(308.4)	—	—	—
Less: reductions as a result of the Expenditure Review Committee Exercise	(20.0)	—	—	—
Less: spending authorities available within votes	(18.5)	—	—	—
Less: Procurement Savings				
— Governance and Institutions of Government	(0.1)	(0.5)	—	—
— Co-operative Relationships	(0.1)	(0.2)	—	—
— Education	(0.3)	(1.2)	—	—
— Social Development	(0.2)	(1.0)	—	—
— Healthy Northern Communities	—	(0.1)	—	—
— Northern Land and Resources	—	(0.1)	—	—
— Access to Capital and Economic Development	(0.1)	(0.5)	—	—
— Community Infrastructure	(0.2)	(0.1)	—	—
Federal investment in International Polar Year (includes funding for other government departments)	—	11.0	56.5	56.0
Incremental funding requirements for the O-Pipon-Na-Piwin Cree Nation	—	6.1	6.1	6.1
<i>First Nations Commercial and Industrial Development Act</i> program implementation	—	2.2	2.2	2.3
Funding for the British Columbia Treaty Commission process	—	0.2	—	—
Contaminated Sites (funding reprofiled from 2005–06 to 2006–07)	(1.4)	1.4	—	—
Cost of the new Ministry — regional responsibilities	—	0.2	0.2	0.2
Funding provided to the First Nations Tax Commission, the First Nations Financial Management Board, the First Nations Finance Authority, and the First Nations Statistical Institute pursuant to the <i>First Nations Fiscal and Statistical Management Act</i> (internal transfers)	—	—	—	—
Marshall Strategy — Adjustment of funding profile	—	2.0	(1.0)	(1.0)
Incremental funding for the Food Mail program	—	13.3	—	—
Incremental funding provided pursuant to Budget 2006 (includes funding for other government departments)	—	150.0	300.0	300.0
Interim strategy on existing Climate Change Programs	—	(4.5)	—	—
Reimbursement of funding provided for the Indian Specific Claims Commission	—	5.6	—	—
Total Adjustments	58.1	182.9	364.0	363.6
Total Planned Spending	5,962.7	6,453.4	6,241.8	6,017.6
Less: Non-Respendable Revenue	(217.5)	(187.3)	(181.0)	(238.0)
Plus: Cost of services received without charge	65.3	68.3	70.8	72.1
Net Cost of Program	5,810.5	6,334.4	6,131.6	5,851.7
Full-time Equivalents	4,242.6	4,276.4	4,490.8	4,447.3
Canadian Polar Commission				
Research Facilitation and Communication	1.0	1.0	1.0	1.0
Budgetary Main Estimates (gross)	1.0	1.0	1.0	1.0
Total Main Estimates	1.0	1.0	1.0	1.0
Adjustments	—	—	—	—
Total Planned Spending	1.0	1.0	1.0	1.0
Plus: Cost of services received without charge	—	—	—	—
Net Cost of Program	1.0	1.0	1.0	1.0
Full-time Equivalents	5	5	5	5

(\$ millions)	Forecast Spending 2005–06	Planned Spending 2006–07	Planned Spending 2007–08	Planned Spending 2008–09
Indian Specific Claims Commission				
Indian Specific Claims Commission	5.1	5.6	—	—
Budgetary Main Estimates (gross)	5.1	5.6	—	—
Total Main Estimates	5.1	5.6	—	—
Adjustments:				
<i>Governor General's Special Warrants:</i>				
Funding to continue the operations of the Commission	1.0	1.2	—	—
Operating Budget Carry Forward	0.3	—	—	—
Total Adjustments	1.3	1.2	—	—
Total Planned Spending	6.4	6.8	—	—
Plus: Cost of services received without charge	0.7	0.6	—	—
Net Cost of Program	7.1	7.4	—	—
Full-time Equivalents	46	49	—	—

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

INAC — Total Planned Spending — Explanation of Trend

The net increase of approximately \$490.7 million from 2005–06 to 2006–07 primarily reflects: the provision of incremental funding for ongoing programs and services; incremental funding pursuant to Budget 2005 for special education and housing; incremental funding pursuant to Budget 2006 for priority areas such as education, women, children, families, water and housing; increases for the negotiation, settlement and implementation of specific and comprehensive claims and adjustments as per signed agreements; incremental funding for the assessment, management and remediation of contaminated sites; increases for the Mackenzie Gas Project and economic development in the North; incremental funding for the International Polar Year; incremental funding for the Food Mail Program; a reduction related to the Expenditure Review Committee (ERC) exercise; and, reductions related to certain one-time funding provided in 2005–06.

The net decrease of approximately \$211.6 million from 2006–07 to 2007–08 primarily reflects: additional funding pursuant to Budget 2006 for priority areas; incremental funding for ongoing programs and services; additional federal investments in International Polar Year; incremental funding for litigation management; incremental funding for the assessment, management and remediation of contaminated sites; decreases in funding for claims primarily reflecting various one-time payments made in 2006–07; a decrease in funding pursuant to Budget 2005 for First Nations housing; a decrease in funding for the Office of the Federal Interlocutor; a decrease in funding provided for climate change initiatives; and, additional reductions related to the ERC exercise.

