



Indian and Northern Affairs Canada

Performance Report

For the
period ending
March 31, 1996

Improved Reporting to Parliament –
Pilot Document

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Foreword

This document was prepared as phase two of the Improved Reporting to Parliament Project which has been established within the Treasury Board Secretariat to improve the Expenditure Management information provided to Parliament, and to update the processes used to prepare this information. This is part of a broader initiative known as “Getting Government Right” to increase the results orientation and increase the transparency of information provided to Parliament.

During the period from August 1995 to June 1996, extensive consultations were held with Members of Parliament and other key stakeholders to examine options to improve the information provided to Parliament. A clear requirement was identified to provide a focus on departmental performance and actual results achieved.

In June, 1996 the House of Commons gave its concurrence to tabling, on a pilot basis, separate performance reports from sixteen departments and agencies. These pilot documents will be evaluated, and if Parliament and others endorse the approach, Parliament will be asked to formally approve the introduction of separate performance reports for all departments and agencies beginning in the fall of 1997.

These documents are also available electronically from the Treasury Board Secretariat Internet site: <http://www.tbs-sct.gc.ca/tb/key.html>

Comments or questions about this document, or the Improved Reporting to Parliament Project, can be directed to the TBS Internet site, or to:

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Department of Indian Affairs
and Northern Development

1995-1996 Performance Report

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Section I

Minister's Message

Minister's Message

Openness, transparency, and clear accountability for the performance and expenditures of government are critical elements of this government's commitment to restore public trust and confidence in government institutions. The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable. This principle of accountability was one of the cornerstones of the Liberal Plan for Canada, or Red Book, and has been the driving force behind initiatives such as the Reform of the Main Estimates Documents, of which Annual Performance Reports are a key element.

It is therefore with a sense of accomplishment and progress that I introduce the Department of Indian Affairs and Northern Development's Annual Performance Report for the 1995-96 fiscal year. This document is another significant step in building a relationship based on trust, mutual respect and understanding. This type of open relationship is, I believe, growing among the federal government, First Nations, Northerners, and the Canadian public.

In 1995-96, Parliament provided the Department of Indian Affairs and Northern Development (DIAND) with a budget of over \$5.3 billion. It is absolutely critical that First Nations partners, Northerners, Parliamentarians, and all Canadians have a clear understanding of why these resources were required, how they were used, and what was accomplished as a result of these very significant investments. This document shows, for each key program, why DIAND is in that particular line of business, what we are doing to achieve our objectives, how much it cost, and what we accomplished in 1995-96.

DIAND in partnership with First Nations and Northerners has been engaged in a process of transformation, which over time has radically redefined the face of government as it relates to First Nations and the North. Although major challenges certainly remain, DIAND has accomplished a tremendous amount in 1995-96. The department has remained focussed on the commitments and priorities which it has consistently enunciated in the Red Book, Program Review, and the department's Framework for Action and Business Plan: achieving negotiated self-government agreements; improving conditions on reserve; achieving claims settlements; and making progress on political and resource development in the North. Our vision for the North foresees the development of three strong territorial governments with full control over the province-like responsibilities currently administered by DIAND.

The fiscal year 1995-96 saw key achievements, especially the announcement of a new policy framework for negotiating and implementing the inherent right of self-government. We achieved landmark claims agreements such as the Nisga'a agreement-in-principle in British Columbia, the resolution of 17 specific claims, and the selection of Iqaluit as the capital of Nunavut. We succeeded in limiting growth in Indian programming funding to 6 percent in 1995-96, down from historic growth rates of 12 percent as recently as 1989-90. If we are to sustain key province-like basic service programs, including elementary/secondary education, social services, community facilities and band governance, to a growing on-reserve population, it is essential that we continue to contain basic growth, through careful attention to compliance with program criteria and other measures.

These basic services, which are provided to other Canadians through provincial and municipal governments, comprise over 80 percent of the Indian and Inuit Programming budget. We also managed to reallocate funds from our existing budget to accelerate work on health and safety needs, particularly water and sewer systems and housing. At the same time, accountability has been greatly enhanced through funding arrangements that ensure "value for money" and by increasing local control and decision making.

Much remains to be done, and it must be accomplished in an environment of shrinking resources. We are, however, on track, and we have established a momentum that I believe will allow DIAND, First Nations, and Northerners in partnership to meet all of the objectives that we have established.

The Honourable Ronald A. Irwin, P.C., M.P.

Minister of Indian Affairs and Northern Development

Section II

Departmental Overview

1.0 Historical Overview – Indian and Northern Affairs

Canada's Aboriginal Peoples

Aboriginal peoples have occupied the territory we now call Canada for the past 40,000 years. A wide variety of autonomous peoples ranged the land as hunters and gatherers until, in the eighteenth and nineteenth centuries, contact with Europeans changed their way of life forever.

In the mid-eighteenth century, European governments began to make formal recognition of their responsibilities toward Aboriginal peoples. The two sides signed a series of treaties by which Aboriginal groups ceded parts of their territories to the Crown in return for reserve lands and other benefits.

During the nineteenth and early twentieth centuries, governments also pursued a series of strategies intended to assimilate Aboriginal peoples into non-Aboriginal society. These policies often had the reverse effect and merely worsened the situation, contributing to political, economic, and cultural decline in Aboriginal society.

Canada has recognized that assimilation is neither just nor workable. The last few decades have seen a shift in position on the part of the Canadian government and Canadian society as a whole, recognizing that Aboriginal peoples have both the right and ability to determine their own future within Canada and that they should manage and deliver their own programs and services. This government's official recognition of the inherent right to self-government is a milestone in history.

The Colonial Heritage

In the early seventeenth century, France and Britain (international rivals), recruited Indian allies in their struggle for North America. In the *Royal Proclamation of 1763*, Britain laid down its basis for subsequent negotiations. The proclamation set the policy and procedure for the Crown's acquisition of First Nations' interest in the land and its resources.

The several Nations of Indians, with whom We are connected, and who live under Our protection, should not be molested or disturbed in the Possession of such Parts of Our Dominions and Territories as, not having been ceded to, or purchased by Us, are reserved to them, or any of them, as their Hunting Grounds. – *The Royal Proclamation of 1763*.

By the late 1830s, this interest had been acquired by the Crown in most of Upper Canada south of the Canadian Shield, and the colony was open to European settlement. In Quebec and the Maritime provinces, First Nations' interest in lands and resources was never acquired by treaty, although reserves for them were set aside on land not acquired by European settlers.

In 1830, the Secretary of State for the Colonies, Sir George Murray, announced a new policy that shifted the emphasis from maintaining the support of First Nations to "civilizing" them by teaching the values and occupational skills of

A Liberal government will be committed to building a new partnership with Aboriginal peoples that is based on trust, mutual respect, and participation in the decision-making process. – *Creating Opportunity: The Liberal Plan for Canada (1993)*

European society. The government established a reserve land system to give First Nations protected areas where they could live, be educated and taught to farm.

Confederation and After

The essential elements of colonial Indian policy carried over into the new political structures created by Confederation. Under Section 91 (24) of the *British North America Act*, the federal government was given jurisdiction for all matters involving “Indians, and Lands reserved for the Indians.” Aboriginal peoples were to be protected from non-Aboriginal society, but with the ultimate aim of assimilating them into the majority culture.

The treaty and reserve systems, first developed in Central Canada, were extended westward after Confederation when Canada acquired Rupert’s Land and the North West Territory from the Hudson’s Bay Company. Between 1871 and 1877, the Plains Indians and the Crown signed seven treaties, covering most of the present-day Prairie provinces and setting up reserves. When British Columbia joined Canada in 1871, Aboriginal interests in most of its territory were not addressed. Aboriginal land rights throughout most of British Columbia have never been dealt with in treaties.

Parliament passed the first consolidated *Indian Act* in 1876. This legislation had a profound effect on all aspects of life on reserve, leaving First Nations with little or no control over the most basic decisions affecting their daily life.

Addressing the Problems

In the 1940s, First Nations people began to organize nationally. The federal government began to recognize that existing policies and programs needed to be revised. Parliament passed a completely revised version of the *Indian Act* in 1951. The new act’s guiding principle was the eventual assimilation of Aboriginal people into Canadian society.

Improving social and economic conditions became a priority. By the mid-1960s, although very serious problems remained, especially in children’s services, there were signs of some improvement. Health services were better, and more First Nations children had access to schools, including secondary and post-secondary education; residential schooling was phased out. By the end of the decade, First Nations people had obtained the same political and legal rights as non-Aboriginal Canadians, and an Aboriginal economy was beginning to develop.

A new era of Aboriginal activism began in the late 1960s. Organizations such as the National Indian Brotherhood (now the Assembly of First Nations) argued for full recognition of Aboriginal rights and for renegotiation of the treaties. The government, in turn, began to look for ways to work with First Nations in order to find solutions to historic grievances and current problems.

Land Claims

In 1973, the Nisga’a First Nation of British Columbia asked the Supreme Court of Canada to rule on their Aboriginal title to the Nass River Valley (the *Calder* case). Although the Nisga’a lost their case, the court’s views on Aboriginal title convinced the federal government to undertake negotiations as a matter of policy. In August 1973, the federal government announced its new policies, structures, and mechanisms for specific and comprehensive claims, with the objective of resolving outstanding grievances, and providing certainty with respect to Aboriginal rights and title to land.

Social and Economic Progress

Aboriginal communities have made considerable progress in social and economic development. In 1973, following a proposal by the National Indian Brotherhood, the federal

government adopted a new policy of giving First Nations communities responsibility for their children's education. Special programs have helped to build a modern educational system, incorporating First Nations language, culture, traditions and spirituality.

An Indian Economic Development Fund was established in the 1970s, and investments were made in a wide variety of businesses – motels, tourist resorts, craft industries, grain farming, and canoe manufacturing. Several of these enterprises are devoted to preserving Aboriginal language, culture, and traditional life. A Canadian Aboriginal Economic Development Strategy was launched in 1989 to help Aboriginal communities and individuals to manage business enterprises and economic institutions, and to assist with job training and skills development.

Self-Government

First Nations have always considered themselves to be self-governing. The federal government has now recognized their inherent right of self-government and has made this right the cornerstone of its Aboriginal policy.

Canada already has working models for Aboriginal self-government. The Cree and Naskapi First Nations of northern Quebec were the first Aboriginal groups to negotiate self-government as part of their land claim agreements in 1975 and 1978 respectively. These arrangements were implemented by the *Cree-Naskapi (of Quebec) Act* of 1984. In 1986, the Sechelt Band of British Columbia negotiated a community-based self-government arrangement. Four Yukon First Nations have also negotiated self-government agreements with the federal and territorial governments, implemented through legislation proclaimed in 1995. Many more Aboriginal communities can be expected to reach self-government agreements in the future, to further their own well-being, benefiting all Canadians.

