

# **Strengthening Canada's Leadership and Influence in the Circumpolar World**

## ***Summative Evaluation of the Northern Dimension of Canada's Foreign Policy***

Global Issues Bureau

Aboriginal and Circumpolar Affairs Division

*Final Report*

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## **LIST OF ABBREVIATIONS**

CIDA	Canadian International Development Agency
DFAIT	Department of Foreign Affairs and International Trade
EU	European Union
FAC	Foreign Affairs Canada
GHC	Circumpolar Affairs Division, Foreign Affairs Canada
HoM	Head of Mission
NGO	Non-Governmental Organization
NIF	Northern Initiatives Fund
NDFP	Northern Dimension of Canada's Foreign Policy
PPs	Permanent Participants
RMAF	Results Based Management and Accountability Framework
UArctic	University of the Arctic
ZIE	Evaluation Division, Foreign Affairs Canada
ZID	Office of the Inspector General, Foreign Affairs Canada

## **1. EXECUTIVE SUMMARY**

### **Background**

The Aboriginal and Circumpolar Affairs Division (GHC) commissioned the Evaluation Division of the Office of the Inspector General, Foreign Affairs Canada, to conduct a summative evaluation of the Northern Dimension of Canada's Foreign Policy (NDFP). The policy, announced by the Minister of Foreign Affairs in June 2000, sets out a vision for Canada in the circumpolar world based on cooperation with Northerners and circumpolar neighbors.

The evaluation objectives outlined in the Terms of Reference were:

1. to determine the extent to which the NDFP has added value to Canada's northern residents, in particular indigenous peoples;
2. to assess the success in achieving results in the five priority areas;
3. to examine the effectiveness and efficiency of the NDFP's management, design and implementation in achieving expected results; and
4. to update the Results Based Management and Accountability Framework (RMAF) for GHC.

The evaluators used a combination of methods to gather data including a file and document review and semi-structured interviews with 94 people. The evaluators traveled to Iqaluit, Yellowknife, Whitehorse and Saskatoon to conduct interviews. Lack of monitoring and reporting data and the absence of performance measures against the NDFP's RMAF meant that the evaluators had to rely on an assessment of the information on file, coupled with qualitative feedback from informants.

### **Assessment**

The evaluators found that a northern dimension to its foreign policy was both necessary and relevant for Canada, one of the two largest circumpolar nations. Canada is seen as a pioneer in incorporating northern concerns into its overall foreign policy. Many stakeholders said that having funding attached to the policy allowed Canada to participate, and in some cases take a lead role, in circumpolar initiatives supporting Canada's interests.

The NDFP has four overarching objectives, all of which continue to be relevant:

1. to enhance the security and prosperity of Canadians, especially northerners and Aboriginal peoples;
2. to assert and ensure the preservation of Canada's sovereignty in the North;
3. to establish the Circumpolar region as a vibrant geopolitical entity integrated into a rules-based international system; and
4. to promote the human security of northerners and the sustainable development of the Arctic.

According to stakeholders, the two foreign policy issues of most central concern to those living in the Canadian North today are the environment and sovereignty. While Canada's active role in the Arctic Council has contributed to increased awareness and understanding of environmental issues, such as climate change and transboundary pollutants, both critical to the human security of northerners and both with multilateral policy implications, the evaluators found that the NDFP had made less progress in meeting its other objectives, most particularly in relation to Canada's sovereignty and sustainable development in the Arctic.

The NDFP has supported activities in five priority areas:

1. strengthening Arctic Council;
2. establishing a University of the Arctic and a circumpolar policy research network;
3. working with Russia to address its northern challenges;
4. promoting sustainable economic opportunities and trade in the North; and
5. increasing northern cooperation with the European Union and circumpolar countries.

When asked about the continuing relevance of each of these priorities, the majority of stakeholders said that support for the Arctic Council was the centerpiece of the NDFP and an important vehicle for advancing Canada's foreign policy interests in the Arctic. Stakeholders, especially FAC personnel, saw as relevant cooperation with Russia, other circumpolar countries and the European Union (EU). However, establishing a University of the Arctic (UArctic) and promoting sustainable economic opportunities and trade were seen as less relevant.

The evaluators found evidence of significant progress in achieving results in relation to the first priority, Arctic Council, but less so with respect to the other priorities. Canada plays a key role in the Arctic Council through active participation in its working groups

and support to three Aboriginal groups. NDFP funding enables them to attend and participate in the Council as Permanent Participants on an equal footing with government representatives. The Arctic Council is the leading institution advancing the multilateral policy dialogue on circumpolar issues. It is responsible for such landmark documents as the *Arctic Climate Impact Assessment*, the *Arctic Human Development Report*, the *Arctic Marine Strategic Plan*, and the *Arctic Council Action Plan to Eliminate Pollution of the Arctic*. The NDFP has supported all of this work.

Evidence gathered during the course of the evaluation suggests a need for increased support to all three Permanent Participants, including possible special efforts to strengthen the institutional capacity of the Arctic Athabaskan Council and the Gwich'in Council International. There is also a need to ensure that Canada plays a stronger leadership role in policy dialogue and multilateral diplomacy. In addition to financial support, this implies firmer policy direction, stronger diplomatic efforts and an enhanced role for the Ambassador of Circumpolar Affairs, as well as stronger partnerships between FAC and other government departments.

The University of the Arctic, which was endorsed by the Arctic Council Ministers in Iqaluit in 1998, has strengthened its capacity to deliver educational programming focused on the circumpolar region. Canada has played a key role in this development in large part as a result of NDFP support. For example, Canada hosts the undergraduate studies office at the University of Saskatchewan and has been instrumental in course design and delivery.

However, the question of continued FAC support to the UArctic must be resolved. Support to this institution is less closely linked to Canada's foreign policy goals than some other initiatives, such those associated with the Arctic Council. While background documents indicate that FAC would eventually phase out NDFP funding to the UArctic, the university shows little indication of breaking its dependency on FAC funding. Leadership and direction are required to determine FAC's future role in relation to the UArctic.

The evaluators found little evidence that FAC has made significant progress towards achieving its outcome results in relation to "working with Russia to address its northern challenges," the third NDFP priority. The main reason for this is that funding is spread over a large number of discrete projects that typically provided small amounts of money for travel exchanges and conferences. Most stakeholders saw the need for Canada to continue to engage Russia, given Russia's importance as a circumpolar nation. The evaluators suggest, however, that future programming in this area must be better planned, refocused and coordinated with all federal government departments active in Russia.

Regarding the promotion of sustainable economic opportunities and trade, the evaluators found that projects funded by NDFP were often unrelated to one another and inconsistently linked to the objectives of the NDFP and to the outcome results of the RMAF. Many NDFP-supported projects in this area were activity- rather than results-oriented. Given that one of the pillars of the new Northern Strategy is “Establishing Strong Foundations for Economic Development,” it may be appropriate for other government departments to take the lead in this area in the future.

The fifth NDFP priority is “increasing northern cooperation with the European Union and circumpolar countries.” The evaluators found evidence that FAC had made some progress in this area, such as the signing of a number of agreements on circumpolar cooperation, mainly through traditional diplomatic measures. FAC personnel at headquarters and the missions considered the \$25,000 (maximum) in annual funding for circumpolar missions through the Northern Initiatives Fund as “essential” in enabling embassies to focus specifically on the northern dimension of Canada’s bilateral relations with circumpolar countries. However, projects undertaken by the missions tended to be small, discrete and without clear links to results. A more strategic, focused approach is needed.

Stakeholders were most consistent and vociferous in their criticism of FAC in relation to public engagement and communications. The evaluation found little evidence of effective engagement of Canadians, especially northerners and Indigenous groups, in ongoing policy dialogue of a circumpolar nature. Prior to the development of the original memorandum to cabinet, FAC undertook broad consultations; many northerners, the territorial governments and some Indigenous groups felt included and were eager to continue to participate in the emergent circumpolar policy dialogue. However, this engagement has fallen off, owing mainly to limited resources and reduced emphasis. The evaluators suggest that renewed attention to public participation and communications is paramount; and must be backed with sound strategies and management plans. The evaluators also found evidence suggesting the need to improve the engagement of other federal departments, as well as provincial and territorial governments.

Overall, the evaluators are concerned that FAC is trying to do too much-and not always the right things-with too few resources, with the risk of mediocre results. There is room for greater efficiencies in focusing strategically on fewer, larger initiatives. This would assist GHC in addressing deficiencies in administrative and management systems, and allow more time to focus on what is at the core of FAC’s mandate-developing and advancing Canadian foreign policy positions.

When the NDFP was launched five years ago, Canada had no overall domestic policy for the North. That has changed. The federal government is now working out the

details of a domestic Northern Strategy. Additionally, with the new International Policy Statement, Canada's foreign policy objectives have been renewed for the first time since 1995.

In light of these developments, as well as events on the global stage since 2000 (for example, the increased threat of terrorism and increased knowledge about climate change and its effects), it is an appropriate time to revisit the priorities of the NDFP. The lessons learned and recommendations below provide a starting point for charting that new direction.

## **Lessons**

GHC has identified the following lessons based on its experience to date:

- Maintain high-level support from within the department as much as possible;
- Secure policy and/or resource commitments from other federal and territorial government departments;
- Establish a clear divisional procedure for administering programming funds and assign a dedicated staff position to implementation in order to free up other staff for policy planning; and
- Provide support and guidance to contribution recipients about requirements for reporting and ensure that sufficient monitoring and follow-up are undertaken.

## **Recommendations**

In light of the findings, continuation of the NDFP as a policy, and continuation of financial support for projects and initiatives supporting the objectives of the NDFP are warranted. The following recommendations are geared to focus and strengthen the NDFP in support of the overall goal of prosperity and security of Canadians, especially northerners and Aboriginal peoples:

1. ***Focus priorities for the next five years to address current issues and support NDFP goals while ensuring synergy with the new Northern Strategy and the new International Policy Statement.*** With a renewed policy and program focus, the NDFP should concentrate its energies and financial resources on fewer initiatives. Support for the Permanent Participants in the Arctic Council, strategic bilateral and multilateral initiatives, and the development of policy positions and advocacy, as well as protection of the environment and ensuring Canadian sovereignty, ought to figure prominently in a renewed NDFP.



2. ***Strengthen FAC and Canadian leadership in circumpolar affairs.*** A larger proportion of NDFP energies and resources must be devoted to developing Canadian foreign policy positions that advance Canadian interests respecting northern issues. This implies greater integration and involvement on the part of FAC senior management and the Minister's office, heads of missions, and the Ambassador for Circumpolar Affairs, with GHC playing a key policy research, development and advisory role.
3. ***Strengthen partnerships with other federal departments and agencies, territorial governments and land claim groups.*** With the new domestic Northern Strategy, increasing emphasis on horizontal and whole-of-government solutions, and the continuing devolution of governance in the North, it is crucial that FAC work closely with the full range of partners to achieve Canada's aims respecting circumpolar issues.
4. ***Strengthen initiatives to engage Canadians, especially northerners and Indigenous groups.*** Through the office of the Ambassador for Circumpolar Affairs, increased physical presence in the North, increased contact with the Arctic Council Permanent Participants, more regular interaction with Indigenous groups, and through practical communication channels, FAC must more meaningfully engage northerners in the ongoing work of determining and promoting Canadian interests through circumpolar relations. FAC must, as well, take steps to engage the broader Canadian community. In order to succeed, GHC must develop an overall strategy, followed by well-developed plans for public engagement and communications.
5. ***Continue to improve program management systems and procedures.*** GHC must finish the job of refining and institutionalizing NDFP procedures, protocols, and templates, along with tracking and reporting measures, in line with results-based management principles. Funding criteria must link initiatives to desired outcomes. A new results-based management and accountability framework (RMAF) should be developed once the domestic Northern Strategy and the International Policy Statement have been finalized and the NDFP has been situated within them.