The net decrease of approximately \$224.2 million from 2007–08 to 2008–09 primarily reflects: incremental funding for ongoing programs and services; a decrease in funding for the First Nations Water Management Strategy; a decrease in funding provided for the assessment, management and remediation of contaminated sites; decreases in funding for claims primarily reflecting various one-time payments made in 2006–07; and, a decrease in funding pursuant to Budget 2005 for First Nations housing.

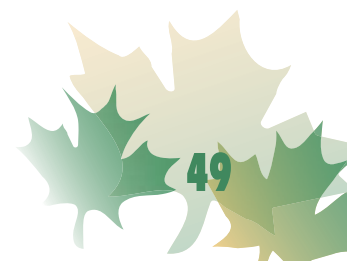


Table 2: Program Activities

Program Activity	2006-07 (\$ millions)									
	Budgetary					Non-Budgetary			Adjustments	
	Operating	Capital	Grants	Contributions	Gross/Net	Loans, Investments and Advances	Total Main Estimates	(planned spending not in Main Estimates)	Total Planned Spending	
Indian and Northern Affairs Canada										
Governance and Institutions of Government	43.1	3.8	354.6	212.1	613.6	—	613.6	28.2	641.8	
Co-operative Relationships	72.3	12.2	5.6	69.0	159.1	80.8	239.9	10.1	250.0	
Northern Governance	11.1	—	—	0.2	11.3	—	11.3	—	11.3	
Managing Individual Affairs	8.1	—	1.7	6.0	15.8	—	15.8	—	15.8	
Education	94.3	—	34.1	1,480.1	1,608.5	—	1,608.5	48.1	1,656.5	
Social Development	70.8	—	10.0	1,261.1	1,341.9	—	1,341.9	12.7	1,354.7	
Healthy Northern Communities	33.5	—	44.6	8.6	86.7	—	86.7	19.7	106.4	
Clarity of Title to Land and Resources	6.0	1.7	3.0	0.5	11.2	—	11.2	0.1	11.3	
Responsible Federal Stewardship	18.5	—	—	30.2	48.7	—	48.7	8.6	57.3	
First Nations Governance over Land, Resources and the Environment	20.3	—	—	25.7	46.0	—	46.0	—	46.0	
Northern Land and Resources	158.6	—	1.1	14.5	174.1	—	174.1	(0.1)	174.0	
Economic and Employment Opportunities for Aboriginal People	1.1	—	—	—	1.1	—	1.1	—	1.1	
Access to Capital and Economic Development	47.5	—	512.8	132.9	693.2	—	693.2	(9.6)	683.6	
Community Infrastructure	98.3	11.0	80.2	1,116.2	1,305.6	—	1,305.6	65.2	1,370.8	
Northern Economy	8.9	—	—	23.2	32.1	—	32.1	—	32.1	
Co-operative Relations (OFI)	9.8	—	—	31.0	40.8	—	40.8	—	40.8	
Total	702.2	28.7	1,047.6	4,411.2	6,189.7	80.8	6,270.5	182.9	6,453.4	
Canadian Polar Commission										
Research Facilitation and Communication	1.0	—	—	—	1.0	—	1.0	—	1.0	
Total	1.0	—	—	—	1.0	—	1.0	—	1.0	
Indian Specific Claims Commission										
Indian Specific Claims Commission	5.6	—	—	—	5.6	—	5.6	1.2	6.8	
Total	5.6	—	—	—	5.6	—	5.6	1.2	6.8	

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

Table 3: Voted and Statutory Items Listed in Main Estimates

Vote or Statutory Item	(\$ millions)	Current Main Estimates	Previous Main Estimates
Indian and Northern Affairs Canada			
1	Operating expenditures	609.4	568.8
5	Capital expenditures	28.7	22.8
10	Grants and contributions	5,252.8	4,977.9
15	Payments to Canada Post Corporation	27.6	27.6
20	Office of the Federal Interlocutor for Métis and non-Status Indians — Operating expenditures	7.2	5.0
25	Office of the Federal Interlocutor for Métis and non-Status Indians — Contributions	31.0	14.8
(S)	Minister of Indian Affairs and Northern Development — Salary and motor car allowance	0.1	0.1
(S)	Grassy Narrows and Islington Bands Mercury Disability Board	0.0	0.0
(S)	Liabilities in respect of loan guarantees made to Indians for housing and economic development	2.0	2.0
(S)	Indian Annuities Treaty payments	1.4	1.4
(S)	Grants to Aboriginal organizations designated to receive claim settlement payments pursuant to <i>Comprehensive Land Claim Settlement Acts</i>	137.6	151.8
(S)	Grant to the Nunatsiavut Government for the implementation of the Labrador Inuit Land Claims Agreement pursuant to the <i>Labrador Inuit Land Claims Agreement Act</i>	36.0	—
(S)	Payments to comprehensive claim beneficiaries in compensation for resource royalties	1.5	1.5
(S)	Contributions to employee benefit plans	54.4	51.9
	Total budgetary	6,189.7	5,825.5
L30	Loans to native claimants	31.1	36.1
L35	Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission process	49.7	42.9
	Total non-budgetary	80.8	79.0
	Total Department	6,270.5	5,904.6
Canadian Polar Commission			
40	Program expenditures	0.9	0.9
(S)	Contributions to employee benefit plans	0.1	0.1
	Total Agency	1.0	1.0
Indian Specific Claims Commission			
45	Program expenditures	5.0	—
(S)	Contributions to employee benefit plans	0.5	—
	Total Agency	5.6	—