Northern Affairs

Canada's North continues to be the primary responsibility of the Department of Indian Affairs and Northern Development, although the territorial governments are gradually taking over the department's provincial-type activities. The area north of the 60th parallel is immense, covering some 3,885,000 km² or 40 percent of the entire country. This area is divided into two (soon to be three) territories: the Yukon, which borders Alaska; and the immense Northwest Territories, including that portion known as Nunavut, which will become a new territory in 1999) and the Arctic Islands, the largest island group in the world.

For years, the government considered the North to be a remote, sparsely populated frontier, and it received little attention. Since the Second World War, however, the federal government, territorial governments and Northerners have been challenged by important issues such as responsible government, Aboriginal land claims, natural resource development, and environmental protection.

Responsible Government

In 1870, Britain transferred all of Rupert's Land and the North West Territory, formerly the possession of the Hudson's Bay Company, to Canada. These two huge areas included the Yukon and Northwest Territories as we now know them, all three Prairie provinces, and parts of Ontario and Quebec. Ten years later, Britain also transferred the Arctic Islands to Canada. The government agency for this huge area was the North West Mounted Police, who (in addition to their regular duties) served as local administrators.

In 1898, at the peak of its gold rush, the **Yukon** district of the North West Territories was made into a separate territory, with a government consisting of a commissioner and a federally appointed council of six. Today, the council (now called the Legislative Assembly) consists of 17 elected members. Party politics were introduced in the 1978 territorial council election. Around the same time, the federally

appointed commissioner withdrew from the day-to-day operations of the government and now has duties similar to a provincial Lieutenant-Governor. The powers of the Legislative Assembly are currently almost as broad as those of any provincial government and include responsibility for education, community and social services, taxes, and most highways. An Executive Council or Cabinet conducts the executive affairs of government. The federal government retains responsibility for land and most natural resources.

By 1905, the original North West Territory, transferred to Canada in 1870, had been reduced by the establishment of three Prairie provinces and the Yukon. After 1905, the **Northwest Territories** were governed by a commissioner and an appointed council of up to four members, based in Ottawa until the seat of territorial government was moved to Yellowknife in 1967. In 1975, the territorial council became a fully elected Legislative Assembly, which now has a majority of Inuit, First Nations, and Métis members. The senior decision-making body, the Executive Council, consists of eight elected members and the commissioner. The commissioner now has duties similar to a provincial Lieutenant-Governor.

In the 1970s the Inuit viewed a new territory as necessary to the settlement of their land claim, and their final agreement committed Canada to negotiate a political accord for the creation of a new territory. After extensive consultation and negotiation, Parliament proclaimed an act in 1993 calling for the creation of a new territory by the year 1999. **Nunavut**, Inuktitut for “our land,” will occupy the eastern part of what is presently the Northwest Territories. Given their majority in that region (85 percent of the population), the Inuit will in effect govern their homeland.

Aboriginal Peoples in the North

Aboriginal peoples have lived in the North for thousands of years and form the majority of the population in the Northwest Territories. Similarly, they are an important minority in the Yukon. In recent years, virtually all of the North’s vast lands has been subject to Aboriginal land claims. Canada has made substantial progress in settling these claims.

Resource Development and Environmental Protection

The North is rich in resources such as minerals, oil, and gas. Since World War II, developing these resources has been the foundation of the northern economy. Mining is the most important private-sector activity in both territories. Northern oil and gas exploration boomed after the discovery of oil at Prudhoe Bay, Alaska, in 1968. By the mid-1980s, industries were investing hundreds of millions of dollars into drilling and research, concentrating their efforts on the Mackenzie Delta, the Beaufort Sea, and the Arctic Islands. But by the late 1980s, exploration started to decline.

For many years, Canada’s policy has been to develop these resources while safeguarding both the environment and the northern way of life. The department, preparing to transfer responsibility for this area to the territorial governments, has set the development of policies and programs that will promote sustainable resource development in the North as one of its highest priorities.

In 1991, the six-year \$100-million Arctic Environmental Strategy (AES) was launched, with a mandate to preserve and enhance Arctic ecosystems for present and future generations. The AES focuses on four main areas: contaminants, wastes, water management, and the integration of environmental concerns with economic issues.

The Canadian Polar Commission

The need for better coordination of Canada's polar sciences programs prompted the establishment of the Canadian Polar Commission in 1991. The commission reports to Parliament through the Minister of Indian Affairs and Northern Development, but is not part of DIAND. The commission:

- monitors, promotes, and disseminates knowledge of the polar regions (both the Arctic and Antarctic);
- improves public awareness of the importance of polar science to Canada;
- strengthens Canada's position as one of the circumpolar nations; and
- makes policy recommendations on polar science to the federal government.

Since its establishment, the commission has identified the need to set priorities for polar research and to provide long-term funding and logistical support. It stresses that Canada must commit itself to polar science. Research must be coordinated at the federal level; the Commission expects to work with other federal departments that have responsibility for polar science and related issues.

The Commission consults regularly with Arctic communities and organizations, in the firm belief that Northerners have much to contribute to polar science – not only in gathering data, but in framing questions, interpreting results, and communicating findings. The Commission also holds workshops and conferences on polar issues and provides liaison between Canada and international polar research programs.

2.0 Context

DIAND's broad mandate is reflected in its mission statement, "Working together to make Canada a better place for First Nations and Northern Peoples." This mission must be accomplished in a highly complex environment. DIAND has primary responsibility for meeting the federal government's constitutional, political, and legal responsibilities to First Nations and the North. The department must ensure that Status Indians living on reserve have access to the same basic services provided to other Canadian residents by provincial and municipal governments. Finally, it must carry out the Red Book commitments to govern with integrity, give Aboriginal issues high priority, renew the federal government's partnership with First Nations, and strengthen Aboriginal and northern communities, while creating jobs and economic growth.

DIAND manages one of the most complex areas of federal jurisdiction, involving difficult historical, constitutional, federal-provincial/territorial, and social issues. It carries out its broad national responsibilities in partnership with 608 First Nations, 88 tribal councils, 50 Inuit communities, two territorial governments, and Canada's northern population.

DIAND's **roles and responsibilities** are set out in the *Indian Act*, legislation pertaining to the Yukon and Northwest Territories, and other acts relating to Indian Affairs. The *Indian Act* assigns specific trust responsibilities to the Minister of Indian Affairs and Northern Development with respect to Indian monies, estates, and reserve lands. The *Act* also assigns responsibilities for elementary and secondary education and band government.

The department ensures access to basic services for Registered Indians living on reserves, increasingly by funding First Nations to provide the services themselves. These services include education, housing, schools, community infrastructure (roads, water, sewage systems), and social support services. The department negotiates and oversees the implementation of comprehensive and specific claim settlements, promotes economic development, and implements practical forms of self-government.

In Canada's North, the department assists in the development of political and economic institutions, manages the sustainable development of its natural resources, including mining, oil and gas, forestry and water, and protects the northern environment. It also manages ongoing federal interests, including the administration of Crown land in the territories.

To meet its responsibilities, the department is organized into five **business lines** in 1995-1996: Claims, Indian and Inuit Programming, Northern Affairs, Transfer Payments to the Territories (transferred to the Department of Finance on June 2, 1995) and Administration.

DIAND's **objectives and priorities** are clear: to achieve negotiated self-government agreements; to improve living conditions on reserve; to reach claims settlements; and to further political and sustainable development in the North. The details of many future arrangements still need to be worked out. Aboriginal and northern communities are diverse, with different needs and expectations; and Canada's political and economic environment is complex. For these reasons, implementing self-government will take considerable discussion and accommodation. The new Inherent Right Policy, announced in August 1995, provides a framework to bring

First Nations, provinces, territories, and other Canadian institutions together to achieve practical and effective solutions.

Canadians recognize the need for substantial improvements in the social and economic conditions of Aboriginal peoples and Northerners. This need poses major challenges both in terms of policy (what kind of economic initiatives are appropriate?) and economics (how much should we spend on each initiative? how do we balance development and protection of the fragile northern environment?). Housing pilot projects, accelerated investments in urgent water and sewer projects, increased investment in post-secondary education, and the environmental review of diamond mining in the Northwest Territories are just some examples of practical solutions to these challenges.

Our Aboriginal Partners

In Canada, the total Aboriginal population in 1995 was approximately 1,282,700. DIAND has primary federal responsibility for Status Indians on reserve. Other Aboriginal people and communities receive government services through their provincial, territorial and municipal governments, like other non-Aboriginal Canadians. The on-reserve population – 346,300 people in 1995 – is growing at a rate of about two times the overall Canadian rate. Sixty-three percent of this population is under the age of 30, compared to 42 percent for Canada as a whole. These demographics create pressure for more school space, housing, and public infrastructure, and for increased social services due to the high rate of new family formations. New demands stemming from the population

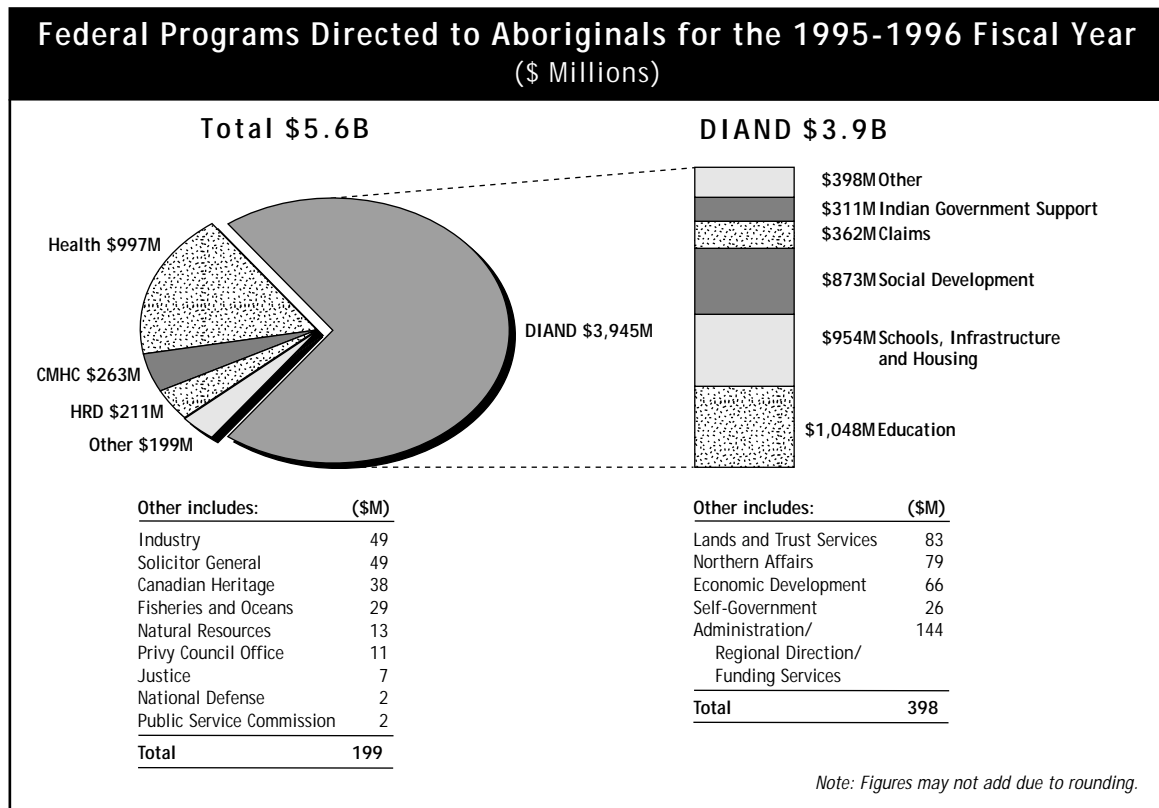
growth on reserves add to the financial pressure on programs already straining to close the gap between services and standards on reserve and those in other communities.