## **Aboriginal and Circumpolar Affairs (GHC) Management Response Summary**

The department agrees with the overall outcome of the evaluation that a northern dimension to its foreign policy continues to be both necessary and relevant for Canada. It also accepts the view that it is now a good time to review the activity areas within the policy to address current and emerging issues, while at the same time enhancing our role in the areas within the department's expertise. With this in mind, the department reaffirms that the Northern Dimension of Canada's Foreign Policy will provide an ongoing framework for Canada to take a leadership role in the circumpolar world, and that the Government will continue work with Northern Canadians, the Arctic Council, circumpolar nations and other stakeholders to advance Canada's own interest regarding the Arctic and North that include asserting our sovereignty and protecting the people and fragile environment of the Arctic.

A new results based management accountability framework (RMAF) is being developed to assist GHC in responding to the evaluation that some areas have been done well and others not so well. This framework will focus on priorities that are at the core of Foreign Affairs Canada's mandate. This will mean making adjustments to NDFP program areas and exiting areas that are not in GHC's expertise. While this will free up resources, both people and money, it must be stated that the NDFP program envelope remains limited and that it will not be possible to respond as vigorously to all of the areas the report recommends. Furthermore, the new framework will remain flexible in order to respond to current and emerging issues as defined by Canada's international policy, the government's commitment to a northern vision, and other issues in the Circumpolar world that require Canada's attention.

The following objectives remain at the heart of the NDFP:

1. to enhance the security and prosperity of Canadians, especially northerners and Aboriginal peoples;
2. to assert and ensure the preservation of Canada's sovereignty in the North;
3. to establish the Circumpolar region as a vibrant geopolitical entity integrated into a rules-based international system; and,
4. to promote the human security of northerners and the sustainable development of the Arctic.

In June 2000, the federal Cabinet directed the department to undertake activities in the following five priority areas in the NDFP to support the overarching objectives. GHC will

strengthen its commitment to some of the activity areas while some others will be phased out.

1. **Strengthening the Arctic Council.** The department is pleased with the evaluation that the department's activities in the Arctic Council received high marks. To maintain this success in the future, we will continue to work to broaden real and effective participation from different quarters in Canada, from the intergovernmental community to northern non-governmental organisations and individuals with a stake in Arctic Council processes. In practical terms, this means continuing leadership by Foreign Affairs Canada (GCX/GHC) in setting policy directions and goals that reflect Northern Canada's interests and values, responding to emerging policy issues, and working with our Circumpolar partners to advance the agenda internationally. It also means expanding the partnership with Canadian organizations with expertise in the Arctic and assisting Permanent Participant groups with Canadian constituents so that they can better participate in Arctic Council activities in which they attach priority.
2. **Establishing a University of the Arctic and a circumpolar policy research network.** The department agrees with the evaluators that, "*the University of the Arctic, which was endorsed by Arctic Council Ministers in Iqaluit in 1998, has strengthened its capacity to deliver educational programming focused on the circumpolar region and Canada has played a key role in this development in large part as a result of NDFP support.*" The Northern Colleges can be proud of their leading role played in successfully developing this important international institution and the department is pleased to have been a partner in this endeavour. Foreign Affairs Canada will continue to work with Northern institutions and support University of the Arctic activities where practicable, however it is no longer possible for the department to be the primary Canadian funding agency to the initiative. As a result, future financial support will be considered for discreet initiatives that do not constitute year over year core U Arctic activities, as these should be supported through other mechanisms and governments with the requisite expertise and programs
3. **Working with Russia to address its northern challenges.** The department takes note that the evaluators found "*little evidence that NDFP activities has made significant progress towards achieving its outcome results in relation to working with Russia to address its northern challenges.*" This assessment is viewed seriously and has resulted in GCX/GHC reflecting on the Canada-Russia Northern relationship with the view to taking concrete steps to better represent governmental goals in relation to the Russian Federation. The

department does recognise that the role which GCX/GHC plays in supporting Government of Canada policy positions with respect to the Russian Federation is but one important element and that it must be consistent with that of other divisions and government departments who engage with the Russian Federation on Northern issues. With this in mind, GCX/GHC has already undertaken to strengthen the collaboration with other FAC/ITCan divisions and other government departments that pursue a relationship with the Russian Federation in the North, notably INAC and CIDA. The immediate outcome has been to reconstitute, in partnership with the federal government in the Russian Federation the Arctic and North Working Group of the Canada-Russia Intergovernmental Economic Commission. GHC/GCX/REE will lead the Working Group for the Government of Canada in close cooperation with the interdepartmental community, and the decision has been taken to refocus the NDFP in this area to undertake activities in support of deliverables for the Arctic and North Working Group. These activities will be coordinated by GHC/GCX/REE and will be done in cooperation with OGD's, most notably INAC and CIDA, and with non-governmental organisations with interests in the Northern relationship with the Russian Federation.

4. **Promoting sustainable economic opportunities and trade in the North.** Regarding the NDFP activity of promotion of sustainable economic opportunities and trade, we share the evaluators' opinion that "*projects funded by the NDFP were often unrelated to one another and inconsistently linked to the objectives of the NDFP.*" The department accepts this assessment, and further submits that GHC does not possess the requisite expertise to effectively undertake activities in this area. As a result, GHC will withdraw this objective and readjust the NDFP program to meet other priority needs.
  
5. **Increasing northern cooperation with the European Union and circumpolar countries.** Foreign Affairs Canada's network of posts led by Heads of Mission, with the expertise provided by departmental officials, is our greatest institutional asset and is a primary means in which Canada is able to influence the international agenda to fulfill Canada's interests which include our Northern ones. The department, through GHC/GCX will implement existing bilateral and multilateral agreements concerning the Circumpolar world and expand upon them where appropriate. The department will also continue its program of the Northern Initiative Fund enabling Foreign Affairs Canada missions to initiate and focus on Canada's bilateral relations with our Circumpolar neighbours as these modest activities enrich Canada's northern presence in those countries and often have intangible benefits for Canada as we pursue the Circumpolar agenda.

## **Conclusion**

The summative evaluation has provided guidance to the department to better focus its activities to advance the original four over-arching goals set out for the NDFP. Those original goals remain valid, but the evaluation has shown where some changes are required in the specific activities funded by the program in order to meet them. Accordingly, a new RMAF will outline four measurable output activities organised into a logic model that supports the Department's overall Program Activity Architecture.

In addition, the evaluation has highlighted the need to be more explicit about the policy issues which Canada chooses to pursue in order to build a Northern Dimension to our foreign policy. Two foreign policy issues have already been identified as central to the NDFP: reinforcing Canada's sovereignty in the Arctic; and addressing the impact of climate change across the circumpolar region. A few other emerging foreign policy issues will also be considered in the coming year as priorities for the NDFP; this short list includes energy security, circumpolar public health and managing the social and environmental impact of natural resource development in the North. An annual policy update will be produced by GHC, in order to specify the foreign policy priorities to be pursued by the NDFP in the coming year.

When the NDFP was launched five years ago, Canada had no overall whole of government domestic policy for the North. That is changing. The federal government is committed to develop, together with Northerners, both Aboriginal and non-Aboriginal, a northern vision to guide economic, social and environmental progress in the region. The territorial governments themselves have begun articulating their international priorities and are looking to work closely with the federal government in that regard. Additionally, the government of Canada's international policy continues to recognise the importance of the Northern Dimension of Canada's Foreign Policy and the emerging challenges Canada faces in the Circumpolar world.

As the department moves forward in implementing the Northern Dimension of Canada's Foreign Policy we fully understand that the boundaries have disappeared between the domestic and the international, and that most public policy issues of any importance cut across departmental mandates. The department also recognises that these issues have to be addressed through horizontal networks. Beyond the Government of Canada, there is a burgeoning universe of national and international knowledge networks spanning governments, NGOs, universities and the private sector. Our challenge is to connect into them to build alliances, practice advocacy and engage the public. GHC/GCX will develop a plan to effectively engage all of these resources to bring greater coherence to Canada's Circumpolar policies.

This in turn will allow for greater whole of government approaches to the ever increasing demands to engage in Circumpolar Affairs and the subsequent financial needs. The result for the department will be that it will be able to support strategically important initiatives, while maintaining what is at the core of FAC's mandate: developing and advancing Canadian foreign policy.

GHC Management Responses to the specific recommendations are incorporated in Section 5 of this Evaluation Report.

## 2. BACKGROUND

### 2.1 Context of the Evaluation

The Evaluation Division (ZIE) from the Office of the Inspector General (ZID) was commissioned by the Aboriginal and Circumpolar Affairs Division (GHC), Foreign Affairs Canada (FAC) to conduct a summative evaluation of the Northern Dimension of Canada's Foreign Policy (NDFP). The main intended user of the evaluation is GHC.

The NDFP evolved out of consultations with Canadians, especially northerners<sup>1</sup>, parliamentarians, policy experts and others in the late 1990s and was announced by the Minister of Foreign Affairs on June 8, 2000. The policy included a commitment of \$10 million over five years reallocated from departmental resources. The NDFP sets out a vision for Canada in the circumpolar world, based on cooperation with northerners and circumpolar neighbours<sup>2</sup>. It also promotes Canadian interests and values to address the common issues with northern partners. It further stipulates that:

*"... the government, led by the Ambassador for Circumpolar Affairs, will maintain a permanent outreach program domestically and internationally, in an effort to seek views and feedback on Canada's foreign policy priorities for the circumpolar Arctic region as they evolve."*

The policy is framed by three principles:

- meeting commitments and taking a leadership role;
- establishing partnerships within and beyond government; and,
- engaging in ongoing dialogue with Canadians, especially northerners.

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<sup>1</sup> The NDFP defines "northerners" as the people of Yukon, Northwest Territories, and Nunavut, Nunavik (northern Quebec), and all of Labrador. It also includes the "mid-North"—northern areas of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. However, for the purposes of this evaluation "northerners" refers to the people of Yukon, Northwest Territories and Nunavut, who number about 100,000. Only in Nunavut does the Aboriginal population form a large majority.

<sup>2</sup> The circumpolar neighbors are Denmark, Finland, Iceland, Norway, Russian Federation, Sweden and United States.

In keeping with this framework, the published version of the NDFP outlines four overarching objectives:

1. to enhance the security and prosperity of Canadians, especially northerners and Aboriginal peoples;
2. to assert and ensure the preservation of Canada's sovereignty in the North;
3. to establish the Circumpolar region as a vibrant geopolitical entity integrated into a rules-based international system; and
4. to promote the human security of northerners and the sustainable development of the Arctic.

The policy stipulates five priority areas for action, as follows:

1. strengthening the Arctic Council;
2. establishing a University of the Arctic and a Canadian and circumpolar policy research network;
3. working with Russia to address its northern challenges;
4. promoting sustainable economic opportunities and trade in the North; and
5. increasing northern cooperation with the European Union and circumpolar countries.