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



Table 4: Services Received without Charge

(\$ millions)	2006–07		
	Indian and Northern Affairs Canada	Canadian Polar Commission	Indian Specific Claims Commission
Accommodation provided by Public Works and Government Services Canada (PWGSC)	25.7	—	0.4
Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board of Canada Secretariat (excluding revolving funds)	21.5	—	0.2
Workers' Compensation coverage provided by Human Resources and Skills Development Canada	0.9	—	—
Salary and associated expenditures of legal services by the Department of Justice Canada	20.2	—	—
Total 2006–07 Services Received without Charge	68.3	—	0.6

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

Table 5: Summary of Capital Spending by Program Activity

(\$ millions)	Forecast Spending 2005–06	Planned Spending 2006–07	Planned Spending 2007–08	Planned Spending 2008–09
Indian and Northern Affairs Canada				
Co-operative Relationships	0.7	12.2	12.2	12.2
Managing Individual Affairs	0.0	3.8	3.8	3.8
Clarity of Title to Land and Resources	0.0	1.7	1.7	1.7
Community Infrastructure	5.0	11.0	11.0	11.0
Total	5.7	28.7	28.7	28.7
Canadian Polar Commission				
N/A	—	—	—	—
Indian Specific Claims Commission				
N/A	—	—	—	—

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

Table 6: Loans, Investments and Advances (Non-Budgetary)

(\$ millions)	Forecast Spending 2005–06	Planned Spending 2006–07	Planned Spending 2007–08	Planned Spending 2008–09
Indian and Northern Affairs Canada				
Co-operative Relationships				
Loans to native claimants	36.1	31.1	31.1	31.1
Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission process	31.2	49.7	49.7	49.7
Total	67.3	80.8	80.8	80.8
Canadian Polar Commission				
N/A	—	—	—	—
Indian Specific Claims Commission				
N/A	—	—	—	—

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

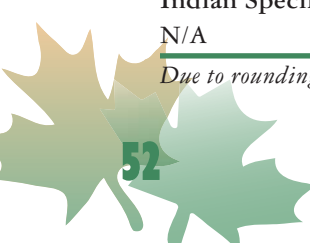


Table 7: Source of Non-Respendable Revenue

(\$ millions)	Forecast Revenue 2005–06	Planned Revenue 2006–07	Planned Revenue 2007–08	Planned Revenue 2008–09
Indian and Northern Affairs Canada				
Governance and Institutions of Government				
Refunds of previous years' expenditures	0.7	0.7	0.7	0.7
Co-operative Relationships				
Refunds of previous years' expenditures	0.3	0.3	0.3	0.3
Return on investments	7.1	7.1	7.1	7.1
Education				
Refunds of previous years' expenditures	2.5	2.5	2.5	2.5
Social Development				
Refunds of previous years' expenditures	5.0	5.0	5.0	5.0
Clarity of Title to Land and Resources				
Miscellaneous revenues	6.3	6.3	—	—
Northern Land and Resources				
Return on investments:				
— Norman Wells Project profits	103.0	98.0	93.0	88.0
— Other	0.7	0.7	0.7	0.7
Refunds of previous years' expenditures	1.2	1.2	1.2	1.2
Adjustments of prior year's payables at year end	1.0	1.0	1.0	1.0
Rights and Privileges	3.9	3.9	3.9	3.9
Mining royalties	64.2	39.5	45.0	107.5
Quarrying royalties	0.0	0.0	0.0	0.0
Oil and gas royalties	16.5	16.0	15.5	15.0
Other non-tax revenues	2.7	2.7	2.7	2.7
Economic and Employment Opportunities for Aboriginal People				
Refunds of previous years' expenditures	0.1	0.1	0.1	0.1
Access to Capital and Economic Development				
Refunds of previous years' expenditures	0.3	0.3	0.3	0.3
Return on investments	0.5	0.5	0.5	0.5
Community Infrastructure				
Refunds of previous years' expenditures	0.5	0.5	0.5	0.5
Return on investments	1.0	1.0	1.0	1.0
Total	217.5	187.3	181.0	238.0
Canadian Polar Commission				
N/A	—	—	—	—
Indian Specific Claims Commission				
N/A	—	—	—	—

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



Table 8: Details on Transfer Payments Programs

Over the next three years, INAC will manage the following transfer payment programs, which total more than \$5 million.