On reserve, the unemployment rate is more than 30 percent, almost three times the Canadian average in 1991. Social assistance dependency rates (47 percent in 1994) are four times the national rate and have been increasing. In 1991, government transfer payments represent a major source of income for 40 percent of the on-reserve population. More than one-third of the on-reserve population has less than a grade nine education (2.5 times the proportion for all Canadians), and less than one-third (31 percent) have graduated from high school or participated in some form of post-secondary education (compared to 62 percent for Canada as a whole). Infant mortality rates are almost double and life expectancy is 6 years lower than the national average. The suicide rate among youth is over four times the national average.

In the North, the situation for the Aboriginal population is similar. Aboriginal peoples comprise 23 percent of the Yukon population and 62 percent of the population of the Northwest Territories. Of these populations, 52 percent in the Yukon and 60 percent in the Northwest Territories are under 25 years of age. Jobless rates for Aboriginal peoples are 25 percent in the Yukon and 24 percent in the Northwest Territories. Educational attainment rates lag behind the Canadian average; 53 percent of the Yukon's Aboriginal population and only 33 percent of the Northwest Territories' Aboriginal peoples have completed high school or have some post-secondary education.

Federal Expenditures for Aboriginal Peoples

In addition to DIAND, 11 other federal departments and agencies offer programs for Aboriginal peoples, for total federal expenditures in 1995-96 of \$5.6 billion, as shown in the following figure.



3.0 Financial Summary

Departmental Appropriated Planned and Actual Spending					
(thousands of dollars)	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Main Estimates 1995-96	Actuals 1995-96
Business Lines – Budgetary					
Claims	172,736	347,290	332,682	344,712	361,537
Indian and Inuit Programming	2,836,429	3,012,613	3,212,326	3,488,468	3,427,283
Northern Affairs	159,090	152,843	169,237	148,394	160,460
Administration	69,530	73,331	70,805	63,713	77,498
Transfer Payments to the Territorial Governments*	1,073,264	1,055,562	1,195,795	1,216,397	1,195,689
Total Budgetary	4,311,049	4,641,639	4,980,845	5,261,684	5,222,467
Non-Budgetary					
Claims	25,904	28,220	29,906	75,503	38,819
Indian and Inuit Programming	(1,195)	(1,005)	–	–	–
Northern Affairs	(227)	(117)	(786)	–	(931)
Total Non-Budgetary	24,482	27,098	29,120	75,503	37,888
Total Department	4,335,531	4,668,737	5,009,965	5,337,187	5,260,355
Canadian Polar Commission	1,134	1,113	1,053	1,051	1,054
Total Portfolio	4,336,665	4,669,850	5,011,018	5,338,238	5,261,409

* The Transfer Payments to the Territorial Governments Program was transferred to the Department of Finance on June 2, 1995.

Net Cost of the Department by Business Line						
1995-96 Comparison of Main Estimates to Actuals*						
(thousands of dollars)	Operating	Capital	Grants and Contributions	Sub-Total	Statutory Payments**	Total
Business Lines						
Claims	37,215	–	201,595	238,810	105,902	344,712
	37,616	732	207,285	245,633	115,904	361,537
Indian and Inuit Programming	152,592	5,343	3,327,133	3,485,068	3,400	3,488,468
	148,248	6,142	3,271,035	3,425,425	1,858	3,427,283
Northern Affairs	90,500	996	55,503	146,999	1,395	148,394
	89,071	2,485	66,719	158,275	2,185	160,460
Administration	63,023	183	458	63,664	49	63,713
	74,819	2,066	458	77,343	155	77,498
Transfer Payments to the Territorial Governments	–	–	1,216,397	1,216,397	–	1,216,397
	–	–	1,195,689	1,195,689	–	1,195,689
	343,330	6,522	4,801,086	5,150,938	110,746	5,261,684
	349,754	11,425	4,741,186	5,102,365	120,102	5,222,467
Other Revenues and Expenditures						
Revenue credited to the Consolidated Revenue Fund						
						(30,795)
						(171,679)
Cost of services by other departments						37,841
						37,841
Net Cost of the Department						5,268,730
						5,088,629
Canadian Polar Commission	1,031	–	20	1,051	–	1,051
	1,034	–	20	1,054	–	1,054

* Shaded numbers are actuals.

** Less contributions to employee benefit plans which are allocated in the operating expenditures.

Financial Summary by Vote Appropriation – New Operational Plan Framework*

Ministry Summary

Vote (thousands of dollars)	1995-96 Main Estimates	1995-96 Actuals
Indian Affairs and Northern Development Department		
<i>Administration Program</i>		
1 Program expenditures	59,399	72,440
(S) Minister of Indian Affairs and Northern Development – Salary and motor car allowance	49	49
(S) Spending of proceeds from the disposal of surplus Crown assets	–	3
(S) Contributions to employee benefit plans	4,265	5,006
<i>Total Program</i>	63,713	77,498
<i>Indian and Inuit Affairs Program</i>		
5 Operating expenditures	177,508	169,813
6b To write-off from the Accounts of Canada, certain debts and obligations due to Her Majesty in right of Canada	–	2,668
10 Capital expenditures	5,343	7,828
15 Grants and contributions	3,528,728	3,478,320
(S) Grassy Narrows and Islington Bands Mercury Disability Board	15	–
(S) Forgiveness of loans issued from Indian housing assistance account	–	51
(S) Liabilities in respect of loan guarantees made to Indians for Housing and Economic Development	2,000	51
(S) Indian Annuities	1,400	1,600
(S) Grant to Inuvialuit Regional Corporation under the <i>Western Arctic (Inuvialuit) Claims Settlement Act</i>	20,000	20,000
(S) Grants to Aboriginal organizations designated to receive claim settlement payments pursuant to Comprehensive Land Claim Settlement Acts	85,887	80,107
(S) Payment from the Consolidated Revenue Fund of guaranteed loans issued out of the Indian Economic Development Account	–	29
(S) Payment to the Sahtu Dene and Métis Land Claim Settlement	–	5,781
(S) Payment to the Yukon First Nations Land Claim Settlement	–	10,016
(S) Contributions to employee benefit plans	12,299	12,326
(S) Court awards	–	103
(S) Spending of proceeds from the disposal of surplus Crown assets	–	127
Total Budgetary	3,833,180	3,788,820
L15 Loans for the construction of houses through the Indian Housing Assistance Account	–	(110)
L20 Loans and guarantees of loans through the Indian Economic Development Account	–	(2,852)
L20 Loans to Native claimants	25,226	24,597
L25 Loans to Yukon Elders	977	790

Vote (thousands of dollars)	1995-96 Main Estimates	1995-96 Actuals
L30 Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission process Item not required	19,300	16,394
(S) Loans to the Inuvialuit Regional Corporation in respect of the <i>Western Arctic (Inuvialuit) Claims Settlement Act</i>	30,000	–
Total Non-Budgetary	75,503	38,819
<i>Total Program</i>	<i>3,908,683</i>	<i>3,827,639</i>
<i>Northern Affairs Program</i>		
35 Operating expenditures	74,168	69,152
36b To write-off from the Accounts of Canada, certain debts and obligations due to her Majesty in right of Canada	–	538
40 Grants and contributions	55,503	66,719
45 Payments to Canada Post Corporation	13,105	17,371
(S) Payments to comprehensive claim beneficiaries in compensation for resource royalties	1,395	1,745
(S) Contributions to employee benefit plans	4,223	4,495
(S) Refunds of amounts credited to revenues in previous years	–	410
(S) Spending of proceeds from the disposal of surplus Crown assets	–	30
Total Budgetary	148,394	160,460
L55 Provision of Inuit Loan Fund for loans to Inuit to promote commercial activities	–	(795)
L81a Loans for the establishment or expansion of small businesses in the Yukon Territory through the Yukon Territory Small Business Loans Account	–	(136)
Total Non-Budgetary	–	(931)
<i>Total Program</i>	<i>148,394</i>	<i>159,529</i>
<i>Transfer Payments to the Territorial Governments Program</i> Appropriation not required		
50 Transfer payments to the Government of the Northwest Territories and to the Government of the Yukon Territory	1,216,397	1,195,689
<i>Total Program</i>	<i>1,216,397</i>	<i>1,195,689</i>
Total Department	5,337,187	5,260,355
Canadian Polar Commission		
55 Program expenditures	1,003	1,006
(S) Contributions to employee benefit plans	48	48
Total Agency	1,051	1,054

Note: The Transfer Payments to the Territorial Governments is now displayed in the Federal-Provincial Transfer Payments Program of the Department of Finance.

* See Section V - Supplementary Information (2.6) for Vote Appropriation as per Public Accounts.

Section III

Corporate Performance

Summary of Corporate Performance

This table outlines corporate commitments and achievements by business line and major activity, according to the department's strategic priorities. This corporate level summary accounts for the department's achievements over a significant time horizon (up to ten years where data is available). This provides a broader longer term perspective to complement Section IV which focuses on achievements, by business line with emphasis on concrete achievements in 1995-1996.