In each priority area, GHC supports a variety of projects, activities and diplomatic initiatives. Various federal departments work in partnership with provincial, territorial and international governments, and northern stakeholders to achieve NDFP objectives.

The \$10 million for the implementation of the NDFP includes a notional yearly allocation of \$2 million. While the allocation of funds among the priorities has evolved over the years, in 2003-2004 it was divided roughly as follows:

• Arctic Council	\$750,000
• University of the Arctic	\$250,000
• Cooperation with Russia	\$300,000
• Economic Development and Trade	\$200,000
• Circumpolar Cooperation	\$300,000
• Policy Support and Communications	\$200,000



## 2.2 Terms of Reference

The Terms of Reference called on the evaluation to “*analyse if the expected results identified in the RMAF were achieved while focussing on the relevance, efficiency and effectiveness of the NDFP. This information will permit the evaluator(s) to provide GHC management with the rationale and recommendations for the future of the NDFP.*” The evaluation objectives were:

1. to determine the extent to which the NDFP has added value to Canada’s northern residents, in particular Indigenous peoples;
2. to assess the success in achieving results in the five priority areas;
3. to examine the effectiveness and efficiency of the NDFP’s management, design, and implementation in achieving expected results; and
4. to update the Results Based Management and Accountability Framework (RMAF) for GHC.

## 2.3 Approach and Methodology

The evaluators used a participatory approach aimed at ensuring effective use of the evaluation by GHC. A combination of methods was used to gather data. Relevant documents and program files were reviewed, including approximately 10 percent of project files randomly selected across years and priority areas. Semi-structured interviews were conducted, the majority of them face-to-face, with 94 people, using questionnaires. Face-to-face interviews were conducted in Iqaluit, Yellowknife, Whitehorse, Saskatoon and Ottawa. Telephone interviews were conducted with FAC officials at missions in circumpolar countries. Those interviewed included:

- 16 FAC officials,
- 20 representatives of other federal government departments and agencies,
- 14 territorial government representatives,
- 20 Indigenous peoples representatives, and
- 24 others, including parliamentarians, academics and northern residents.

## 2.4 Constraints

The evaluators encountered no major methodological constraints. Budget limitations meant that the evaluators could travel only to the three territorial capitals and to Saskatoon, the site of the undergraduate office of the University of the Arctic. As a

result, the scope of their face-to-face interviews with Indigenous groups was limited. They were, for example, able to meet with only one Inuvialuit representative, who happened to be visiting Ottawa, but no representatives from Nunavik (Arctic Quebec) or Nunatsivut (northern Labrador).

Lack of solid monitoring and reporting data on NDFP-funded projects and the absence of performance measures against the NDFP's Results Based Management and Accountability Framework (RMAF) meant that the evaluators had to rely on their own assessment of the information on file, coupled with qualitative feedback from key informants.

The evaluators found the shifting policy environment challenging. At the time of the evaluation, Canada's foreign policy was still under review. In December 2004 the Prime Minister announced an additional \$120-million in funding for the three territorial governments along with a framework for the development of a Northern Strategy. Consultations based on this framework were scheduled for spring 2005.

Despite these constraints, the evaluators were able to gather sufficient data to assess the policy and program issues under investigation.

### **3. ASSESSMENT**

#### **3.1 Relevance of the Policy and Priorities**

The question of relevance is the starting point for the discussion of findings respecting the performance of the NDFP. Are the objectives of the NDFP relevant to Canada's broad foreign policy goals? Do the NDFP's funding priorities, and funded activities, support the objectives of the NDFP?

The importance of Canada's North is not at issue. The question concerns the relevance or appropriateness of a *northern dimension* of Canada's foreign policy. Canada's foreign policy at the time the NDFP was established focused on prosperity within Canada, global security as it affects Canada and its allies, and the projection abroad of Canadian values. The NDFP was developed to promote: Canadian, and particularly northerners, sustainable development, human security and prosperity; Canadian sovereignty in the North; and cooperation among countries in the circumpolar region (see box entitled *The Provenance of the Five Priorities*). While they have a distinct northern flavour, these objectives are clearly consistent with Canada's broad foreign policy goals.

### The Provenance of the Five Priorities

At the time the NDFP was established, the 1995 document *Canada in the World* defined Canada's foreign policy goals as follows: "the promotion of prosperity and employment [in Canada]; the protection of our security, within a stable global framework; and, the projection [abroad] of Canadian values and culture." Canada's North was referenced specifically in *Canada in the World* under the second goal, noting the need to "create an Arctic Council to meet the challenge of sustainable development in the North and to deal with the critical issues faced by all Arctic countries."

The NDFP grew out of an in-depth study in 1997 by the Standing Committee on Foreign Affairs and International Trade, *Canada and the Circumpolar World: Meeting the Challenges of Cooperation into the Twenty-First Century* and a 1998 National Forum on Canada's Circumpolar Relations, which held consultations in Whitehorse, Yellowknife, Iqaluit, Quebec and Edmonton.

The November 26, 1999 memorandum to cabinet from the Minister of Foreign Affairs, *The Northern Dimension of Canada's Foreign Policy*, stated four key objectives as follows: "(a) enhancing the prosperity and security of all Canadians; (b) asserting and ensuring Canada's sovereignty in the North; (c) establishing the Circumpolar region as a recognized geopolitical entity into a rules-based international system; and (d) promoting the human security of northerners and sustainable development, including environmental protection of the North."

Cabinet approved the NDFP on September 19, 2000, establishing a set of funding priorities for the period of 2000-2001 through 2004-2005, stating: "The Ministry of Foreign Affairs will allocate from existing resources \$10 million over the next five years in order to: strengthen the Arctic Council; establish a University of the Arctic; foster stability of Northern Russia through cooperation; and, promote sustainable economic opportunities and trade development in Canada and in the circumpolar North."

These two statements combined to form the framework around which the NDFP was built and has operated for the past five years. The current wording of the objectives and priorities of the NDFP (see 2.1) mirrors these two statements with several exceptions. The first objective adds the phrase *especially northerners and Aboriginal peoples*. The fourth objective eliminates the phrase *including environmental protection of the North*. The second priority adds the phrase *and a Canadian and circumpolar policy research network*. The fifth priority, *increasing northern cooperation with the European Union and circumpolar countries*, was not in the text of original cabinet decision. It was added by the Minister of Foreign Affairs in response to a departmental memorandum dated October 3, 2000 which included as a fifth priority area for action: "implementing the Canada-EU Joint Statement on Northern Cooperation" dated December 16, 1999.

When cabinet approved the NDFP in 2000, it assigned to the policy four priorities providing a focus for funding for the five-year period ending March 31, 2005. One priority, “[promoting] sustainable economic opportunities and trade development in Canada and in the circumpolar North,” is an almost direct re-statement of one of the objectives of the NDFP. The other three, respecting the Arctic Council, the University of the Arctic, and cooperation with Russia on northern issues, reflected some of the major concerns of the day. The department added a fifth priority respecting cooperation with the European Union and other circumpolar countries on northern issues.

The focus of the evaluation in regards to the question of relevance was twofold. Looking back, to what extent did activities and achievements funded under each of the five priorities support the objectives of the NDFP? Looking ahead, are the objectives and the priorities of the NDFP still relevant, and will they effectively support Canada’s foreign policy goals in the years to come?

All evidence supports the finding that a northern dimension of Canada’s foreign policy is necessary. As one of the two largest circumpolar nations, Canada must focus significant attention and energies on its North. Canada’s Arctic, including its Indigenous peoples and its unique geography, can only be fully understood in the context of the entire circumpolar region.

Canada was a pioneer in incorporating northern concerns into its overall foreign policy. Since the advent of the NDFP, other northern countries have developed specific northern components of their own foreign policies, as has the European Union (EU). The interconnected nature of the circumpolar world and the need for circumpolar policy initiatives are becoming widely recognized.

Many stakeholders noted the importance of having funding attached to the NDFP as a means of advancing Canada’s interests and values in the circumpolar world, and as a way to focus attention on issues relevant to the North and to Canadians that have a circumpolar foreign policy dimension. Program dollars allowed Canada to participate, and in some cases take the lead role, in initiatives supporting Canada’s interests.

When asked about the continuing relevance of each of the five priorities, the majority of stakeholders, including territorial government officials, politicians and the representatives of Indigenous organizations, reported that they saw support for the Arctic Council as the centerpiece of the NDFP. The Arctic Council is maturing into a sound, effective multilateral body addressing key issues of mutual concern in the circumpolar region including issues related to the environment and sovereignty. The NDFP supports Canada’s participation in the Arctic Council including Canada’s Permanent Participants (PPs), the Inuit Circumpolar Conference, the Arctic Athabaskan Council, and the Gwich’in Council International. The NDFP also supports Canadian

participation in Arctic Council working groups and the Arctic Council Indigenous Peoples' Secretariat. As well, the NDFP supports the secretariat of the Sustainable Development Working Group located in Canada.

Stakeholders recognized cooperation with other circumpolar countries as the essential means through which Canada's foreign policy interests in the Arctic are achieved. They saw the Arctic Council as the most important vehicle to support cooperation. They also saw other important means, such as Canada's bilateral relations with Russia, other circumpolar countries and the EU as they relate to northern concerns. A significant amount of work has been done under the auspices of the NDFP priorities concerning cooperation with Russia and cooperation with other circumpolar countries and the EU. This work was reported by stakeholders, especially heads of missions and other FAC personnel closely associated with these files, as critical in advancing circumpolar cooperation.

The evidence, including stakeholder views, is less supportive of the links between the other two priorities and current and emerging issues in the North having a circumpolar foreign policy dimension. Establishing a University of the Arctic and a Canadian and circumpolar policy research network was seen as a secondary priority. While important in and of itself, this priority connects only indirectly to the objectives of the NDFP. Promoting sustainable economic opportunities and trade in the North must be viewed as a long-term goal relating to sustainable development and prosperity.

According to stakeholders, the two elements of the original NDFP objectives, which today are most central to the immediate concerns of those living in the Canadian North, are the environment and sovereignty. However, there appears to be a disconnect between the NDFP objectives and priorities as neither the environment nor sovereignty are mentioned explicitly in the priorities.

The environment, interpreted as global warming, climate change and transboundary pollutants, with its associated human security and livelihood implications, is a major concern for northerners contacted in connection with this evaluation. Most now recognize the important international policy dimensions of these issues. With support from the NDFP, these issues are in the forefront of the work of the Arctic Council.

The evaluators found little evidence of how the NDFP was meeting its objective of "asserting and ensuring Canada's sovereignty in the North". Sovereignty was a major concern among informants, especially northerners, interviewed. In their minds, Canadian sovereignty is closely linked to other issues, most with an international policy dimension, such as missile defense, Arctic transportation routes, oil and gas exploration and extraction, and human settlement.

When the NDFP was approved in 2000, Canada had no overall domestic strategy for the North. In some ways, the NDFP may have been seen as a *de facto* overall northern policy - domestic and international rolled into one. With phrasing similar to that of the 1999 NDFP memorandum to cabinet, the October 2004 Speech from the Throne spoke to this deficiency stating:

*The Government will develop, in cooperation with its territorial partners, Aboriginal people and other northern residents, the first-ever comprehensive strategy for the North. This northern strategy will foster sustainable economic and human development; protect the northern environment and Canada's sovereignty and security; and promote cooperation with the international circumpolar community.*

As of this writing, an initial framework for a new domestic northern strategy has been unveiled. It contains, among other features, economic development, environmental protection, sovereignty and circumpolar cooperation. The significant difference is that today all of Government is implicated, whereas in 2000, DFAIT was alone. Over the coming months as the Strategy takes shape the role of each federal department and agency as well as the roles of the territorial governments will be defined.