(\$ millions)	2006–07	2007–08	2008–09
Payments for First Nations, Inuit and Northerners — The Government	681.6	655.9	664.3
Payments for First Nations, Inuit and Northerners — The People	2,907.2	3,087.4	3,174.2
Payments for First Nations, Inuit and Northerners — The Land	81.5	70.0	66.4
Payments for First Nations, Inuit and Northerners — The Economy	1,916.1	1,562.5	1,360.7
Payments for Métis, non-Status Indians and Urban Aboriginal Canadians — The Office of the Federal Interlocutor	31.0	5.5	5.5
Total	5,617.4	5,381.3	5,271.1

For further information on the above-mentioned transfer payment programs, see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.

Horizontal Initiatives

Over the next three years, INAC will be involved in the following horizontal initiatives as either the lead or as a partner.

Lead

First Nations Water Management Strategy: 2005–06 to 2007–08

Labrador Innu Comprehensive Healing Strategy

Urban Aboriginal Strategy

Mackenzie Gas Project and induced oil and gas exploration and development activities in the Northwest Territories

Partner

Infrastructure Canada Program: 2005–06

Youth Employment Strategy: ongoing

National Child Benefit: ongoing

Climate Change: 2005–06 and 2006–07

Federal Contaminated Sites Accelerated Action Plan: 2005–06 to 2007–08

Supplementary information on Horizontal Initiatives can be found at

<http://www.tbs-sct.gc.ca/est-pre/estime.asp>



Table 9: User Fees

Name of User Fee	Fee Type	Fee-setting Authority	Reason for Fee Introduction or Amendment	Effective Date of Planned Change	Planned Consultation and Review Process
Canada Mining Regulations Amended	Regulatory Service	Canada Mining Regulations www.ainc-inac.gc.ca/ps/nap/min_e.html	Conversion to metric system	2006–07	Full consultation process to explain the proposed modifications to the Canada Mining Regulations will be undertaken in 2006 with all stakeholders (e.g. licensees, First Nations, territorial governments, Aboriginal organizations, resources management boards) in the Northwest Territories and Nunavut. The user fees are being modified as a result of the conversion to the metric system not as the result of a fee increase or decrease.

Internal Audits and Evaluations

INAC has identified 16 priority evaluation, audit and Office of the Auditor General projects to be conducted for 2006–07. They include the following audits and evaluations:

Audits:

- Physical Conditions of School Facilities
- Capital Facilities and Maintenance Programs
- Travel
- The First Nations and Inuit Transfer Program — System Under Development
- Hospitality
- Income Assistance
- Specific Claims — Treaty Land Entitlement and Settlements and Special Claim Settlements
- Child and Family Services
- Control Self-assessment for the Audit of Grants and Contributions

Evaluations:

- Child and Family Services
- Special Education
- Comprehensive Land Claims — Settled
- Specific and Special Claims — Research and Negotiations
- Self-government — Negotiations
- Governance — First Nations and Institutions
- National Child Benefit Reinvestment (moved from 2007–08)



Sustainable Development Strategy

The *Auditor General Act* requires all federal departments and selected agencies to prepare sustainable development strategies (SDS) every three years. The purpose of an SDS is to more effectively integrate social, economic, cultural and environmental factors into departmental policies, planning and programs. The department's third SDS (for 2004–2006), *On the Right Path Together: A Sustainable Future for First Nations, Inuit and Northern Communities*, focuses on achieving targets that address five themes of community sustainability:

1. Consultation and Joint Decision Making
2. Long-term Planning
3. Water Management
4. Climate Change and Energy Management
5. Integrating Sustainable Development into Departmental Policies and Processes

The Sustainable Development Division of INAC recently completed the second progress report of the third SDS. Progress to date regarding the implementation of regional and sector targets is satisfactory to excellent, however, there is a definite need to better align the SDS with the overall departmental planning and reporting processes. The 2005 annual report of the Commissioner of the Environment and Sustainable Development also underlined the need for the department to develop more rigorous methods of evaluating progress in achieving targets.

The 2007–2010 SDS is scheduled to be tabled in Parliament in December 2006. The department is currently developing the SDS in consultation with Aboriginal partners. A concerted effort will be made to integrate the SDS with departmental strategic outcomes and to develop measurable targets that will have a concrete impact on Aboriginal communities and the department's operations.

Section IV Other Items of Interest

Sustainable Development Strategy

INAC is in the final year of its third sustainable development strategy: *On the Right Path Together: A Sustainable Future for First Nations, Inuit and Northern Communities*. This strategy focuses on commitments that will have long-term impacts at the community level, as well as on departmental structure, policy and direction. Through the sustainable development strategy, INAC continues to work toward achieving the departmental sustainable development vision, which guides INAC employees in the establishment of the tools and mechanisms to effectively support the development of sustainable communities for First Nations, Inuit, Métis and Northerners.