Business Line/Activity	Commitment by Priority	Key Achievements
Indian and Inuit Programming	Improving conditions on reserve	
<input type="checkbox"/> Education	<input type="checkbox"/> Maintain support for basic province-like services <input type="checkbox"/> Implement rigorous monitoring and compliance measures <input type="checkbox"/> Increase participation in post-secondary education	<input type="checkbox"/> The number of on-reserve students completing grade 12 grew from 34% in 1985-86 to 75% in 1995-96 <input type="checkbox"/> Rigorous on site review process implemented; accuracy of enrolment data verified <input type="checkbox"/> Post-secondary enrolment grew from about 11,000 in 1985-86 to 26,000 in 1995-96
<input type="checkbox"/> Social Development	<input type="checkbox"/> Maintain support for basic province-like services <input type="checkbox"/> Implement rigorous monitoring and compliance measures – mirror provincial-like services	<input type="checkbox"/> In addition to maintaining support for social services, DIAND and First Nations are developing creative ways of integrating social and economic policy. Since 1981-82, 3 to 4 percent of social assistance expenditures went toward employment and training (3.9% in 1995-96) <input type="checkbox"/> Rigorous compliance measures implemented to ensure that only eligible recipients receive benefits – consistent with provincial programs
<input type="checkbox"/> Capital Facilities and Maintenance	<input type="checkbox"/> Accelerate progress in water and sewer <input type="checkbox"/> Maintain support for basic province-like services	<input type="checkbox"/> Reallocated additional \$130 million in 1995-96 water and sewer <input type="checkbox"/> In 1995-96, 95% of dwellings had water service and 90% had sewage service as compared to 75% and 67%, respectively, in 1985-86 <input type="checkbox"/> Added space to accommodate 3,200 additional students in 1995-96

Business Line/Activity	Commitment by Priority	Key Achievements
Indian and Inuit Programming (cont.)	Improving conditions on reserve	
☐ Housing	☐ Increase investment in housing	☐ Housing units on-reserve increased from 60,509 in 1989-90 to 78,187 in 1995-96
☐ Economic Development	☐ Increase economic opportunities	☐ Funded 37 pilot and demonstration housing projects ☐ 975 business started in 1995-96 creating 2,325 jobs ☐ Training and employment resulted in employment of 4,486 people
☐ Lands and Trust Services	☐ Environmental remediation ☐ Assist Indian bands to enact By-laws ☐ Support co-management	☐ National Symposium on Aboriginal Development Financing – February 1995 ☐ New procurement policy approved in December 1995 ☐ Completion of the Environmental Issues Inventory and Remediation Plan ☐ Significant progress on solid waste management and fuel storage on reserve ☐ 55 First Nations enacted Taxation By-laws collecting approximately \$15 million ☐ Supported 11 co-management initiatives with provinces, private sector and First Nations in 1995-96 ☐ Oil and Gas Management Initiative – memorandum of understanding signed in February 1995
	Implement Inherent Right of Self-Government	
☐ Lands and Trust Services (cont.)	☐ Advance devolution	☐ By 1995-96, 519 bands of all bands had joined the Indian Registry Administration Program, an increase of over 35% over the past four years
	☐ Transfer Indian Taxation Secretariat to the Indian Taxation Advisory Board	☐ DIAND's Indian Taxation Secretariat transferred to the Indian Taxation Advisory Board

Business Line/Activity	Commitment by Priority	Key Achievements
<p>Indian and Inuit Programming (cont.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Self-Government <input type="checkbox"/> Indian Government Support 	<p>Implement Inherent Right of Self-Government (cont.)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Implement Inherent Right <input type="checkbox"/> Increase First Nation control of Indian and Inuit programs 	<ul style="list-style-type: none"> <input type="checkbox"/> Inherent Right policy framework announced in August 1995 <input type="checkbox"/> Manitoba Framework Agreement <input type="checkbox"/> As of September 6, 1996, 90 sets of negotiations, in various stages, were under way, 18 framework agreements, and 3 agreements-in-principle have been reached <input type="checkbox"/> In 1995-96, over 82% of DIAND's Indian and Inuit Affairs Program budget was administered by First Nations, compared to 62% in 1985-86
<p>Claims</p>	<p>Achieving Claims Settlements</p> <ul style="list-style-type: none"> <input type="checkbox"/> Negotiate, settle and implement specific and comprehensive claims 	<ul style="list-style-type: none"> <input type="checkbox"/> Since 1985-86 DIAND has achieved negotiated settlement to 145 specific claims and 7 comprehensive claims <input type="checkbox"/> Settlement of the Nunavut Land Claims Agreement in 1993 <input type="checkbox"/> Establishment of the British Columbia Treaty Commission – September 1992. Ten framework agreements have been initialled by negotiators and another 14 have been signed <input type="checkbox"/> Land claim settlements with the Gwich'in people in 1992, and the Sahtu Dene Métis in 1994 <input type="checkbox"/> Agreement-in-principle with Nisga'a Tribal Council – March 1996 <input type="checkbox"/> Establishment of Indian Specific Claims Commission – the first national forum to review rejected specific claims and disputes <input type="checkbox"/> Significant success in negotiation of Treaty Land Entitlement claims in Manitoba and Saskatchewan. Saskatchewan Treaty Land Entitlement framework agreement in 1992 settled 26 First Nations Treaty Land Entitlement claims <input type="checkbox"/> Four-party implementation agreements ratified with three of five First Nations pursuant to the Manitoba Northern Flood Agreement

Business Line/Activity	Commitment by Priority	Key Achievements
Northern Affairs	Political and Resource Development in the North	
<ul style="list-style-type: none"> <input type="checkbox"/> Managing Federal Interests 	<ul style="list-style-type: none"> <input type="checkbox"/> Building strong northern public governments <input type="checkbox"/> Building strong healthy communities 	<ul style="list-style-type: none"> <input type="checkbox"/> Passage of the Nunavut Act in 1993, and progress on its implementation, will culminate in the creation of Nunavut on April 1, 1999 <input type="checkbox"/> DIAND has overseen the devolution of forestry management (N.W.T.), mine safety (Yukon), intra-territorial roads, small airports, the Northern Canada Power Commission, health services, and several other provincial-type responsibilities to the territorial governments since 1985-86; today, the territorial governments administer 67% of all government expenditures in the North <input type="checkbox"/> Delivering regional Economic Development Agreements and securing sustained support for the Northern Air Stage Program (food mail)
<ul style="list-style-type: none"> <input type="checkbox"/> Sustainable Development 	<ul style="list-style-type: none"> <input type="checkbox"/> Pursuing northern sustainable development <input type="checkbox"/> Protecting the Arctic environment 	<ul style="list-style-type: none"> <input type="checkbox"/> Reopening of the mine at Faro, Yukon, and the development of Canada's first diamond mine in the N.W.T.; the latter will increase Canada's gross domestic product by billions of dollars over the long term <input type="checkbox"/> In the past three years DIAND has been modernizing northern legislative/regulatory regimes for natural resources, bringing them more in line with provincial regimes
<ul style="list-style-type: none"> <input type="checkbox"/> Territorial Transfer Payments 	<ul style="list-style-type: none"> <input type="checkbox"/> Transfer function to the Department of Finance 	<ul style="list-style-type: none"> <input type="checkbox"/> In the past five years, DIAND has delivered the \$100 million Arctic Environmental Strategy Program, including the clean-up of 477 waste sites <input type="checkbox"/> In March 1996, at a ministerial conference on the Arctic Environmental Protection Strategy, Ministers committed to establish an Arctic Council and set priorities for the next two years <input type="checkbox"/> Transfer of Formula Financing Agreements to the Department of Finance

Business Line/Activity	Commitment by Priority	Key Achievements
<p><i>Administration</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Corporate Support 	<p><i>Changing The Way We Do Business</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Support continuous learning <input type="checkbox"/> Streamline department <input type="checkbox"/> Increase Aboriginal workforce participation <input type="checkbox"/> Manage change <input type="checkbox"/> Strengthen accountability 	<ul style="list-style-type: none"> <input type="checkbox"/> Invested \$3 million in employee training <input type="checkbox"/> Departmental staff cut from 5,900 in 1985-86 to under 3,000 by 1998-99 <input type="checkbox"/> To date DIAND involved in over 75 Aboriginal Workforce Participation Initiatives <input type="checkbox"/> Aboriginal employment rate within DIAND now at 22% compared to 20% two years ago <input type="checkbox"/> Successfully forging new relationship with First Nations and adapting to new realities including fiscal realities <input type="checkbox"/> Improved quality and timeliness of First Nations' financial audits (66% of audits received within 120 days of fiscal year-end in 1995-96 compared to 23% in 1991-92; 83% with unqualified opinion in 1995-96 compared to 57% in 1984-85) <input type="checkbox"/> Improved identification and follow-up of problem situations

Section IV

Detailed Business Line Performance

1.0 Indian and Inuit Affairs Program

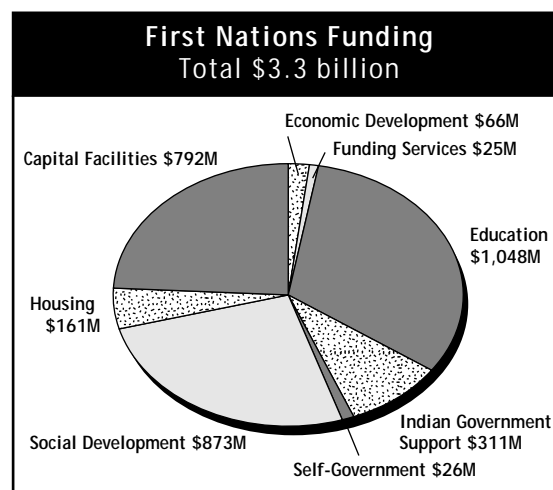
Overview

The Indian and Inuit Affairs Program consists of two major activities – Claims and Indian and Inuit Programming.

- **Claims** negotiates and settles accepted comprehensive claims; ensures that the government meets its legal obligations as set out in the **Indian Act** and treaties by settling specific claims and monitoring implementation agreements; provides research funding to Native claimants; and supports the Department of Justice in matters of litigation involving First Nations.
- **Indian and Inuit Programming** includes First Nations Funding, Lands and Trust Services, and Regional Direction.

How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Claims	117,972	172,736	347,290	332,682	361,537
Indian and Inuit Programming					
First Nations Funding*	2,562,337	2,727,653	2,866,613	3,105,335	3,302,443
Lands and Trust Services	62,932	64,584	98,978	63,713	82,850
Regional Direction	45,896	44,192	47,022	43,278	41,990
Sub-Total	2,671,165	2,836,429	3,012,613	3,212,326	3,427,283
Total	2,789,137	3,009,165	3,359,903	3,545,008	3,788,820

* See 1995-96 Actuals Below





Accountability

A Changing Relationship

The relationship between First Nations and the federal government has changed significantly over the past 40 years. Through **devolution**, which began in 1956 with the first education transfers and accelerated through the 1970s and 1980s, DIAND has progressively reduced its involvement in the direct delivery of public services on reserve. First Nations have taken greater responsibility for their communities' administration, programs, and policy decisions. Through devolution, First Nations have strengthened their ability to govern themselves and have built up the skills of their communities, helping to break the cycle of dependency and encourage First Nations participation in the Canadian economy.

Today, DIAND's Indian and Inuit Affairs Program operates primarily as a funding agency. Of the funding allocated to the program by Parliament, about 82 percent goes directly to First Nations and their organizations through funding arrangements. A further 11 percent is transferred to the provinces. The department directly administers only 7 percent of these funds, most of which relates to legal obligations. Managing funding arrangements has become one of DIAND's most important business functions. In 1995-96, DIAND managed 1,819 funding arrangements, directing \$3.3 billion to First Nations.