On a separate front, Canada has released its first new statement of foreign policy goals in ten years, the *International Policy Statement*. With the program mandate from the 1999 memorandum to cabinet for current NDFP priorities drawing to a close (as of March 31, 2005), and assuming the continuation of the program in some form, there is an opportunity to revisit the priorities.

These observations will be reinforced in later sections, and returned to in the conclusions and recommendations. Immediately following, findings respecting the achievement of results are presented.

### **3.2 Progress Toward Results**

The evaluators have organized their assessment around the five priorities of the NDFP to begin with, and then turn to unanticipated results, and an examination of three cross-cutting issues.

### 3.2.1 Strengthening the Arctic Council

#### Arctic Council

Established in 1996, the Arctic Council is a high-level forum created to advance circumpolar cooperation. Its mandate is to protect the Arctic environment and promote the economic, social and cultural well-being of northern people. It is comprised of eight Arctic states: Canada, Denmark, Finland, Iceland, Norway, The Russian Federation, Sweden and the United States.

Arctic Council has five working groups.

- Arctic Monitoring and Assessment Programme
- Conservation of Arctic Flora and Fauna
- Emergency Prevention, Preparedness and Response
- Protection of the Arctic Marine Environment
- Sustainable Development Working Group

Arctic Council provides for the permanent and direct participation of Indigenous People's Organizations, currently consisting of the Arctic Athabaskan Council, the Aleut International Association, the Gwich'in Council International, the Inuit Circumpolar Conference, the Russian Association of Indigenous Peoples of the North and the Saami Council. Three of the above Permanent Participants, the Arctic Athabaskan Council, the Gwich'in Council International and the Inuit Circumpolar Conference, represent Indigenous Peoples residing in Canada's North.

The evaluators found evidence of progress in relation to the outcome result "increased capacity of Canadian northerners, and in particular the Indigenous population, to participate actively in the political, social, economic and environmental affairs of the circumpolar region." NDFP funding has helped the Inuit Circumpolar Conference, Gwich'in Council International and Arctic Athabaskan Council to attend meetings as PPs and engage in the follow-up work of the Arctic Council. The funding, which the department has contributed to the Arctic Council Indigenous Peoples' Secretariat<sup>3</sup> each year, has helped the Secretariat to support the PPs to participate in the Arctic Council and to develop their capacity in relation to communications and advocacy. Frequent international media coverage of Sheila Watt-Cloutier of the Inuit Circumpolar Conference in the days and weeks following

*We would like to see the NDFP continued and strengthened. We are making progress in putting Arctic Inuit issues in the forefront.*  
- Inuit Circumpolar Conference representative

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<sup>3</sup> The Indigenous Peoples' Secretariat based in Copenhagen, Denmark, works to support the participation of Arctic Indigenous peoples in Arctic Council activities.



the release of the Arctic Council's *Arctic Climate Impact Assessment* report, was evidence of the strengthened capacity in this important area.

*NDFP funding has given GCI [Gwich'in Council International] the opportunity to participate in policy development at the Arctic Council and to present the Gwich'in as people with important traditional knowledge to share.*

- spokesperson for Gwich'in Council International

FAC has contributed significantly to increasing the capacity of the Gwich'in Council International and Arctic Athabaskan Council. Even though they are still quite vulnerable, these two organizations did not exist prior to the NDFP.

Many key informants told the evaluators that Canada is perceived as a leader among circumpolar nations with regard to its support to northern Indigenous peoples in the work of the Arctic Council. Many regard this as the mainstay of the NDFP and among its most significant achievements.

Although there has been significant progress, the three PPs told the evaluators that much more effort and more resources were needed to build their capacity to enable them to participate fully at the Arctic Council and, in particular, in the activities of the Council's many working groups. While they agreed that NDFP funding had been helpful, they felt that it was too little. They said that they needed substantially more money to help them build their capacity to deal with complex technical and policy matters, to participate equally in the working groups, to liaise with their community members and to influence policy.

The evaluators note that the institutional capacity of the Gwich'in Council International and Arctic Athabaskan Council needs considerable strengthening. Both are heavily dependent on FAC funding, short on technical advisors, thin on management staff and vulnerable to turnover.

Is FAC creating dependency in funding the PPs? Yes, in the short term but, not necessarily the long term, in the evaluators' opinion. If more of FAC's funding was used to strengthen the PPs' organizational capacity, it could be argued that this could, over the long term, make the PPs more self-sufficient. All the PPs have had some success in attracting funding from other sources, including foundations, and will likely continue to diversify their funding bases as they strengthen their fund-raising capability.

One would also expect to see significant achievements through the Arctic Council in relation to two other outcome results: a) Increased Canadian influence on institutions and policies in the circumpolar region; and b) Increased cooperation among the governments, NGOs and civil society of the circumpolar region, particularly as it affects

environmental protection. The evaluators found considerable evidence with respect to the first of these results, and some related to the second, as the following suggests<sup>4</sup>:

- Canada's key role in Arctic Council's research on climate change and human development, and related policy dialogue, culminating in the publication of three major reports (*Arctic Climate Impact Assessment* – the first comprehensive, regionally based study of climate change to be published – the *Arctic Council Action Plan to Eliminate Pollution of the Arctic* and the *Arctic Human Development Report*), recommendations to the Council of Ministers and worldwide media coverage;
- Canada's role in the Arctic Monitoring and Assessment Program, the Conservation of Arctic Flora and Fauna working group, and related policy dialogue;
- Canada's lead role with Iceland in preparing the *Arctic Marine Strategic Plan* which promotes an ecosystem approach to oceans management and advocates applying this approach to achieve the sustainable development of the Arctic marine environment;
- Canada's lead role in supporting a Canadian secretariat for the Sustainable Development Working Group of the Arctic Council;
- Canada's role in preparing and promoting the *Arctic Council Action Plan to Eliminate Pollution of the Arctic*, particularly in relation to demonstration projects aimed at helping the Russian Federation destroy transformers and capacitors containing PCBs;
- Canada's role as chair of the Future of Children and Youth in the Arctic initiative;
- Canada's participation in the Protection of the Arctic Marine Environment, and the Emergency Prevention, Preparedness and Response working groups;
- Canada's support for Russia to chair the Arctic Council; and
- Canada's participation on the Arctic Council's Information, Communication Technology (ICT) Network and its efforts to improve basic ICT services in the most rural areas of the Arctic, particularly in support of education and health services.

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<sup>4</sup> One of the difficulties the evaluators faced in assessing progress is that these are activities, not indicators. An RMAF was developed 2001, including indicators (many of questionable quality and usefulness), but it was not used by GHC to track progress. As part of the evaluation the RMAF will be updated.

Despite evidence of progress, some key informants felt that Canada had fallen short in its efforts to influence institutions and policies affecting the circumpolar world. Several expressed the view that Canada needed to make stronger diplomatic efforts with the United States over such critical issues as Canada's

sovereignty, use of Arctic waterways, global warming/climate change and related human security issues, including ballistic missile defense.

*We need international governance agreements on the use of Arctic waterways. Canada should be developing the models—but we're not doing it.*  
- former federal government minister

With the exception of the PPs, progress appears to be quite limited with regard to increased cooperation among NGOs and civil society organizations in relation to circumpolar environmental protection.

### 3.2.2 Establishing University of the Arctic

#### University of the Arctic

University of the Arctic (UArctic), is a cooperative network of universities, colleges and other organizations committed to higher education and research in Circumpolar North. It is a decentralized university without walls where members share resources, facilities and expertise to build and offer post-secondary education programs that are relevant and accessible to northern students. The UArctic is supported by the governments of the Arctic Council member states. The establishment of the UArctic grew out of a desire in the 1990s to share information about Arctic and northern sustainability, to meet the unique needs of northern students, and to validate northern cultures, languages and learning systems.

With the UArctic, the NDFP's second priority, FAC has achieved considerable progress in relation to one outcome result, new or strengthened institutions. Founded in 2001, the UArctic currently has more than 530 students registered in Circumpolar Studies courses, and receives financial support from Canada, Finland, Norway, Iceland, Denmark and the Nordic Council of Ministers. Much of FAC's support for the UArctic—about \$200,000 per year—has contributed to an undergraduate studies office at the University of Saskatoon in Saskatchewan; program development and course delivery at Aurora College, Nunavut Arctic College and Yukon College; and some additional course development elsewhere. Courses are delivered online and at college campuses in Canada's North and in Nordic countries.

Progress in establishing the UArctic has been slow, but understandably, given that the university is not degree granting and has to get other institutions to accredit its courses.

The first student to complete UArctic's Circumpolar Studies courses is expected to graduate from the University of Northern British Columbia with a BA in Northern Studies in May 2005.

Many northern stakeholders thought the UArctic should be maintained, if not strengthened. Some noted that Canada is the only country in the circumpolar region that does not have a university north of 60°. Most agreed that FAC's support had been essential in establishing a major role for Canada in this initiative. However, is continued support for the Canadian component justified, and if so, for how long?

Background documents suggest that FAC would eventually phase out its NDFP funding for the UArctic once it had a firm foothold. However, the evaluators found the UArctic to be largely dependent on FAC funding now and into the future. Human Resources and Skills Development Canada has contributed about \$441,500 towards a student mobility program between 2003 and 2007 and Indian and Northern Affairs Canada (INAC) contributed \$20,000 in 2004 and 2005 towards the development of courses on northern governance. Territorial governments have not directly invested as yet<sup>5</sup> and northern colleges have put up little in the way of cash, although some have contributed staff time and facilities. Despite a high-profile board of directors, the UArctic has yet to raise significant funding from individuals or the private sector. The UArctic is now requesting much more funding from FAC and shows little indication of breaking this dependency in the coming years.

A significant number of northerners, particularly those in Nunavut and the Northwest Territories, questioned the immediate relevancy of a circumpolar university. For them, high school education and job training programs were priorities. Many northern informants pointed out the limited appeal of on-line course delivery. For example, most communities in Nunavut have yet to receive broadband service, which is essential for UArctic courses. As well, the distance mode of delivery is best suited for highly motivated, independent learners.<sup>6</sup>

The UArctic prides its painstaking efforts to ensure that the contents of its courses reflect traditional knowledge as well as scientific knowledge. According to the university, about 80 of the curriculum developers are from the North (20 percent are Indigenous scholars). Some Indigenous groups told the evaluators that the UArctic

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<sup>5</sup> Territorial governments invest indirectly when they provide subsidies to assist students enrolled in programs that offer UArctic courses.

<sup>6</sup> Perhaps for this reason, UArctic has had some of its best student uptake where courses are delivered on northern college campuses.

needed to do much more to ensure that courses adequately reflect traditional knowledge and Aboriginal values.

The evaluators found many key informants in Canada's territories unaware of the UArctic and its services. Representatives of all three territorial governments said that they knew little about the UArctic and had not seen much evidence of its activities. This would suggest the need for the UArctic and its partners to improve communication and promotion in Canada's northern regions.