Sustainable Development Vision

Within two generations, many First Nations, Inuit, Métis and northern communities will be healthy and safe models of sustainability. They will have housing, infrastructure and support services comparable to those of similar size and function elsewhere in Canada. Within a protected environment, they will have effective transportation and communications links to the rest of the country and ample, affordable, clean sources of energy. A majority of First Nations, Inuit and Métis communities will effectively manage their own institutions with strong governance structures. Community members, especially women and youth, will have acceptable opportunities for education, will

participate in the economy and will be able to get involved in local governance.

Land claims, including issues such as management of and access to natural resources and land tenure, will have been largely settled through negotiations. Community planning and development will be long term, locally driven and comprehensive.

The northern territories will be more self-sufficient and prosperous regions where people manage their own affairs and make stronger contributions to the country as a whole. As First Nations, Inuit, Métis and Northerners gain greater autonomy and build capacity, the types of services they will require from the federal government will change. As communities become healthier, safer, and economically and environmentally stable, a smaller INAC will likely emerge.

A major focus of the department will be the implementation of the many First Nations and Inuit self-government agreements. INAC will also be a strong advocate for Aboriginal and northern people and will play a more active role as a facilitator to develop partnerships to work more co-operatively on Aboriginal issues, while respecting traditions, governance structures, language, gender and culture.

Striving toward this vision strengthens the federal government's legal, constitutional, fiduciary and treaty obligations, and will require concerted co-operation.



Identification of INAC's Corporate Strategic Risks

The importance of managing risk within the federal government has grown considerably over recent years. The Management Accountability Framework, the foundation for senior management performance contracts, includes risk management as one of the key performance expectations. This section demonstrates INAC's commitment to making risk management an intrinsic part of its corporate process and culture.

Recently, the Treasury Board of Canada Secretariat released the following set of indicators to help government departments and agencies evaluate how to assess their implementation of the framework:

Risk is an active factor in decision-making processes, as evidenced by:

- evergreen executive committee assessment of corporate risks and the status of risk management (corporate risk profile);
- an integrated risk management function (organizational focus) linked to corporate decision making;
- protocols, processes and tools to ensure the consistent application of risk management principles throughout departmental decision making and delivery; and
- continuous organizational learning about risk management and lessons learned from risks successfully or unsuccessfully identified and mitigated.

To identify risks, INAC recently canvassed the opinions of its senior executives and established a list of top 10 risks. The process, completed during the summer of 2005, involved the following steps: identifying approximately 120 risks to the achievement of INAC's strategic outcomes and priorities; prioritizing strategic risks from within each strategic outcome and also from a broader corporate perspective; and interviews with senior management to review, validate and refine the corporate strategic risks and to discuss and decide on incremental actions, where considered necessary, to manage the risks.

The process identified 10 corporate strategic risks as follows:

1. Establishing a Common Strategic Vision and Strengthened Accountabilities when Faced with Increasing and Complex Relationships

A clearly defined strategic and comprehensive vision is vital to achieve progress with respect to the socio-economic conditions of Aboriginal peoples, as well as to maintain and advance negotiation processes for addressing Aboriginal and treaty rights. Progress in these areas is key to limiting litigation, increased costs and setbacks in achieving agreements.

- *Strategic and Comprehensive Vision* — The lack of a clearly defined strategic vision in terms of time frames, political relationships and structures could impede effective co-operation on improving socio-economic conditions and lead to incremental downstream costs, inefficiencies and ineffectiveness.
- *Long-term Federal, Territorial and Aboriginal Governance Roles in the North Including Uncertainty Related to Devolution* — The uncertainties surrounding federal/territorial/Aboriginal governance structures and roles are difficult to resolve because of varied interpretations across a wide range of arrangements and relationships. The lack of a clearly defined governance infrastructure, along with devolution parameters and consensus decision-making style in some territories, could cause delays in investment decisions and environmental mishaps.

2. Ensuring the Health, Safety and Well-being of First Nations, Given Increasing Demands on Community Infrastructure and Capabilities

Community infrastructure is a necessary foundation for economic development, expanding the life span of assets and closing the gap between First Nations and other Canadians. In addition,

strengthening First Nations and departmental capabilities, including management structures and information management, enable progress toward self-government and overall service delivery for the health, safety and well-being of First Nations.

- *Development of Community Infrastructure* — Inadequate funding and community skills levels, as well as increasing demands on infrastructure, could compromise the development of community infrastructure needed for economic development, shorten life span of assets and continue the widening gap between First Nations and other Canadians.