Dual Accountability

Chief and Councils have a **dual accountability** for funds. They answer to:

- their **membership** for leadership, sound management of council affairs, and efficient and effective delivery of programs and services (*local accountability*); and
- **Parliament** for the use of public funds to carry out the program objectives approved by Parliament (*ministerial accountability*).

Local Accountability

Local accountability is based on the principles of transparency, disclosure and redress that are common to other governments in Canada. First Nations have particular needs and are designing their own programs to respond to these requirements. DIAND provides funding and monitors compliance with terms and conditions to ensure that funds are used appropriately in terms of government and community responsibility.

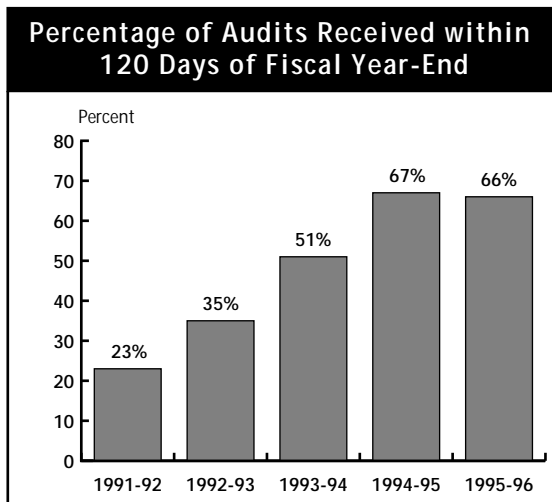
Principles of Local Accountability

Transparency means that the government's method of operation is known by its citizens. An example would be the preparation of expenditure plans and criteria for community decisions.

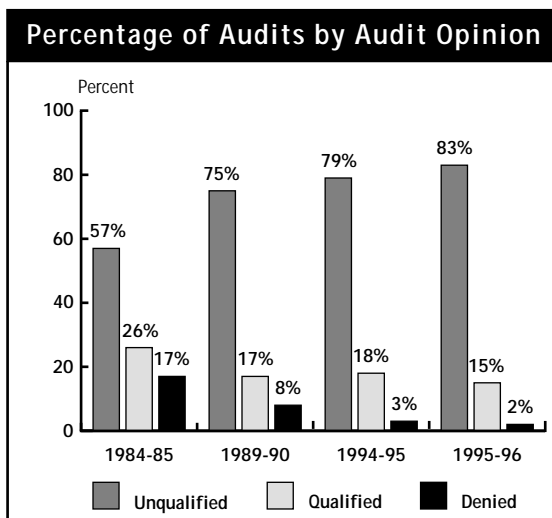
Disclosure means that citizens are informed of the government's plans and actions. Examples include the disclosure of community audits to the membership and answering for decisions made on behalf of the community.

Redress means that citizens can appeal decisions affecting them individually (for example, through an appeal board that hears matters of individual entitlement) or collectively (through such means as elections and the courts).

One important accountability tool for First Nations is its **financial audit**. Over the past years, First Nations have continued to improve their financial management systems and timeliness of reporting. Sixty-six percent of audits are now completed within 120 days of fiscal year-end.



In the past ten years, the proportion of First Nations' financial audits receiving a clear (unqualified) audit opinion from an independent and accredited auditor increased from just over 50 percent to approximately 80 percent. Furthermore, these audits are being prepared and disclosed to both community members and the federal government in a more timely manner.



In 1995-96, First Nations entities were brought under the Canadian Institute of Chartered Accountants' Public Sector Accounting and Auditing Handbook. This move will give better direction to First Nations and their auditors. The new accounting standard more accurately reflects the services and operations First Nations provide. The reporting standard is also flexible enough to remain relevant and provide consistency as First Nations expand their jurisdiction.

Ministerial Accountability

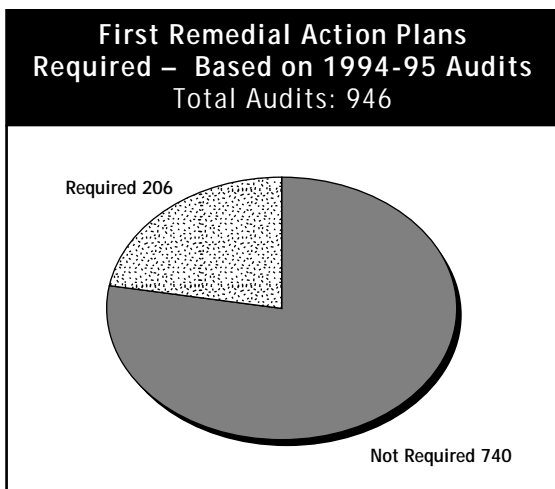
DIAND's funding arrangements with First Nations are like **performance contracts**. First Nations are required to:

- meet minimum requirements for service delivery;
- maintain financial health;
- ensure that internal controls are in place, in accordance with generally accepted accounting principles; and
- prepare annual audits and performance reports for disclosure both to community members and to DIAND.

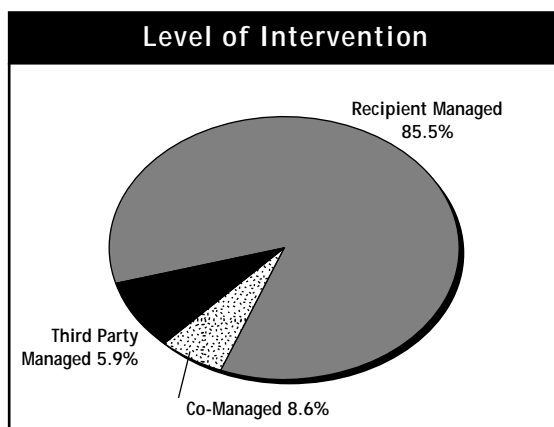
The department ensures "value for money" by confirming that the terms and conditions of the funding agreements have been met. It tracks the achievement of program objectives through compliance, data quality, audit reviews, and program evaluations.

Financial Health

DIAND reviews all audits submitted by First Nations. In most cases, the audit meets the department's requirements. The majority of First Nations are, in fact, handling their finances effectively; four out of five audits need no further action.



In some cases, however, the audit may reveal problems, or the First Nation may be carrying too much debt. (First Nations are making use of credit, mostly for housing.) When it reviews the audit, DIAND also examines the debt load to ensure it is manageable. If the audit signals a potentially serious problem, the department requests a **remedial management plan**. In only 28 instances, DIAND has required a co-management agreement or a third-party manager to deal with serious problems.



1.1 Claims



Why Are We In The Business?

The expectation of the claims process is to achieve negotiated settlements to Aboriginal land claims. Such settlements resolve outstanding grievances, establish certainty about rights to lands and resources, create a climate that fosters economic development, and avoid costly, time-consuming litigation.

The settlement of a land claim is not an end in itself, but a beginning. It marks the start of a time when the Aboriginal claimants can begin to take back control of their destiny – including their economic future – and reduce their dependence on government.



What Are We Doing To Achieve Results?

- **Comprehensive Claims** involves negotiating and implementing modern treaties. These agreements provide a clear, certain, and constitutionally protected definition of Aboriginal rights and title to land. They may include: full ownership of certain lands; guaranteed harvesting rights; participation in the management of lands, water, wildlife, and environment; financial benefits; a share in revenues from natural resources; and, a role in the management of heritage resources and parks. Self-government agreements are negotiated in tandem with comprehensive claims agreements.
- **Specific Claims** settles grievances arising from existing treaties or legislation. These grievances usually involve specific actions or omissions of government in regard to treaty obligations and responsibilities spelled out

Land claims pave the way to greater prosperity for Aboriginal peoples by providing a financial package, a land base, and certainty over resource ownership. They also generate economic activity in neighbouring non-Aboriginal communities.

in legislation. Often they involve the management of First Nations lands and other assets. **Treaty Land Entitlement** claims arise because some First Nations in the west did not receive the full amount of land they were entitled to under the treaties they signed.

- **Other Claims** assesses comprehensive claims, manages grievances that do not fit within existing claims policies, initiates co-operative research projects with First Nations, and develops Cabinet mandates to address unique grievances. These functions allow the department to deal with unusual and highly sensitive claims without distorting existing policies, while ensuring that special claims are dealt with fairly.
- **Funding Native Claimants** provides funding for First Nations and Aboriginal research organizations to research, develop, and present their land claims.
- **Litigation Support** provides research and support to cases involving the department and the courts. Currently there are 237 active cases involving Native litigation and the Crown, and the number grows at the rate of approximately 11 new cases per month. The Test Case Funding Program provides funding for certain appeal level cases which have the potential to create precedents. These cases may clarify Aboriginal and treaty rights and government obligations.

How Much Did It Cost?* (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Comprehensive Claims**	61,915	87,140	202,168	201,091	210,989
Specific Claims**	42,100	75,034	129,170	112,895	127,218
Funding of Native Claimants	8,026	5,664	8,267	10,784	13,278
Litigation Support	5,931	4,898	7,685	7,912	10,052
Total	117,972	172,736	347,290	332,682	361,537

* Funding for Other Claims is included in Comprehensive and Specific Claims
 ** Funding reflects costs for total operations.

1995-96 Commitments

- Agreement-in-Principle with Nisga'a
- Nine comprehensive framework agreements signed
- Six comprehensive framework agreements initialled
- Over 30 specific claims concluded



What Did We Accomplish in 1995-96?

Comprehensive Claims

In March 1996, the federal government signed an Agreement-in-Principle with the **Nisga'a Tribal Council**, a critical step toward British Columbia's first modern-day treaty. The agreement has provisions for fisheries, lands, and resources; for access to lands and for environmental assessment and protection; and for Nisga'a government, taxation, financial transfers, and cultural artifacts. The agreement calls for a \$190 million cash payment to the Nisga'a people, to be paid out over a number of years (still to be negotiated) and for the establishment of a Nisga'a Central Government. The Nisga'a will own and have self-government over some 1,900 km² of land in the Nass River Valley. The agreement also outlines the Nisga'a rights to surface and subsurface resources on Nisga'a lands and to Nass River salmon stocks and wildlife. Finally, the agreement makes provision for a tripartite review to assess results and ensure accountability after five years following implementation.

This Agreement-in-Principle forms the fundamental basis on which Canada, B.C. and the Nisga'a people are forging a new relationship based on partnership and mutual respect. It will also be a major catalyst for improving the social and economic well-being of the Nisga'a people and achieving the certainty non-Aboriginal land and resource users need.

– Hon. Ron Irwin, Minister of Indian Affairs and Northern Development.