Progress in relation to establishing a circumpolar policy research network-the other half of the NDFP's second priority-has been limited under the UArctic. The UArctic convenes a Northern Research Forum every two years and has begun work on establishing PhD networks. However, these initiatives are quite nascent, mostly academic in their orientation and not sharply focused on policy issues. This concern was echoed by one UArctic board member who expressed disappointment that the university had not become a forum for engaging northerners in broad public diplomacy.

FAC's support to the UArctic contributed to one of the intended NDFP outputs, namely, linkages and networking among individuals, organizations and institutions. More than 70 academic institutions are directly involved in the UArctic. However, the linkages and networking are still somewhat nascent and largely focused on the UArctic and its affairs. Some key informants, including Aboriginal representatives, saw relatively little progress in relation to the UArctic's potential larger international role in bringing together Indigenous leaders, academics, and politicians from around the circumpolar north to discuss broad issues integral to the development of the North and the well-being of its people.

### **3.2.3 Cooperation with Russia**

*Canada has a historic interest in Russia's prosperity and security – indeed we have much at stake there. Given the weight of the Russian North in the future of Russia and the region, immediate and concerted action is urgently needed. The future of the Russian North, therefore, is important to Canada, and is a key focus of the Northern Dimension of Canada's Foreign Policy.*

*- Northern Dimension of Canada's Foreign Policy, 2000*

"Working with Russia to address its northern challenges," the third NDFP priority, relates most closely to the following outcome results from the RMAF:

- increased cooperation among governments, NGOs and civil society of the circumpolar region, particularly as it affects environmental protection;

- increased Canadian influence on institutions and policies in the circumpolar region;
- increased exports by Northern Canadian businesses;
- new and strengthened institutions; and
- increased expertise (for example, concerning the control of nuclear contaminants in Northern environments).

It would be unrealistic to expect significant progress in relation to all of these results given a \$300,000 to \$400,000 annual investment spread over a large number of discrete projects, typically ranging in value from \$5,000 to \$30,000. Projects largely provided money for travel, exchanges, and conferences. However, in the early years of the NDFP, FAC provided more significant funding for research on transportation linkages with the Russian North. It also supported the Russia Association of Indigenous People's of the North (RAIPON), enabling their representatives to monitor transboundary pollutants.

The Circumpolar Liaison Directorate of Indian and Northern Affairs Canada (INAC) administered more than half the NDFP's funds directed at this priority area. INAC had been involved in projects in Russia since the early 1990's. NDFP funding allowed supporting two Canada-Russia agreements on northern cooperation.

Evidence shows tentative progress in relation to the outcome result:

"Increased cooperation among the governments, NGOs and civil society of the circumpolar region, particularly as it affects environmental protection." For example, ties have been strengthened between

Canadian and Russian Indigenous groups, particularly RAIPON, by bringing them to meetings and through exchanges. It is likely that some of these ties will remain strong without FAC funding.

*Contact between the Russian North and Canadian North has had an intangible benefit to those people involved widening their networks, exposing Russian aboriginal people to how things are elsewhere.*

- Senior federal government manager

In contrast, the evaluators found little evidence of progress in relation to other outcome results, such as increased influence on Russian institutions and policies, increased trade with Russia, and new and strengthened institutions involving Russia. Progress has largely been confined to output level results such as trade missions, linkages and networking among individuals, organizations and institutions. Progress continues toward a circumpolar chamber of commerce and an association of circumpolar municipalities, although the long-term viability of such institutions is still questionable without FAC funding. A Chamber of commerce representative told the evaluators that

the most significant result from going to Russia was that the representatives from the three territories are working together for the first time.

Several northerners told the evaluators that FAC's mission in Moscow had been instrumental in opening doors and making initial contacts. They said that this support was invaluable. Some business opportunities have been identified, such as in housing construction and land registry systems. A few of these have come to fruition, but it is unclear whether more will advance without government assistance.

*Companies that have been successful [in Russia] have had significant government support—market intelligence, assistance with due diligence and help in understanding who the potential partners are.*

- Northern Canada businessman

Several northern stakeholders spoke of the need for a long-term, coordinated plan for cooperation and increased trade with northern Russia. Some northern entrepreneurs told the evaluators that most northern businesses were reluctant to invest in Russia owing to the perceived high risk. Others said that companies should not go to Russia unless they were willing to accept the risks.

One official suggested that the funding administered by INAC provided the opportunity for Canadian and Russian stakeholders to get together to formulate proposals for larger projects. There was, however, no certainty of funding. Officials at the Canadian International Development Agency (CIDA) told evaluators the Agency has been unreceptive to proposals generated through the NDFP and as it winds down its technical assistance program with Russia, CIDA is unlikely to consider any new projects in the Siberian Federal District where INAC programming is focused. Some stakeholders said that federal funding agencies needed better coordination to support investment and trade with Russia.

Russia is a complex, difficult environment. CIDA's experience there shows that development assistance projects with significant resources struggle to achieve results. Previous evaluations have shown that successful assistance to Russia flows from clear understanding of evolving local realities and careful needs assessments. There is little evidence of such assessments in many of the initiatives supported with NDFP resources.

One senior official questioned whether assistance to Russia was within the current mandate of FAC or INAC. The official suggested that this priority was outdated since it was focused on assisting Russia's transition to democracy and a market economy, a Canadian policy objective in the 1990s.

As yet, the NDFP appears to have had no significant impact on Canada's bilateral relationship with Russia. The Canada-Russia Arctic and North Working Group under the Inter-governmental Economic Commission was inactive for two and a half years until Prime Minister Martin's visit to Moscow in October 2004.<sup>7</sup> Following talks with Russian President Putin, the Prime Minister instructed FAC staff to reinvigorate the northern dimension of Canada's relationship with Russia. While this is a significant recent development, it may be some time before the fruits of this relationship can be harvested.

Given the Prime Minister's interest and Russia's circumpolar significance, cooperation with northern Russia will continue to be an important priority for the NDFP. Generally, the stakeholders contacted for this evaluation agree that it is important for Canada to continue to engage Russia on circumpolar issues because Russia has a large share of the circumpolar region, and because it has serious environmental problems that affect its circumpolar neighbors. However, programming needs to be better planned and refocused in consultation with all federal government departments active in Russia. It may be unrealistic to use the NDFP's limited resources for economic development or trade promotion with Russia. One option, given that Russia currently holds the Arctic Council chair, would be to focus on larger projects that support Canada's objectives in matters pertaining to the work of the Council.

### 3.2.4 Promoting sustainable economic opportunities and trade

Some three-quarters of NDFP expenditures are committed each year through pre-agreed arrangements, including support for the Arctic Council, support for the UArctic, and monies for the Northern Initiatives Fund (NIF), as well as funding in support of GHC operations. Of the discretionary amounts, a significant proportion flows to the priority area "promoting sustainable economic opportunities and trade." What results have been achieved to date?

Progress in this priority area appears to be less connected to key outcomes than progress in other areas. Results are largely confined to the output level as in "participation in conferences and linkages and networking among individuals, organizations and institutions."

NDFP initiatives that relate to sustainable economic opportunities and trade encompassed a wide range of disparate activities, including youth travel and exchanges, participation in and sponsorship of

*We need to be realistic. ... We need to pick one or two actions and do it well - there is not enough money to support the goals by spreading ourselves thinly.*  
- Senior territorial government official

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<sup>7</sup> GHC did not take the lead for the Arctic and North Working Group until December 2004.



conferences, and eco-tourism initiatives. Only a small number of these related directly to this priority's corresponding outcome result, "increased exports by Northern Canadian businesses." The evaluators recognize that it would be difficult for FAC to show results in this area without a significant investment and collaboration with territorial governments, and other federal government departments. Only a handful of northern companies have sufficient capacity; few are export ready; more work is needed to explore markets; and an overall strategy needs to be put in place. Evidence to date suggests that the current ad hoc approach has, in some cases, been more beneficial to potential trade partners and competitors than to Canada. For example, several northern informants told the evaluators that trade-related exchanges with Russia have mostly benefited the Russians.

Northern informants said that greater effort was needed to improve circumpolar transportation routes before much progress could be made on trade. North-to-north international air links, such as that between Baffin Island and Greenland, have ceased because they were not commercially viable.

The Sustainable Model for Arctic Regional Tourism (SMART) project is one of the few initiatives directly linked to economic development. It aims "to create tools, industry incentives and professional training that can be used directly by tourism businesses." SMART involves collaboration among the territorial governments, Finland, Sweden, Norway and Alaska. The main funding source has been the European Periphery Programme of the European Union. FAC has committed about \$125,000 over three years.

*[SMART] Nice to do and unlikely to happen.*

- Territorial government

The project has been challenging because Finland and Sweden have Arctic tourism environments that are markedly different from North America. Project staff has found it difficult to get circumpolar countries to agree to a single concept of sustainable tourism and then to accept common standards. SMART

*It might have been better to have limited SMART to Alaska, Greenland, Yukon, Northwest Territories and Nunavut.*

- Territorial government official

is a year behind in its work plan and has, as yet, produced few results. Those involved with SMART expect that it will begin to show results by the end of 2005. Work is progressing on training materials and market certification. It is encouraging that the three territorial governments have provided some support to SMART, but key informants said that the project, as a circumpolar initiative, would likely collapse if FAC were to cease its funding.

A number of initiatives supported under this priority focus on Aboriginal youth. For example, last year the NDFP provided a contribution of \$20,000 to Students on Ice to send ten Canadian Aboriginal youth on 2½-week expeditions to the Arctic and Antarctic with youth from around the world. FAC funds Nunavut Youth Abroad, which has sent Inuit youth on five-week volunteer missions to developing countries. The focus is particularly on Aboriginal youth at risk. Last year's mission went to Botswana. Reports show that participants in these programs are much more likely to complete high school and to attend college or university. Exposure to youth from other cultures and to experiences beyond what is found on their Arctic home turf appears to give a significant boost to program participants.

Taken together, have these initiatives helped to promote sustainable economic opportunities and trade? Little evidence is on record to suggest that they have. Have they helped to increase cooperation among governments, NGOs and civil society of the circumpolar region? Perhaps, but lack of rigorous reporting data makes it difficult to tell with certainty. Insufficient rigour in selecting many of these projects adds considerably to FAC's risk.

Given that one of the pillars of the new domestic Northern Strategy is "Establishing Strong Foundations for Economic Development," it seems appropriate for other government departments to take the lead in this area in the future. This would allow FAC to focus on circumpolar issues that will produce the most significant results.

### **3.2.5 Cooperation with the European Union and circumpolar countries**

The fifth NDFP priority is "increasing northern cooperation with the European Union and circumpolar countries." Progress in this area has been achieved largely through traditional diplomatic measures. Work has been done toward developing various multilateral and bilateral treaties, agreements and partnerships. The Arctic Council itself is the main mechanism for multilateral cooperation. Canada signed the *Canada-EU Joint Statement on Science and Technology* in December 2002 and the Canadian Mission to the EU, the Canadian Embassy in Helsinki, and the multilateral Northern Research Forum organized a recent Canada-EU symposium, *Climate Change and Environmental Assessment Processes: Impacts on the Arctic* in Brussels in support of this statement. In October 2003, Canada became a founding partner in the *Northern Dimension Partnership for Public Health and Social Well Being*. In Brussels in June 2004, Canada attended a symposium organized by the Canadian Mission to the EU, the Canadian Embassy in Helsinki, and the multilateral Northern Research Forum entitled *Northern Dimensions—Expanding Circumpolar Cooperation*.