3. Exercising Consistent Interpretation and Application of Statutory Authorities, Policy Requirements and Commitments to Achieve Quality-of-life Objectives and Avoid Damages to Individuals

Requirements of statutory authorities, including obligations in programs such as Lands and Trust Services, must be fulfilled consistently to ensure quality-of-life objectives are met and to avoid damages to individuals. Sufficient resources and skills, both internally and within First Nations, are critical to exercise consistent interpretation and application of statutory authorities, policy requirements and commitments.

- *Capacity to Meet Obligations and Expectations* — Insufficient financial and human resources and skills both internally and within First Nations could lead to significant loss of credibility (including around the fiscal sustainability of self-government), and potential disengagement of partners and key provincial/territorial stakeholders.
- *Not Meeting Requirements of Statutory Authorities and Policies* — Failure to meet requirements of statutory authorities, including obligations in programs such as Lands and Trust Services (e.g., Indian moneys, estates, permits, issuance and compliance, land management), could lead to significant damages to individuals, lawsuits, and lower quality of life and life expectancy for First Nations.

4. Avoiding Court-imposed Programming for First Nations, Métis and Non-Status Indian Groups and Associated Costs

There is a need for proactive policy and programming for First Nations, Métis and non-Status Indian groups to avoid a situation in which the courts may impose programming and associated costs.

- *Proactive Programming* — Reactive and fragmented policy and programming for the Métis create a situation in which the courts may impose programming and associated costs because of a perceived lack of action by the department.

5. Exerting Effective Management of Environmental and Compliance Issues on Reserve Lands

Compliance regarding environmental stewardship on reserve lands, by both First Nations and INAC, is needed to ensure health and safety, promote sustainable development and minimize potential contingent liability for the Crown.

- *Environmental Stewardship* — Legacy and continuing non-compliance regarding environmental stewardship on reserve lands, by both First Nations and INAC, could lead to health and safety risks, threaten sustainable development and create contingent liability for the Crown.

6. Developing a Response to Requirements for Meaningful Consultation Regarding Aboriginal and Treaty Rights

Recent Supreme Court decisions require a response to meet expectations and avoid future litigation.

- *Consultation Requirement Regarding Aboriginal and Treaty Rights* — Recent Supreme Court decisions have further defined consultation requirements for addressing Aboriginal and treaty rights. Failure to respond in an appropriate and timely manner could lead to litigation, if meaningful consultations do not occur.

7. Addressing Legislative, Policy and Legal (Regulatory) Gaps to Enable Operational Efficiency and Timely Additions to Reserve

Legislative, policy and legal (regulatory) gaps, including inadequacies of the *Indian Act* for purposes of modern, complex commercial initiatives, require timely attention to minimize potential impacts to operational efficiency including approving transactions, securing economic opportunities and processing of Additions to Reserve (ATRs).

- *Additions to Reserve* — Delays in processing ATRs, inconsistent interpretation and application of ATR policy, and operational inefficiencies, as well as legal gaps and lack of capacity, could lead to significant cost increases, litigation, lost economic opportunities and loss of credibility.
- *Indian Act Not Well Suited to the Modern Commercial Context of First Nations* — Inadequacies of the *Indian Act* for purposes of modern, complex commercial initiatives by First Nations could impede significant projects or create risk for the department if it supports a First Nations project that is not clearly within the scope and authority of the *Indian Act*. Litigation/liability could ensue due to unapproved transactions, lost economic opportunities or inappropriate authorities.

8. Developing Cohesive Linkages between Business Processes and Departmental Priorities to Support Rational Resource Allocation and Accountability

The lack of cohesiveness between business processes and corporate priorities and reporting could lead to inconsistencies, anomalies and subsequent difficulties in demonstrating accountability; loss of credibility with central agencies; and an inability to deliver on priorities.

- *Scarcity of Economic Development Funds* — Scarcity of funds in the economic development envelope (due to allocations to other pressures) could create significant setbacks in

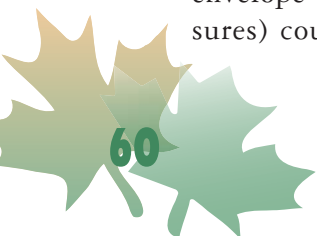
meeting commitments and developing sustainable partnerships and relationships with First Nations.

- *Limited Resources and Capacity in the Department and Across the North* — The Northern Affairs Program's recurring operating deficit (\$50 million), increasing profile/expectations, limited back-up expertise, communities' limited consultation capacities and new partners with weak public administration support may lead to unfulfilled regulatory and fiduciary obligations, as well as a loss of departmental credibility.
- *Need for Cohesive Business Processes Aligned with Corporate Priorities and Reporting* — The lack of cohesiveness between business processes and corporate priorities and reporting could lead to inconsistencies, anomalies and subsequent difficulties in demonstrating accountability; loss of credibility with central agencies; and an inability to deliver on departmental priorities.

9. Responding to Internal and External Capacity Issues (Including Fiscal Sustainability of Self-government) as a Key Factor in Attaining Program Delivery Results and Meeting Partner Expectations

Insufficient internal and external capacities could lead to frustration, delays in projects and investment decisions, and higher-than-expected costs in delivering programs, ultimately affecting the relationship between stakeholders.