Fourteen framework agreements have been reached with the **Innu Nation, the Sechelt, Gitxan, Wet'suwet'en, Champagne and Aishihik, Gitanyow, Teslin Tlingit, Ditidaht, Kaska Dene, Sliammon, Dogrib, Homalco, Nuu-chah-hulth Tribal Council, In-Shuck- ch/n'Quatgua First Nations**. The government initialled ten additional agreements with the **Westbank, Carrier Sekani, Taku River Tlingit, Lheit-Lit'en, Yekoochete'en, Haisla, Tsinshian, Tsay-Keh Dene, Ts'Kw'aylaxw and Tsleil Waututh**.

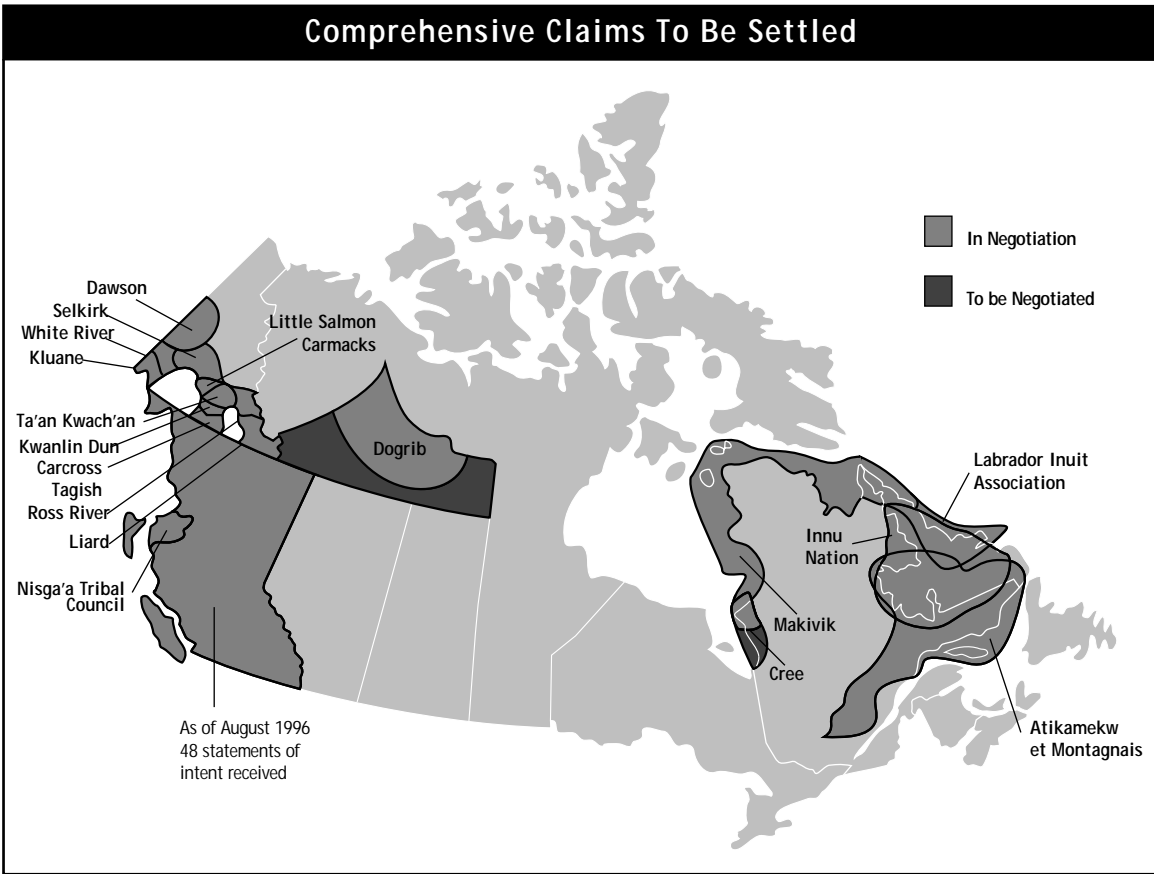
The British Columbia Treaty Commission (BCTC) was set up by the federal government, British Columbia, and the First Nations Summit to work toward modern treaties for First Nations in the province. In 1995-96, DIAND provided \$6.9 million to support BCTC's operation and the participation of First Nations in negotiations. To date, BCTC has received more than 48 statements of intent to negotiate, representing over two-thirds of the First Nations in British Columbia.

For the ten comprehensive claims already settled, the department oversaw the implementation of federal obligations, managed funding to more than 20 boards, committees, and organizations with responsibilities for implementing the agreements, and coordinated

Governor-in-Council and ministerial appointments to these various bodies. The agreement settlements generally provide for tripartite implementation monitoring to track results achieved and ensure that corrective action is taken as necessary.

Negotiations continued on the comprehensive claims with the **Atikamekw, Montagnais, Labrador Inuit Association, Algonquins of Golden Lake, and the Makivik Corporation** on their offshore claims and with the ten remaining Yukon First Nations.

The **Hamilton Report**, discussing land claims agreements, was made public on September 14, 1995. It explores existing policy on extinguishment and other options for reaching certainty about lands and resources. It proposes an alternative to the current policy and makes suggestions on other claims issues.



One landmark achievement was the passage of the **Yukon First Nations** claims settlement bill on February 14, 1995. This act, together with the *Yukon Surface Rights Act*, gives effect to the four Yukon First Nations Final Agreements.

Specific Claims

Seventeen specific claims settlements were negotiated and 13 additional were concluded.

Comprehensive implementation agreements were reached with the York Factory and Nelson House First Nations, pursuant to the Manitoba Northern Flood Agreement.

Other Claims

Other Claims have shown progress in the following areas: the joint research project with the **Caldwell First Nation** resulted in the acceptance of its claim under the Specific Claims Policy, and the parties have recently begun negotiations. A

joint research project with the **Mohawk Council of Kahnawake** was completed and forwarded to the Department of Justice for review. Joint research projects in support of ongoing negotiations are under way with the **Kettle and Stony Point First Nation** and with the **Mohawks of Kanesatake (Oka)**. Initial assessment of two comprehensive claims has been completed and another four are under preliminary review. A framework agreement was signed on August 29, 1996 by the South Slave Métis Tribal Council, the government of Northwest Territories, and the federal government.

Litigation Support

DIAND undertook preparation for discoveries, trials or appeals, and/or settlement discussions in 66 cases, including major British Columbia and Alberta cases. Test case funding was provided for the Badger, Adams, Coté, Opetchesah, and British Columbia fishing cases. These cases are at the Supreme Court of Canada.

Specific Claims Settlements			
Region	First Nation	Issue Resolved	Settlement (\$ thousands)
Quebec	Kitigan Zibi Anishinabeg	Improper transfer of lease.	500
Quebec	Kitigan Zibi Anishinabeg	Inadequate compensation.	360
Quebec	Kitigan Zibi Anishinabeg	Illegal taking of lands.	290
Quebec	Micmacs of Gesgapegiag	Water rights.	128
Ontario	Wikwemikong Indian Band	Incorrect survey.	13,600
Ontario	Brunswick House Indian Band	Relocation of reserve.	5,053
Manitoba	Roseau River Indian Band	Treaty Land Entitlement.	14,000
Manitoba	Brokenhead Ojibway Nation	Breach of contract.	230
Saskatchewan	Keeseekoose Indian Band	Treaty Land Entitlement.	12,599
Saskatchewan	Cowessess First Nation	Treaty Land Entitlement.	12,145
Saskatchewan	Pelican Indian Band	Treaty Land Entitlement.	6,743
Saskatchewan	Touchwood Agency and Qu'Appelle Valley	Alienation of land.	6,600
Saskatchewan	Carry the Kettle Indian Band	Treaty Land Entitlement.	5,177
Alberta	Duncan's Indian Band	Surrender.	480
British Columbia	Cowichan Indian Band	Improper management of lease.	790
British Columbia	Toosey Indian Band	Water rights.	485
British Columbia	Heiltsuk Tribal Council	Breach of duty.	440

1.2 Indian and Inuit Programming

1.2.1 Self-Government

Why Are We In The Business?

The government of Canada recognizes Aboriginal peoples' inherent right of self-government as an existing right within Section 35 of the Constitution Act, 1982. DIAND's aim is to negotiate agreements with Aboriginal communities and provincial and territorial governments that permit Aboriginal communities to take control of their own futures. First Nations communities will decide how to bring the institutions of governance (education, social services, health care, housing, and the like) into line with their own needs, traditions, and expectations.

The right of self-government will be exercised within the Canadian constitutional framework, and both the *Charter of Rights and Freedoms* and the *Criminal Code* will apply. Federal, provincial, territorial, and Aboriginal laws must harmonize.

What Are We Doing To Achieve Results?

DIAND negotiates and implements self-government agreements with First Nations and provincial and territorial governments in keeping with the new Inherent Right Policy. The policy recognizes the differing needs and circumstances of Indian (Status and non-Status), Métis, and Inuit peoples. It ensures that these authorities are being exercised by accountable

Aboriginal governments and institutions. The Minister of Indian Affairs and Northern Development has the mandate to negotiate with on-reserve First Nations and with all Aboriginal peoples in the territories. The Federal Interlocutor for Métis and Non-Status Indians is mandated to enter into negotiations with Métis south of 60° and with Indians living off reserve.

How Much Did It Cost? (\$ thousands)

Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Self-Government	17,185	14,613	21,269	20,406	25,830

1995-96 Commitments

- New Inherent Right Policy Framework – funded through reallocation



What Did We Accomplish in 1995-96?

On August 10, 1995, following eighteen months of extensive consultations with provinces, territories and national Aboriginal organizations, Ministers Irwin and McLellan announced the federal government's *Inherent Right Policy Framework*: the federal policy approach to implementing the inherent right of Aboriginal self-government. The policy is grounded on the premise that the inherent right of self-government is an existing right within Section 35 of the *Constitution Act, 1982*.

DIAND established a **Federal Steering Committee on Self-Government** to put the inherent right policy into operation. The interdepartmental committee of senior officials will ensure that implementation is cost effective.

"The paternalistic system has just not worked – and the proof is all around us. It is high time to seek new approaches that will give Aboriginal communities the legitimate tools they need to make a tangible, positive difference in the lives of Aboriginal peoples."
– Hon. Ronald A. Irwin, Minister of Indian and Northern Development

The costs of Aboriginal self-government will be shared by federal, provincial, territorial, and Aboriginal governments. The actual division of costs is still to be determined. Federal funding for self-government will be achieved through the reallocation of existing resources.

Since the introduction of the Inherent Right Policy, 18 framework agreements and three agreements-in-principle have been reached on self-government arrangements. As of September 6, 1996, there were 90 sets of negotiations in progress.

Arising from the February 1996 **Evaluation of the Funding Agreement between the Government of Canada and the Sechelt Indian Band**, recommendations are being implemented which will broaden the funding base to include other government departments, and an annual trilateral meeting schedule has been established to deal with substantive policy issues and questions of mutual interest.