In addition to these efforts, the NDFP provides financial support to heads of mission (HoMs) to support bilateral initiatives. The Northern Initiatives Fund (NIF) allocates an

annual sum of up to \$25,000 to each of the embassies in Copenhagen, Helsinki, Reykjavik, Oslo, Stockholm and Moscow, and to consulates in Seattle and St. Petersburg. They use this money in “(1) promoting the image of Canada as a northern country, (2) encouraging links between Canadian organizations and their counterparts in other circumpolar countries, and (3) promoting Canadian positions and views on circumpolar issues.” Use of the NIF is at the sole discretion of the HoM.

In essence, the focus of the NIF is on initiatives that link Canada’s North with the northern regions of other countries or that enhance Canada’s relations with other countries via the North. As one FAC official stated: “the North is a strategic thread in bilateral relations with the Nordics.” The NIF has mostly been used to provide small amounts of support that either ensure Canada’s participation in a key event or make the difference in whether or not a key initiative is undertaken. Rarely are NIF monies the only source of funding for such initiatives. NIF projects typically connect Canadians with people of similar interests in other circumpolar countries such as Indigenous groups, artists, and businesses. The most common NIF-supported projects involved education, science, and technology. Examples of NIF-supported initiatives include the following:

- Support for the creation in northern Sweden of the first model forest in Europe under the Canada-based International Model Forest Network, including involvement of Aboriginal Canadians and Saami foresters, focused on sustainable forest management in northern communities;
- Support for the Nordic Association for Canadian Studies to participate in the Joint Roundtable of the Northern Research Forum and the Nordic Association for Canadian Studies on “Education as the Foundation of Northern Possibility” in Helsinki in October 2003;
- Support for Canadian scholars to participate in seminars in Norway on indigenous issues, including UBC’s Professor Saunders participating in two Saami “Power and Democracy” conferences in Tromso in October 2002; and,
- Support for Norwegian northern experts participating in Canadian workshops and conferences such as Professor Mehlum attending an Arctic science and technology seminar in Vancouver and Tromso scholar Berg attending the “Connecting Aboriginals” conference in Ottawa.

FAC personnel at headquarters and at the missions, including HOMs, told the evaluators that they considered the NIF “essential” in enabling missions to focus specifically on the northern dimension of Canada’s bilateral relations with circumpolar countries. Projects supported by NIF appear to be efficiently undertaken.

Although NIF initiatives are often able to leverage additional funds, they tend to be small, discrete and unconnected with one another, except in the general sense of

supporting Canada's desire for improved bilateral relations. Projects have tended to focus on activities and outputs, particularly the RMAF output, "linkages and networking among individuals, organizations and institutions." Cooperation appears to have been more of a focus than Canada's strategic priorities.

Overall, Canada appears to have progressed in strengthening cooperative relations with circumpolar countries through NDFP-supported multilateral and bilateral activity largely centered in Canadian missions. Along with the Arctic Council, this would appear to comprise the essential means through which Canada's interests in the circumpolar region have been and will continue to be advanced. The evidence suggests that progress may be more effectively and efficiently gained in the future through a more strategic and focused approach.

### **3.2.6 Unanticipated results**

The evaluators are mindful that one cannot anticipate all that will happen within a program when preparing an RMAF at its outset. Often some of the most important results are those that are unanticipated. For this reason, the evaluators extended their assessment beyond the RMAF. What follows is an attempt to capture some of the more significant results that can be attributed, at least in part, to NDFP inputs.

Perhaps the most prominent unanticipated result is the wide network of connections and relationships that has developed, and continues to develop, among stakeholders touched by the NDFP. Individuals and representatives of institutions – including territorial governments, Indigenous groups, municipal governments, business, and NGOs – meet in the context of developing project proposals or working on the NDFP supported projects. People meet at NDFP meetings and northern outreach events. As a result of their trips to Russia, representatives of the three territorial chambers of commerce are now working together more closely. They have formed the Northern Association of Chambers of Commerce and have developed unified position for input into the new domestic Northern Strategy.

Representatives of Indigenous peoples, including Canadian Aboriginal members of Parliament, have come to a better appreciation of the situation of northern Canadian Indigenous peoples relative to Indigenous peoples living in other circumpolar countries, finding that Canadian First Nations and Inuit have made greater progress in relation to their rights and claims to land and resources.

Canada has earned greater respect among other circumpolar nations on several fronts, as illustrated by many of the results described elsewhere in the report. One of the less anticipated but important of these relates to Canada's treatment of its Indigenous

peoples and, specifically, Canada's inclusion of Indigenous groups as active participants in the circumpolar policy dialogue.

### **3.3 Public Engagement and Communications**

Stakeholders were most consistent and vociferous in their criticism of FAC in relation to public engagement and communications. The two issues are related, but distinct. The evaluators begin with an assessment of the more challenging of the two, public engagement.

#### **3.3.1 Public Engagement**

One of the principals of the NDFP is "engaging in ongoing dialogue with Canadians, especially northerners." GHC's public engagement initiatives centre on an outreach event held each year in one of the territorial capitals. In 2001 it was in Whitehorse, 2002 in Yellowknife, 2004 in Iqaluit, and 2005 in Whitehorse. These two-day sessions featured presentations by officials and experts, followed by questions and answers. Participation in the events, which were held on weekdays during business hours, was confined to a relatively small number of interested individuals, many of them territorial government employees and northern college staff. Media coverage extended the reach, but did little to engage northerners. GHC did not post reports of these outreach sessions on its website nor did it consistently provide other means of feedback. As a result, most of those who took part in the outreach session were unable to determine how GHC dealt with issues raised at the events.

Almost all northerners interviewed during the course of the evaluation were of the opinion that FAC had failed to engage them in NDFP policy issues in any meaningful way. Some intimated that GHC's approach to public engagement was outmoded in that it consisted largely of information presented by Ottawa to northerners. Indigenous organizations were particularly critical, but so too were the territorial governments. None characterized its relationship with FAC over circumpolar concerns as a partnership.

The evaluators acknowledge that northerners have high expectations with regard to public participation. To territorial residents and Indigenous organizations, engagement means participating in decision-making in a relationship of equality and transparency. The evaluators acknowledge that it is difficult to engage the northern public on circumpolar issues in the absence of a federal strategy for the Canadian Arctic. Northern residents want, first and foremost, to engage on largely domestic issues of immediate concern, such as education, training, employment, health and related social concerns—all of which are outside of FAC's mandate. However, despite these

challenges, FAC's performance ought to be much better than it is. FAC has neither a plan nor clearly articulated outcomes.

The outreach sessions provide too few citizens with too little opportunity to influence the direction of NDFP policies or programs. They are perceived as being closely scripted and tightly controlled. There is a need for much greater interaction and engagement both formally and informally, particularly with territorial governments and Indigenous organizations, including those that have settled land claims. PPs and other Indigenous organizations are ready to assist in broadening public engagement down to the community level. However, they require funds to carry out this role effectively.

*If FAC is serious about engaging northerners, it should look at the [INAC's] Northern Contaminants Program as a model.*  
- Northern Indigenous organization

*The system in Ottawa is out of contact with the North. We need northern hiring, secondments with Aboriginal organizations, and more regular contact with the territorial governments.*  
- Senior manager, federal government

Many informants spoke of the need for a greater FAC presence in the North, including the office of the Ambassador of Circumpolar Affairs. Territorial government representatives suggested that FAC designate a federal government employee in each territory as the point person with respect to the

NDFP, and that the position be cost-shared. Northern stakeholders also called on the Ambassador of Circumpolar Affairs to spend considerably more time in the region.

Representatives of other federal government departments were interested in being part of a wider consultative process on the NDFP. However, they have sometimes failed to come up with qualified personnel and funding when it is needed most. GHC told the evaluators that it has had difficulty in the past engaging officials from other departments above the working level. Other government departments do participate in the Arctic Council Core Group, which determines Canada's position at the Arctic Council. However, in the absence of a domestic northern strategy departments may have sometimes found it difficult to take international positions. The Northern Strategy could provide an opportunity to improve intergovernmental coordination.

GHC's current outreach is focused largely in the territories. With few exceptions, there was little evidence of northerners outside of the territories (Labrador, northern Quebec and the northern areas of other provinces) participating in the NDFP. Northerners in

*A much stronger effort is needed to mobilize Canadians. There is a real need to inform Canadians/the public on northern issues.*  
- Former federal government Minister

the three territories told the evaluators that they were dismayed by the lack of effort on the part of FAC to capture the interest of southern Canadians with respect to Canadian policy in the circumpolar world.

The evaluators acknowledge that public engagement is an area where FAC will likely continue to face criticism even with significant improvement. It is likely to take considerably more than the \$200,000 GHC now allocates to policy support and communications each year in order to meet basic expectations. The evaluators also acknowledge GHC's challenge of directing from Ottawa a policy that involves three territorial governments, a plethora of Indigenous peoples' organizations, numerous federal departments, as well as bilateral relations across a vast circumpolar region.

### **3.3.2 Communications**

FAC's communications efforts have been hampered by the absence of an overall strategy and a clearly articulated plan. This has led to gaps in internal and external communications, which in turn have affected perceptions of GHC's transparency, probity and accountability.

Many informants said that coordination and communication within FAC itself needed improvement. The evaluators noted that some senior departmental officials with responsibilities that included circumpolar affairs were not fully apprised of GHC's work. Some of the PPs complained that FAC officials at Arctic Council meetings did not always appear well prepared. One Indigenous peoples' organization said that senior departmental officials were sometimes inconsistent when speaking on important circumpolar policy issues.

Spokespersons for other federal government departments said they were unaware of the scope of the NDFP beyond their own small components. Informants said more effective communication was needed to let other departments know how they fit into FAC's strategic framework. Officials at INAC pointed to a need for greater transparency and coordination to ensure that the two departments avoid funding Indigenous organizations for the same activities. Several departments suggested that an annual work plan and annual report would go a long way toward improving communications and avoiding duplication.

Many northern stakeholders complained that FAC's website had no information on NDFP funding criteria. Some suggested that GHC should produce an annual report. The evaluators could find no print materials that explained the NDFP in plain language or that

*Communication? What communication?  
We are certainly out of the loop.  
- PP representative*

promoted its achievements. For example, there were no communications materials trumpeting Canada's key role in the *Arctic Climate Impact Assessment* and the *Arctic Human Development Report*. Missed opportunities to communicate abound. For example, FAC could work more closely with federal Members of Parliament from the territories to ensure that their messages are communicated when the MPs hold their public meetings. Greater efforts could be made to use the media to gain recognition for successful initiatives.

Ideally, FAC should have a single strategy for public engagement and communications that encompasses ongoing dialogue, public awareness, transparency and accountability. While updating the NDFP website and producing some kind of an annual report would likely fall on the shoulders of GHC, it needs to be explored how other elements of such a strategy could be shared with NDFP partners inside and outside the federal government.

### 3.4 Leadership

Many stakeholders raised concerns about the focus of Canada's foreign policy in the North. Most stakeholders had their own views about priority issues. As noted elsewhere in the report, environmental worries figured prominently; transboundary pollutants are adversely affecting the health of northern Canadians, and climate change is not only affecting living conditions in the North but also, it raises sovereignty issues as the Northwest Passage becomes open to shipping traffic. Stakeholders worried about threats to Canada's sovereignty from other sources including the commercial and military interests of the United States and increased foreign ownership of Canadian natural resources. China's rapid industrial growth has the potential to affect Canada's North on several fronts.