- *Partner and Internal Capacity Issues* — Insufficient capacities and management structures could compromise First Nations progress toward self-government, consistency with provincial standards and overall service delivery. Weak information management potentially undermines data quality, privacy and reporting. These circumstances may result in an inability to meet quality-of-life objectives, lack of program integrity and lawsuits.
- *Corporate Capacity: Ability to Recruit, Retain an Adaptive and Diverse Workforce* — Workload stress (absenteeism), retirements and the increasing complexity of processes could erode



corporate capacities (i.e., skills, knowledge) while the department is facing the challenges of recruiting an adaptive, capable and diverse workforce. Insufficient corporate human resources could lead to higher error rates, inability to deliver results and loss of credibility.

- *Regulatory Environment Impact on the Northern Economy* — Insufficient capacity to provide timely legal advice on frequent and complex issues, and cumbersome recruitment, training and orientation of qualified regulatory Board candidates may affect decision making, which could lead to frustration in industry groups, delays in projects and investment decisions, and lost socio-economic benefits to northern communities.
- *Failure of an Institution or Agreement* — Inadequate capacities or other factors contributing to the failure of a major institution or agreement could lead to difficulties in concluding other agreements or establishing new institutions. Limited progress in establishing sound governance structures could have an impact on community development and lead to financial setbacks and loss of program integrity.

10. Ensuring the Effectiveness of Financial System Capability, Decision Making and Accountability, Based on Clear Strategies to Manage Legacy Computer Systems and Corporate Data Management

Precarious legacy systems and insufficient corporate data management could lead to problems with departmental systems, service delivery errors or omissions, and increased burden on clients for data collection.

- *Information Management and Information Technology (IM/IT)* — Precarious legacy systems, insufficient corporate data management and un-assured IM/IT resources in the A-Base budget could lead to corruption of the department's main financial system, service delivery errors or omissions, excessive burden on clients for data collection and the department being viewed as not investment-worthy by central agencies.
- *Property Rights Infrastructure: Lands Registry and Survey Information* — Quality, accessibility, usability and co-ordination issues could have an impact on health and safety, as well as impair investment decision making and effectiveness of INAC operations (e.g., property infrastructure management, environmental management, etc.).

Mitigation Strategies

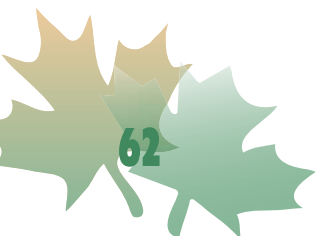
Table 10 highlights existing measures and planned incremental strategies that have been discussed or suggested to address corporate strategic risks. Decisions need to be made to determine the direction of mitigation strategies.

This is a first attempt to strategically assess corporate strategic risks since the introduction of the new departmental Program Activity Architecture (PAA). Efforts will be made to fine-tune this list, taking into account comments from senior executives and the impact of recent events, such as the First Ministers' Meeting in late November and efforts to more strategically report on departmental priorities. Periodic review and updating will also ensure this list and mitigation measures will remain relevant and serve as a reminder to senior executives faced with key policy decisions.