1.2.2 Education

Why Are We In The Business?

The Indian Act gives the Minister of DIAND province-like authority for ensuring that Indian and Inuit children living on reserves or Crown land have access to elementary and secondary education. As a matter of government policy, DIAND is also charged with ensuring that eligible Indian and Inuit students have access to post-secondary studies. DIAND's support for education stems from the recognition that education is the key to the future and that increased educational participation and higher level attainment is critical to assisting First Nations in achieving self-sufficiency and self-government, reducing welfare dependency and increasing job opportunities.

What Are We Doing To Achieve Results?

Elementary/Secondary Education

DIAND provides funding to ensure access to elementary and secondary education for Status Indians and Inuit children living on reserve or on Crown lands. These education programs should be both **comparable in quality to those provided by the provinces** and **relevant to First Nations and Inuit students**. DIAND supports First Nations' control of elementary and secondary education. It provides funds to First Nations authorities to ensure that educational programs and services meet the needs of both the students and their communities.

Post-Secondary Education

The principle of the Post-Secondary Education (PSE) Program is rooted in federal policy. It supports the increased participation and success of Status Indians and Inuit in recognized post-secondary education programs, in order to improve their future employability. The program involves financial support for students, university and college entrance preparation, and funding to post-secondary institutions to support specialized programs for eligible students. More than 90 percent of the PSE Program is directly administered by First Nations.

How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Elementary/Secondary Education	644,794	711,939	754,872	778,936	787,549
Post-Secondary Education	193,430	200,842	212,180	246,874	260,379
Total	838,224	912,781	967,052	1,025,810	1,047,928

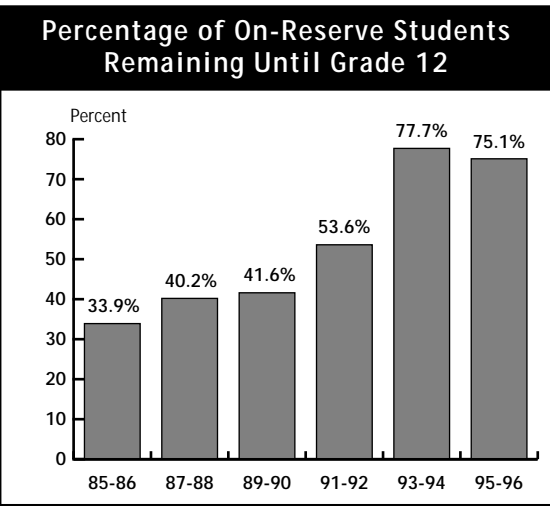
- 1995-96 Commitments**
- Maintain support for basic province-like services
 - Implement rigorous monitoring and compliance measures
 - Increase participation in post-secondary education



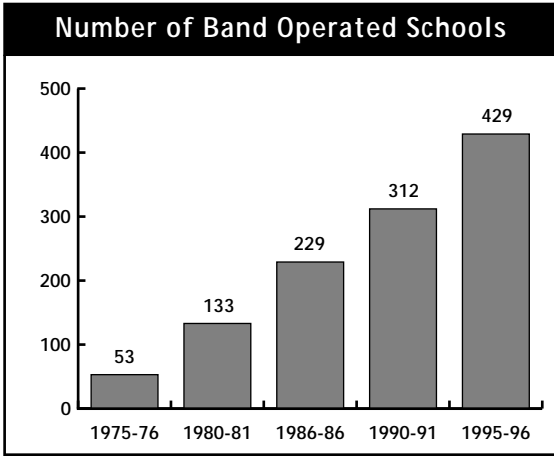
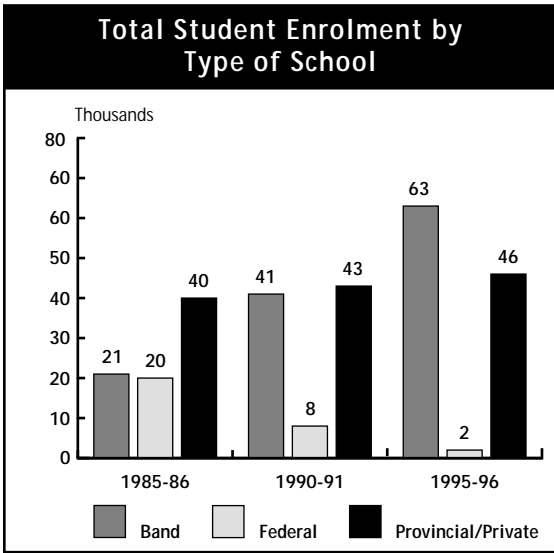
What Did We Accomplish in 1995-96?

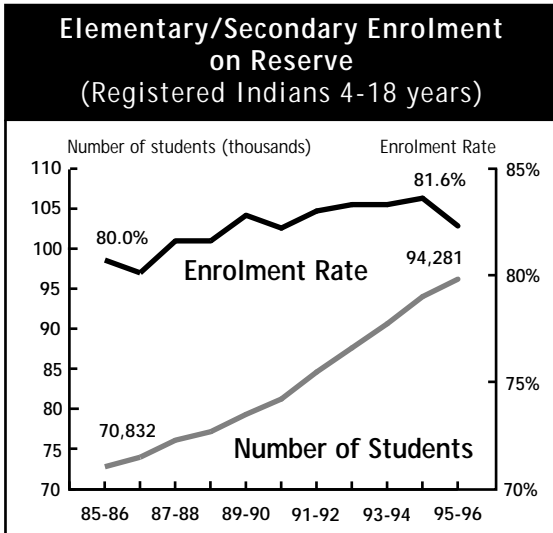
Elementary/Secondary Education

Great strides have been made in the past few years as First Nations communities have increasingly taken charge of their children's schooling (429 band operated schools in 1995-96 compared to 229 in 1985-86) and as more First Nations students complete high school and continue on with post-secondary education.



The results of an internal audit of DIAND's student enrolment system in 1994-95 have led to improved accountability. Through the implementation of a more rigorous on-site review process, student eligibility is verified, resulting in more accurate funding requirements being reported. A review of the 1995-96 enrolment data indicated a near-perfect reporting system regarding student information.

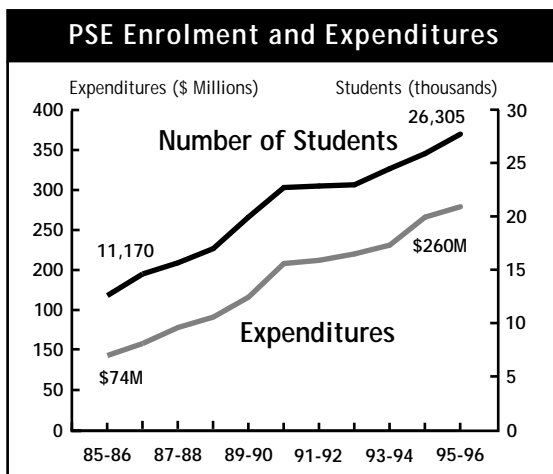
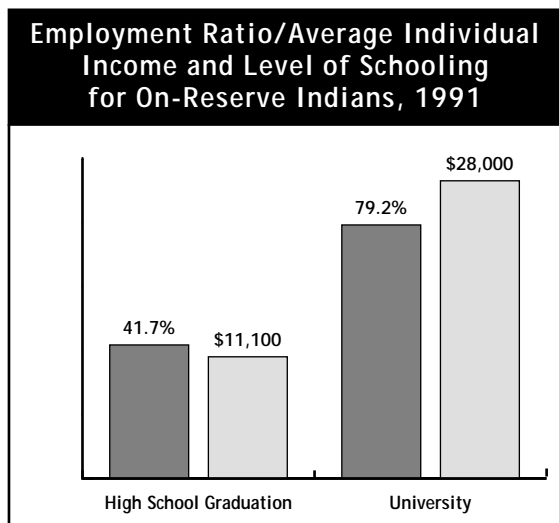




Employment figures for on-reserve Status Indians are substantially higher for post-secondary graduates (79.2 percent) than for high school graduates (41.7 percent). The benefits of education reach beyond employment opportunities – these graduates, with new skills, trades and abilities, are valued assets to their communities.

Post-Secondary Education

Since 1985-86, the post-secondary education budget has increased from \$73.7 million to \$260.4 million. A significant portion of this increase (\$20 million) allowed about 2,800 previously unfunded students to attend college or university, fulfilling one of the Red Book commitments. Enrolment of First Nations students has risen substantially, from 11,170 in 1985-86 to over 26,000 in 1995-96.



1.2.3 Social Development



Why Are We In The Business?

As a matter of government policy, DIAND funds the cost of specific income security and social support services to on-reserve families and individuals. The expected result is to strengthen reserve communities by ensuring that the basic living requirements, including health and safety, of people in need are met in a manner comparable to provincial regimes.



What Are We Doing To Achieve Results?

- **Social Assistance** funds the cost of certain income security and social support services to on-reserve individuals and families in need, **as defined by provincial legislation.** The objective is to strengthen communities by ensuring that basic needs for food, shelter, clothing and other essentials are met. Social assistance is now almost exclusively a self-administered program. In 1995-96, 531 First Nations administered their own program.
- **Social Support Services** include First Nations' Child and Family Services (FNCFS) and Adult Care Services, as well as programs aimed at reducing family violence and at integrating people with disabilities. Social support services that were previously delivered by federal or provincial agencies are becoming more and more community based, community controlled and culturally appropriate.

How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Social Assistance	481,423	544,003	564,254	578,262	575,084
Social Support Services*	225,963	225,886	267,339	295,772	297,624
Total	707,386	769,889	831,593	874,034	872,708

* Includes funding for First Nations' Child and Family Services, Adult Care Services, and Family Violence Program.

1995-96 Commitments

- Maintain support for basic province-like services
- Implement rigorous monitoring and compliance measures – mirror province-like services



What Did We Accomplish in 1995-96?

Social Assistance Program

In 1995-96, an average of 115,700 family members and 35,800 single individuals (total average of 151,500 beneficiaries) depended on social assistance each month for much of their income. Of the total annual funding for social assistance (\$575 million), approximately 3.9 percent of expenditures went toward employment and training opportunities for people on social assistance. The department is pursuing alternative ways to use social assistance funding to integrate social and economic development policies and programs in order to reduce dependency on the social system.

Two DIAND-initiated projects reviewed the department's management of Social Assistance (SA) during the last quarter of 1994-95. The SA database audit found that data required improvement in accuracy and completeness, but that DIAND's new Framework for Measuring and Improving Data Quality would remedy these shortcomings when fully implemented. The Review of Social Assistance Methodology for Compliance questioned DIAND's authority to enter into certain "fixed-volume" Alternative Funding Arrangements (AFA) with First Nations, and found the department's compliance, monitoring and accountability framework for SA to be weak. As a result, the department is strengthening its social assistance compliance framework and activities.