*The Canadian delegation comes to international meetings willing to consider anything, as opposed to more mature states. More rigour is needed to establish what we want [the NDFP] to do for us and sticking with that vision for a recognizable amount of time.*

- Senior Canadian government official

Stakeholders perceive that Canada's position on these issues lacks leadership and clarity. Traditional sources of direction – the Minister, FAC senior management, the Ambassador for Circumpolar Affairs – have been relatively mute on these circumpolar issues in recent years. Northerners can turn to written statements, including the NDFP itself and documents such as the Canada-EU Joint Statement on Northern Cooperation, for guidance. Yet these statements are broad and open to interpretation. They are also dated. Main actors, including GHC, heads of mission, and Canadian representatives (many of whom are from departments other than FAC) at international fora, are largely free to pursue what they see as important, independent of a cohesive national agenda



and a whole-of-government approach. This has potential to send distorted or mixed messages, thereby undermining Canada's ability to advance coherent policy positions.

Some northerners told the evaluators that they feared Canada was losing its leadership role in circumpolar affairs. Many stakeholders are looking for stronger leadership from the office of the Ambassador for Circumpolar Affairs. Indigenous organizations, in particular, said that the office needed strengthening with skilled technical advisors who have worked in and understand the North, with sufficient funding to allow for more frequent travel to the North, and with closer ties to the federal Environment Minister. Stakeholders, including some from FAC itself, are looking for stronger leadership from senior ranks in the Department generally. Many key informants want to see this leadership translated into a reinvigorated NDFP that takes into account current realities and focuses Canada's energies respecting the circumpolar region.

### **3.5 Efficiency and Effectiveness**

The document review and interviews conducted for this evaluation point to insufficient human, financial and material resources to achieve the intended outcome results. The evaluators are concerned that FAC is trying to do too much-and not always the right things-with too few resources, with the risk of mediocre results.

There is room for greater efficiencies in focusing strategically on fewer, larger initiatives. Presently, GHC staff members spend much of their time administering dozens of contribution agreements - too many of which contribute little to the intended outcomes. Some key informants perceive GHC as overly consumed with programming, to the extent that it has lost its ability to influence circumpolar policy issues.

GHC is focused on activities rather than results. It is in need of a strategic plan that is linked much more closely to a renewed RMAF. The present RMAF is not used as a management tool. Reporting, where it exists, is activity-based. Systematic performance monitoring using verifiable indicators is noticeably absent.

The file review substantiated a number of weaknesses in GHC's management systems, many of which auditors from FAC's Office of the Inspector General highlighted in February 2004. For example, the evaluators found project files incomplete. Only half of the contribution files in the evaluators' sample contained proposals, and a significant number of those were short letters requesting funding. Many proposals lacked objectives, potential risks, risk mitigation strategies implementation plan, timetable, and information on other sources of funding. Some lacked a budget.

A third of the project files examined contained no final report as required by the contribution agreements. Most reports outlined activities in brief; few had any discussion of results; and only one reported against objectives.

There was little evidence to verify that approved proposals met established funding criteria. The evaluators found no rationale for project acceptance in most project files. Many proposals provided no information concerning funding from other sources. While GHC staff may have had such information, the paper trail was deficient.

Since the audit, GHC has been working to tighten up its administrative and management systems. However, more work is needed to inform project partners, including other government departments and missions, about the requirement to report on results. Currently, Interdepartmental Letters of Agreement only require federal departments receiving NDFP funding to provide activity reports.

Some project partners need to strengthen their capacities in financial management and reporting. GHC has asked FAC's Audit Division to provide some assistance. However, the evaluators believe regular monitoring missions by GHC's program staff would be a more effective way to help partners to improve project management and reporting.

## **4. LESSONS**

Developed by GHC in collaboration with the evaluators, the following are some of the lessons learned during the first five years of the NDFP.

- Maintain high-level support from within the department as much as possible.
- Secure policy and/or resource commitments from other federal and territorial government departments.
- Establish a clear divisional procedure for administering programming funds and assign a dedicated staff position to implementation in order to free up other staff for policy planning.
- Provide support and guidance to contribution recipients about requirements for reporting and ensure that sufficient monitoring and follow-up are undertaken.

## **5. CONCLUSIONS AND RECOMMENDATIONS**

### **5.1 Conclusions**

#### **5.1.1 What's working?**

Canada is playing a key role in the Arctic Council through PPs, and active involvement in the Indigenous Peoples Secretariat and the working groups. The Arctic Council is the leading institution advancing the multilateral policy dialogue on circumpolar issues. The Arctic Council is responsible for such landmark documents as the *Arctic Climate Impact Assessment*, the *Arctic Human Development Report*, the *Arctic Marine Strategic Plan*, and the *Arctic Council Action Plan to Eliminate Pollution of the Arctic*. The NDFP has supported all of this work.

Canada's relations with the EU, Russia and other circumpolar countries continue to be strengthened. Initiatives undertaken by Canada's missions, multilateral initiatives, and participation in the Arctic Council - all of which are supported by the NDFP - have contributed markedly to these achievements. Through these efforts Canada's influence on policies in the circumpolar region has been increased. Canada is at the table and active in the circumpolar policy dialogue.

University of the Arctic has strengthened its capacity to deliver educational programming focused on the circumpolar region. In large part as a result of NDFP support, Canada has played a key role in its development. Canada hosts the undergraduate studies office at the University of Saskatchewan and has been instrumental in course design and delivery.

The evaluators have also noted moderate successes in relation to a variety of individual projects. Achievements in these areas, while laudable, have, however, had less impact in relation to the NDFP's objectives than the aforementioned initiatives, Arctic Council initiatives in particular.

#### **5.1.2 What's needed?**

The study found little evidence of any effective engagement of Canadians, especially northerners and Indigenous groups, in ongoing policy dialogue of a circumpolar nature. Prior to the development of the original memorandum to cabinet, FAC undertook broad consultations; many northerners, the territorial governments and some Indigenous groups felt included and were eager to continue to participate in the emergent circumpolar policy dialogue. However, owing to limited resources and reduced emphasis, this engagement has fallen off. Stakeholders consider this a significant

problem. Renewed attention to citizen participation and communications is paramount; and it must be backed with sound strategies and management plans. The participation of other federal departments, as well as provincial and territorial governments, was also found to be wanting; improvements are warranted on this front.

As a central element supporting Canada's influence in circumpolar affairs, the Arctic Council warrants significant attention. The evidence suggests a need for increased support to the PPs, including possible special efforts to strengthen the institutional capacity of the Arctic Athabaskan Council and the Gwich'in Council International, and to ensure that Canada plays a leadership role in policy dialogue and multilateral diplomacy. In addition to financial support, this implies firmer policy direction, stronger diplomatic efforts and a stronger role for the Ambassador of Circumpolar Affairs, as well as stronger partnerships between FAC and other government departments.

The question of continued FAC support for the UArctic must be resolved. Support for this institution is less closely linked to Canada's foreign policy goals than some other initiatives, such those associated with the Arctic Council. Leadership and direction are required to determine FAC's future role in relation to the UArctic.

The evaluators found numerous examples of bilateral initiatives with Russia and other circumpolar countries. However, these were loosely tied together and, in some cases, the links to the NDFP's objectives were tenuous. Here again, leadership and direction are needed. However, in this case the question is not so much one of continued support but one of focus.

Similarly, in the case of initiatives funded under Sustainable Economic Opportunities and Trade, projects were often unrelated to one another and inconsistently linked to the objectives of the NDFP. The evaluation found that many NDFP-supported projects in this area were activity- rather than results-oriented. The NDFP needs to have a flexible funding envelope, but GHC must take greater care to ensure that each initiative has strategic relevance through results-based management approaches and more rigorously applied proposal selection criteria and reporting requirements.

### **5.1.3 The ground has shifted**

When the NDFP was launched five years ago, Canada had no overall policy for the North. That has changed. Government is now working out the details of a domestic Northern Strategy. Additionally, with the new International Policy Statement, Canada's foreign policy objectives have been renewed for the first time since 1995.

In light of these developments, as well as events on the global stage since 2000 (for example, the increased threat of terrorism and increased knowledge about climate change and its effects) it is appropriate at this time to revisit the foci of the NDFP.

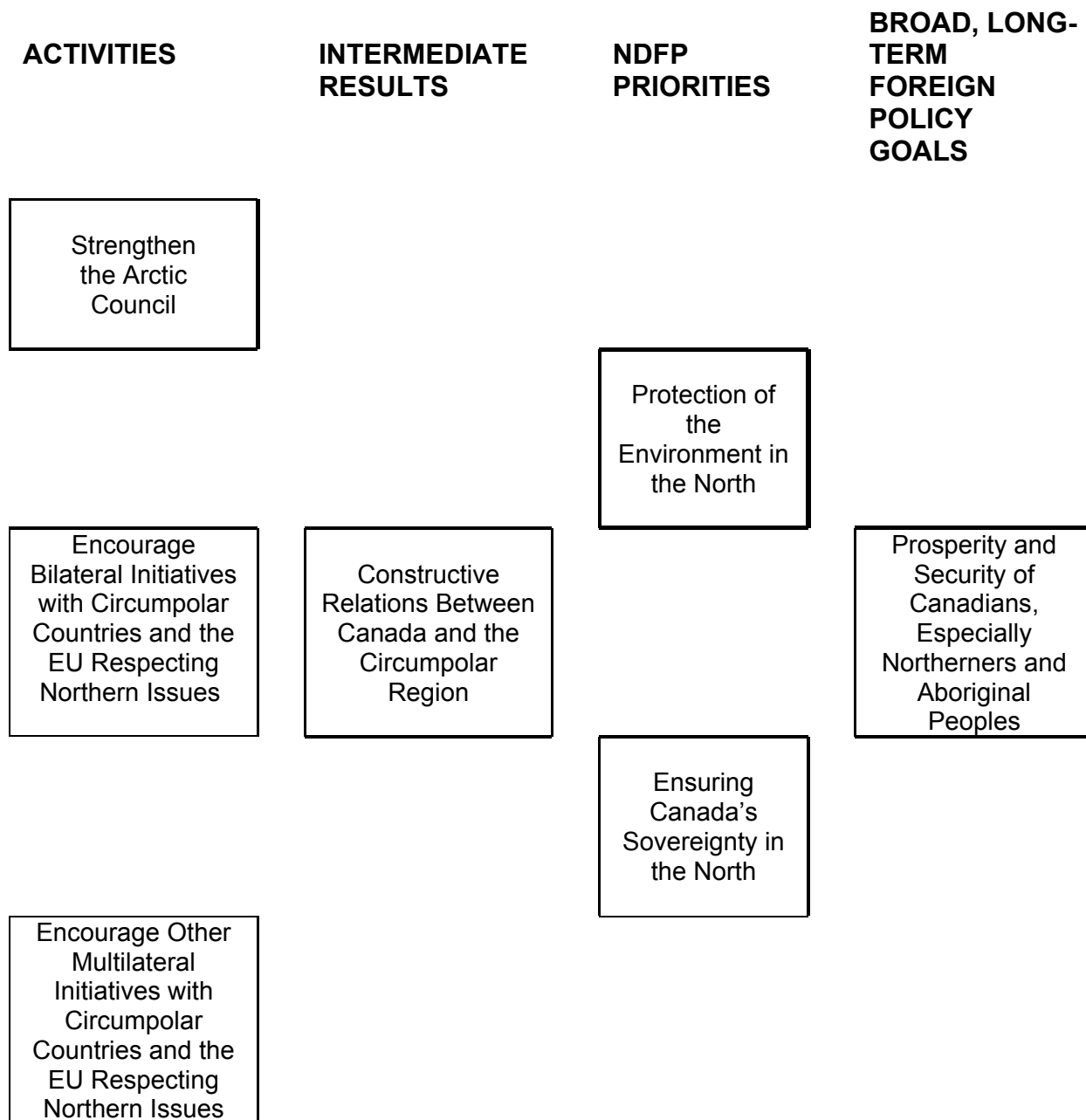
#### **5.1.4 A renewed program model**

As is the case with many policies and programs, the precise goals and focus of the NDFP are easier to identify now that the program has been up and running for five years. Cabinet, in approving the NDFP, set out four priorities. In labeling them priorities, presumably the idea was to focus funding and diplomacy down to a manageable set of initiatives, based on what was deemed most important at the time. A fifth priority was added, and the priorities became more akin to permanent program divisions under which funded projects would fall.