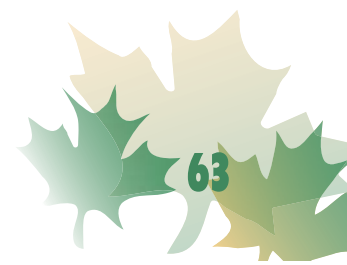


Table 10: Mitigation Strategies

Corporate Strategic Risks	Existing Mitigation Measures	Planned Incremental Mitigation Strategies
1. Establishing a Common Strategic Vision and Strengthened Accountabilities when Faced with Increasing and Complex Relationships	<ul style="list-style-type: none"> • Minister actively strengthening political-level relationships with provinces • Joint department/First Nations (FN) forums to discuss a new vision • One Plan One Process is advancing a strategic/comprehensive vision • Dedicated negotiations management team • Comprehensive plan for the North to engage other federal and territorial partners 	<ul style="list-style-type: none"> • Communicate achievements that support strategic vision to Canadians • Conduct additional broad analysis regarding federal, territorial and Aboriginal governance structures and roles for the North — the desirable end-state, federal role and residual Northern Affairs Program role, Policy and Strategic Direction and Northern Strategy team
2. Ensuring the Health, Safety and Well-being of First Nations, Given Increasing Demands on Community Infrastructure and Capabilities	<ul style="list-style-type: none"> • FN Water and Wastewater Management Strategy • Education Action Plan (Education Policy and Management Framework are being jointly developed with FN) • Teachers Recruitment and Retention Initiative • Social Development Policy Framework • Social Program reviews to evaluate efficiency and effectiveness at operational levels 	<ul style="list-style-type: none"> • Revisit the Joint Initiative Principles (partnership-based approaches for policy development) • Focus on including the provinces and territories (Joint Capacity)
3. Exercising Consistent Interpretation and Application of Statutory Authorities, Policy Requirements and Commitments to Achieve Quality-of-life Objectives and Avoid Damages to Individuals	<ul style="list-style-type: none"> • Priority Ranking Framework • Policy work on fiscal sustainability of self-government • Regular internal audits and reviews • Tripartite forums address inconsistencies • Ongoing training on compliance requirements and job process 	<ul style="list-style-type: none"> • Develop screening tool/risk management strategy to evaluate proposals among regional priorities • Implement strategic Risk-based Audit and Evaluation Plan • Assess the need for a <i>First Nations Social Development Act</i>
4. Avoiding Court-imposed Programming for First Nations, Métis and Non-Status Indian Groups and Associated Costs	<ul style="list-style-type: none"> • Director General Litigation Committee • Alternative dispute resolution process • Proactive contingency planning for court decisions 	<ul style="list-style-type: none"> • Continue to collaborate with provinces and Aboriginal organizations to identify practical solutions so as to avoid issues going before the courts • Enhance communication of departmental messages on court decisions, implications for front-line staff
5. Exerting Effective Management of Environmental and Compliance Issues on Reserve Lands	<ul style="list-style-type: none"> • Federal Contaminated Sites Accelerated Action Plan • Environmental Sustainability Information Management System • Interdepartmental Recovery Fund • Resources for training, administration and transplanting in terms of the <i>Canadian Environmental Assessment Act</i> 	<ul style="list-style-type: none"> • Investigate the need for/benefit of developing Environmental Regulations under the <i>Indian Act</i> • Develop a compliance strategy for environmental policy and procedures • Increase integration of environmental responsibilities throughout all programs (e.g., capital programs)



Corporate Strategic Risks	Existing Mitigation Measures	Planned Incremental Mitigation Strategies
6. Developing a Response to Requirements for Meaningful Consultation Regarding Aboriginal and Treaty Rights	<ul style="list-style-type: none"> • Interdepartmental Assistant Deputy Ministers (ADM) working group on consultation • Close working relationship with Department of Justice (DOJ) • Deputy Ministers' Committee on Human Rights 	<ul style="list-style-type: none"> • Develop government-wide approach and related INAC consultation processes
7. Addressing Legislative, Policy and Legal (Regulatory) Gaps to Enable Operational Efficiency and Timely Additions to Reserve	<ul style="list-style-type: none"> • Additions to Reserve (ATR) training and tools (database, FN working manual, communications library, community planning, Regional Land and Environmental Management Program training) • <i>First Nations Land Management Act</i> and comprehensive self-government arrangements • Close working relationship between INAC and DOJ • Close working relationship between INAC, FN and the Canadian Federation of Municipalities 	<ul style="list-style-type: none"> • Improve ATR process • Provide FN with better tools to enhance understanding and co-ordination of the ATR process • FN commercial and industrial development legislation enters into force on April 1, 2006
8. Developing Cohesive Linkages between Business Processes and Departmental Priorities to Support Rational Resource Allocation and Accountability	<ul style="list-style-type: none"> • A-Base expenditure reviews focusing on the North, regions and headquarters • Development of a Northern Vision • Shared management agenda with FN to consolidate activities • Integrated human resources (HR) and business planning • Strategic Results Framework 	<ul style="list-style-type: none"> • Establish integrated governance and decision-making structures for the Northern Affairs organization • Implement data collection policy • Develop alternative service delivery models for key service delivery functions • Develop a change management, transition strategy
9. Responding to Internal and External Capacity Issues (Including Fiscal Sustainability of Self-government) as a Key Factor in Attaining Program Delivery Results and Meeting Partner Expectations	<ul style="list-style-type: none"> • Results Framework facilitates common understanding of departmental direction • Regional workouts to identify issues • A-Base expenditure reviews for the North, regions and headquarters • Inuit Secretariat to enhance departmental capacity • Ongoing monitoring of programs, as well as economic and social trends • Ongoing risk analysis of new initiatives 	<ul style="list-style-type: none"> • Focus on strategic priorities and comprehensive strategies • Invest in mandatory core manager training • Continue/accelerate internal/external partnering • Regularly assess management/HR functions concerning organizational alignment and delivery priorities • Redefine business results to focus on priorities and adjust operations
10. Ensuring the Effectiveness of Financial System Capability, Decision Making and Accountability, Based on Clear Strategies to Manage Legacy Computer Systems and Corporate Data Management	<ul style="list-style-type: none"> • Data Collection Policy • Information Management/Information Technology (IM/IT) Governance Proposal • DG IM/IT Committee • Strategies for legacy systems established (e.g., re-platform onto proper operating systems) • Data quality exercise — identification of 32,000 out of 0.5 million records for review and prioritization over a seven-year period 	<ul style="list-style-type: none"> • Implement Governance Proposal • Combine functions of legacy systems onto OASIS to reduce the number of systems



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