As a result, the NDFP has less focus than it might and, as the findings suggest, some initiatives are more relevant than others in regards to Canada's needs respecting the northern dimensions of our foreign policy. One of the recommendations of the evaluation, as described below, concerns re-focusing the NDFP.

A good starting point for this work may be a critical examination of the elements of the NDFP program model - the objectives and priorities. Are there overlaps? Are there gaps? Are some elements more important than others? Are there causal connections among the elements; do some elements antecede others? The evaluation data suggest answers to these questions. While there is rarely a single "right" model, the following chart is offered as a way of conceptualizing the NDFP and of initiating the discussion of a renewed NDFP focus.

**Chart 1 - NDFP Activities and Priorities, and Canada's Foreign Policy Objectives Respecting the North**



The evidence supports the need for continued strengthening of the Arctic Council as well as support for both bilateral and multilateral initiatives with other circumpolar countries respecting issues in the North of concern to Canada. All of these efforts facilitate what the original memorandum to cabinet referred to as “establishing the circumpolar region as a recognized geopolitical entity,” i.e., constructive relations between Canada and a recognized circumpolar region. The reason such relations are desirable is to address Canadian concerns having an international dimension. Today, the two primary areas of concern are protecting the environment and ensuring Canada’s sovereignty. Addressing these concerns supports the overall, long-term goal of enhanced prosperity and security for Canadians, particularly northerners. A sequential assembly of these elements is depicted in Chart 1.

The model contains three activity, or funding, areas: the Arctic Council, in light of its central role in the NDFP; bilateral initiatives; and, other (i.e., in addition to the Arctic Council) multilateral initiatives. Russia is not mentioned separately; initiatives with Russia would fall within the bilateral area. Economic opportunities and trade are not explicitly included. Much activity in this regard may be undertaken by other government departments in the context of the new domestic Northern Strategy. Actions deemed relevant to the NDFP related to economic development and trade would be funded either as bilateral initiatives or as multilateral initiatives. University of the Arctic is no longer indicated as priority, however, again, continued support for the UArctic could, if warranted, come under the multilateral initiatives area. Indeed, the bilateral initiatives and multilateral initiatives areas would be broad enough to maintain the important flexibility that the current model allows.

The term, “priorities,” is used to denote issues of current focus. These will evolve over time according to world events as well as changes in Canada’s foreign policy and domestic northern policy. According to stakeholders, the current priorities are protection of the environment and ensuring Canada’s sovereignty in the North. Prosperity and security of Canadians, especially northerners and Aboriginal peoples, are seen as the overall long-term goals respecting the northern dimension for Canada’s foreign policy.

The original three guiding principles of the NDFP are as valid today as ever, and would apply to this, or any, renewed program model. *Meeting commitments and taking a leadership role* comprises not only the notion of fulfilling our international commitments as per treaties, agreements and other arrangements, but also of Canada leading multilateral circumpolar initiatives where Canada has a special interest or stake. *Establishing partnerships within and beyond government* is critical in avoiding overlap while ensuring coverage of the full range of concerns. Partnerships are also of increasing relevance as issues span multiple areas of expertise. For example, addressing the issue of transboundary pollutants calls for collaboration between Environment Canada and FAC. Particularly in light of the new domestic Northern



Strategy, FAC will need to work in partnership with other federal government departments and agencies as well as with territorial governments to effectively and efficiently pursue Canada's goals. *Engaging in ongoing dialogue with Canadians, especially northerners* is also of enduring, and increasing, importance. The program has shown considerable weaknesses in its efforts to engage northerners; renewal of the NDFP must include improvements in this area.

## 5.2 Recommendations

In light of the findings, continuation of the NDFP as a policy, and continuation of financial support for projects and initiatives supporting the objectives of the NDFP are warranted. The following recommendations are geared to focus and strengthen the NDFP in support of the overall goal of prosperity and security of Canadians, especially northerners and Aboriginal peoples:

1. ***Focus priorities for the next five years to address current issues and support NDFP goals while ensuring synergy with the new Northern Strategy and the new International Policy Statement.*** With a renewed policy and program focus, the NDFP can concentrate its energies and financial resources on fewer initiatives. Support for the PPs in the Arctic Council, strategic bilateral and multilateral initiatives, and the development of policy positions and advocacy, as well as protection of the environment and ensuring Canadian sovereignty, ought to figure prominently in a renewed NDFP.

### **Management Commitment**

The division will produce an annual policy update at the beginning of each fiscal year, identifying a short list of foreign policy priorities to pursue through different avenues under the program. The specific areas identified by the evaluation, including environmental and sovereignty issues will form part of the renewed program focus. In addition, emerging issues such as energy security and circumpolar health will be examined in greater detail this coming year, consistent with the dialogue occurring in Northern Canada and at the Arctic Council.

Modest additional investments in policy research will be made available to inform these policy subjects.

**Expected Result**

The NDFP implements a specific policy focus responding to current issues and contributes to the government's broader foreign policy goals.

2. ***Strengthen FAC and Canadian leadership in circumpolar affairs.*** A larger proportion of NDFP energies and resources must be devoted to developing Canadian foreign policy positions that advance Canadian interests respecting northern issues. This implies greater integration and involvement on the part of FAC senior management and the Minister's office, heads of missions, and the Ambassador for Circumpolar Affairs, with GHC playing a key policy research, development and advisory role.

**Management Commitment**

GHC/GCX will continue to work with federal government departments and other stakeholders to bring into sharper focus Canada's role and commitments at the Arctic Council and its working groups.

NDFP activities with respect to the Russian Federation will be undertaken to further Canada's objectives of strengthening the Russian Federation's chairmanship of the Arctic Council or the stated goals of the Canada-Russia Arctic and North Working Group of the Intergovernmental Economic Commission (ANWG).

The Canada - EU Joint Statement on Arctic cooperation will be strengthened through GHC organized initiatives to the end of the Finnish Presidency of the European Union in 2006.

GHC/GCX will work with the Office of the Minister of Foreign Affairs to present to Cabinet an update on the implementation of the Northern Dimension of Canada's Foreign Policy and to draw appropriate linkages to Canada's comprehensive international policy, government commitments to develop a northern vision for the North, the Territories' international priorities paper of 2005 and the International Polar Year.

GHC will maintain the successful Northern Initiative Fund that is administered by Heads of Mission in Circumpolar countries to assist with communicating Canadian interests and values in their country of accreditation.

### **Expected Result**

Circumpolar policy program development and decision making are influenced, and taken into account domestically and internationally, by Foreign Affairs Canada with its partners, consistent with the four objectives of the NDFP and specific circumpolar policy priorities set out in the annual NDFP business plan.

Engagement with circumpolar countries on Canada's NDFP priorities.

3. ***Strengthen partnerships with other federal departments and agencies, territorial governments and land claim groups.*** With the new domestic Northern Strategy, increasing emphasis on horizontal and whole-of-government solutions, and the continuing devolution of governance in the North, it is crucial that FAC work closely with the full range of partners to achieve Canada's aims respecting circumpolar issues.

### **Management Commitment**

GHC continues to work closely with other government departments to ensure that Circumpolar cooperation and sovereignty and security issues figure prominently as the government develops a northern vision. GHC will also continue active participation in the Arctic Security Interdepartmental Working Group (ASIWG) chaired by DND.

GHC will become an active member in the federal councils in the three Territories and contribute to whole of government responses to northern issues.

Partnerships led by GHC/GCX in Circumpolar policy issues will be strengthened by continuing to chair the Arctic Council Interdepartmental Core Group and encourage meetings of the ADM interdepartmental committee on Circumpolar Affairs.

GHC will take advantage of intergovernmental exchange programs to bring a Territorial government representative on staff in the division.

### **Expected Result**

Increased awareness and knowledge of, and support for, Canada's role in Circumpolar affairs by Canadians.

Opportunity for all division staff members to better understand intergovernmental dynamics. Strengthened intergovernmental relationship and increased Territorial government interest in Circumpolar issues.

4. **Strengthen initiatives to engage Canadians, especially northerners and Indigenous groups.** Through the office of the Ambassador for Circumpolar Affairs, increased physical presence in the North, increased contact with the Arctic Council PPs, more regular interaction with Indigenous groups, and through practical communication channels, FAC must more meaningfully engage northerners in the ongoing work of determining and promoting Canadian interests through circumpolar relations. FAC must, as well, take steps to engage the broader Canadian community. In order to succeed, GHC must develop an overall strategy, followed by well-developed plans for public engagement and communications.

#### **Management Commitment**

A systematic and organized outreach program to engage Northern Canadians throughout Canada's North led by GHC/GCX will be strengthened. The outreach events will include Canadian Heads of Missions accredited to northern countries.

Engaging Northern governmental and non-governmental organizations will be strengthened. GHC/GCX will organize and develop mutually agreeable agendas and meet with stakeholders at times and places acceptable to them.

Continued support will be provided to Arctic Council Permanent Participants with Canadian constituents in order for them to better engage in Arctic Council activities.

#### **Expected Result**

Strengthened capacity of northern organizations and institutions to participate in circumpolar policy dialogue and cooperative activities.

Increased public support for Canada's role in building a vibrant circumpolar region.

5. **Continue to improve program management systems and procedures.** GHC must finish the job of refining and institutionalizing NDFP procedures, protocols, and templates, along with tracking and reporting measures, in line with results-based management principles. Funding criteria must link

initiatives to desired outcomes. A new results-based management and accountability framework (RMAF) should be developed once the domestic Northern Strategy and the International Policy Statement have been finalized and the NDFP has been situated within them.

### **Management Commitment**

In 2004, GHC created a full time position in the division dedicated to the task of improving program management systems and procedures. These systems and procedures address incoming submissions through to payment and auditing.

GHC will establish a departmental committee to examine incoming project proposals.

GHC has contracted through ZIE a private consultant to assist in developing a new results based management accountability framework. This framework will take fully into account the government's international policies and domestic priorities for Canada's North.

### **Expected Result**

Consistent programming procedures, records keeping and reporting mechanisms to ensure coherence with departmental administrative and policy objectives.