The 1995 Auditor General reports suggest that the department improve its accountability for government expenditures, especially in the area of social development. The department and First Nations have taken measures to ensure that recipients are in fact eligible for benefits and that the benefits themselves are consistent with provincial programs. If provincial benefits are reduced, on-reserve benefits should be reduced. To date, these measures have produced significant savings in social expenditures; these savings have been reinvested in urgent health and safety measures such as water and sewer projects.

First Nations Child and Family Services (FNCFS)

In 1995-96, seven new FNCFS agencies came into operation, for a total of 66 agencies across Canada. Another 52 agencies were in various stages of planning and development. An evaluation of the FNCFS was released in early 1996 which made recommendations to improve regional reporting, provincial monitoring of service quality, and the funding formula. Actions responding to these recommendations should be implemented in 1996-97.

Adult Care Services

In 1995-96, \$22 million was spent to support 697 First Nations' people residing in institutions, and \$57 million provided in-home care for 5,061 individuals in 515 First Nation's communities.

Family Violence Prevention

In 1995-96, \$7 million was disbursed in support of 321 First Nations projects in the area of Family Violence Prevention. Projects included family violence – general, child abuse and violence against women/wife abuse.

1.2.4 Capital Facilities and Maintenance



Why Are We In The Business?

DIAND's activities aim to improve basic living conditions on reserve by assisting First Nations to provide adequate capital facilities. These facilities and community services should meet recognized standards and be comparable to the services provided to nearby non-Native communities, which are funded by provincial and municipal governments.



What Are We Doing To Achieve Results?

DIAND provides funding for First Nations to acquire, construct, operate, and maintain such basic community facilities as water, electrical and sewage services, schools, transportation (roads), community buildings, and fire protection facilities.

Over 90 percent of the capital program budget is managed directly by First Nations. Communities are responsible for developing capital plans and negotiating joint school agreements. First Nations ensure that Environmental Assessment Review Process requirements are met. They produce all necessary data for various departmental data

bases, including the Capital Management System Data Base, and are accountable to community members, as well as to the department.

Each year since 1990, the physical condition of capital assets and equipment has been inspected and rated by professional engineering teams hired by the bands and tribal councils. The Asset Condition Reporting System inspection program is on a five-year cycle – that is, one-fifth of the capital assets are inspected each year and each non-residential asset on reserve is inspected at least once every five years. Data collected during the inspection cycle will help in proper management of these assets.

How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Capital Facilities and Maintenance	508,259	538,668	568,270	688,556	792,082

- 1995-96 Commitments**
- Maintain support for basic province like services
 - Accelerate investment in urgent health and safety (primarily water and sewer) through reallocation

What Did We Accomplish in 1995-96?

Water and Sewage Services

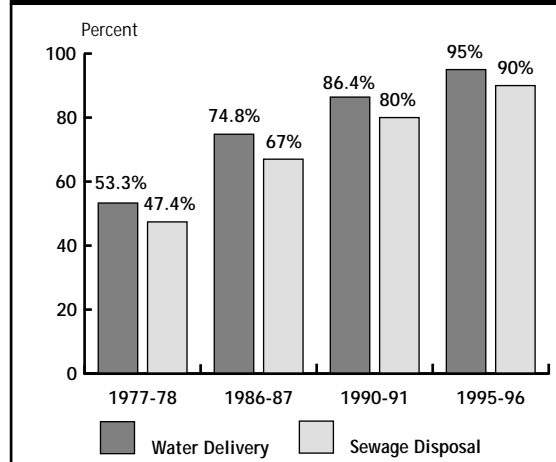
In August 1995, DIAND and Health Canada released a report on *Drinking Water and Sewage Treatment in First Nation Communities*. It revealed the results of a survey of the progress made in meeting federal guidelines for water and sewage services on reserve. The survey identified 211 community water systems and 64 community sewage systems as either having potential health and safety concerns or needing repairs or maintenance to avoid health risks due to malfunction.

In 1995-96, DIAND allocated an additional \$130 million within its approved Main Estimates levels to accelerate urgent health and safety projects. This funding was primarily directed to urgent water and sewer needs; priority was given to the critical requirements identified by the joint Health Canada/DIAND survey.

Of the 211 community water systems, work has been completed on 32 water supply projects and another 95 are under way. Of the 64 community sewage treatment systems, work has been completed on 18 systems and another 27 projects are in progress. By 1995-96, approximately 95 percent of First Nations housing units had water service, and 90 percent had sewage disposal service. Water and sewer facilities include minimum services such as standpipe and truck water delivery and holding tanks and pump out trucks for sewage disposal.

The department is committed to helping First Nations raise the quality of their community services to normal Canadian standards. Not only are improvements to water and sewage systems necessary for good public health, but they can spur economic renewal. These projects will create jobs in construction as well as in operation and management of the systems.

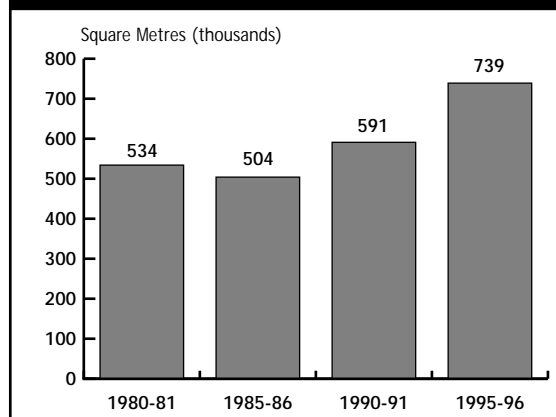
On-Reserve Dwellings with Water Delivery and Sewage Disposal Systems



Other Projects

DIAND also provides funds for operation and management of on-reserve capital infrastructure. It monitors O&M activity by tracking the condition of capital facilities and equipment. The department has funded the construction of another 276 km of on-reserve roads. It is responsible for schools and this year added 33,621 m² of on-reserve school space, making room for 3,200 additional students.

Educational Space On Reserve



1.2.5 Housing



Why Are We In The Business?

The program's objective is to improve living conditions on reserve by addressing the basic shelter needs of residents. The goal is to establish and maintain a level of family accommodation that meets National Building Code Standards.

Housing on reserve falls far below acceptable Canadian norms of decent, adequate, and affordable housing. Adequate shelter is a fundamental need of any society and is necessary for a community's well-being and viability.



What Are We Doing To Achieve Results?

The department provides capital subsidies and loan guarantees to First Nations and individuals to help build, buy, and renovate houses on reserves. The department also provides First Nations with operating funds for housing-related administration, training, and technical

assistance. This housing program is directly administered by individual First Nations. Reserve communities may also draw on programs operated by the Canada Mortgage and Housing Corporation (CMHC).

How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Housing	135,159	141,471	132,858	125,654	161,473

1995-96 Commitments

- Increased investment in housing (pilot and demonstration projects) through reallocation



What Did We Accomplish in 1995-96?

A Creative Approach: In 1995, DIAND announced two programs that allowed First Nations to find housing solutions at the community level:

- The **Innovative Housing Initiative** encouraged communities to plan projects that used local materials or resources from Aboriginal

suppliers. Most of the labour was performed by community members, many of whom were on social assistance. This provided members with on-the-job training and invaluable experience. Projects were designed to produce houses at a reduced cost. Five communities were selected to build five

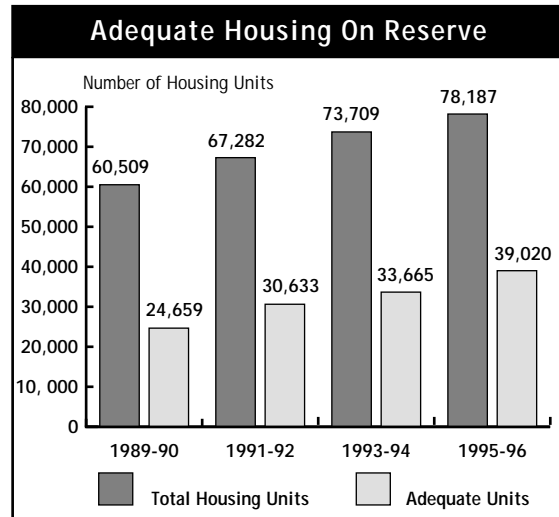
fully completed houses, and were given a maximum of \$50,000 for each house. Most communities chose to build log houses with this funding.

The new approach will link housing to community economic development, job creation and skills training, and partnerships with the private sector. This approach will not only help First Nations improve on-reserve housing; it will help build confidence and community as well.

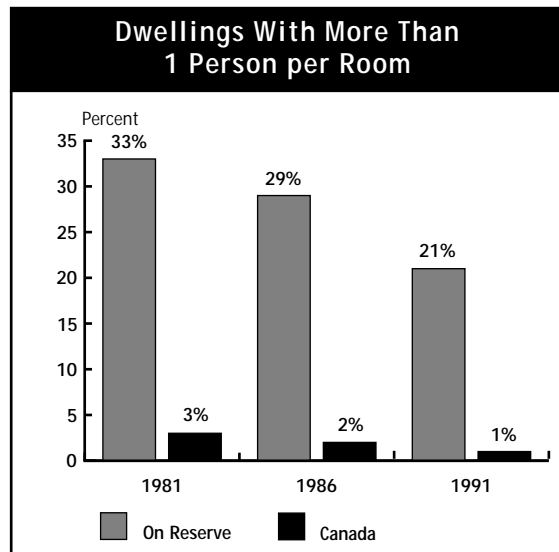
- The **Housing Demonstration Initiative** allowed First Nations to develop long-term, community-based housing programs and plans to improve housing conditions. Proposals show how the community will improve the durability of existing houses; how they will renovate existing sub-standard houses; and how they will reduce overcrowding through the construction of new houses, all resulting in job creation and skills development. In 1995, approximately 150 First Nations expressed interest in participating in the program. By the end of 1995-96, 37 projects had been funded, totalling \$9.3 million.

The Housing Demonstration Initiative provided the basis for a new federal policy for on-reserve housing, announced on July 25, 1996. The new approach, which is based on working in partnership with First Nations, encourages First Nations to take the lead in developing specific housing policies and programs that address their needs.

The total number of housing units on reserve has increased from 60,509 in 1989-90 to 78,187 in 1995-96. Over the same period, the number of adequate units has gone from 24,659 (40.8 percent) to 39,020 (49.9 percent). In 1995-96, 2,427 housing units were completed and 3,310 renovated.



Overcrowding continues to be a problem, with about 8,000 households living in overcrowded or multiple-family conditions. It jeopardizes the health and safety of individuals and families and is responsible for many of the social problems on reserve.



1.2.6 Indian Government Support



Why Are We In The Business?

This program assists in the transfer of federal responsibilities to First Nations governments by ensuring that these governments have both the necessary administrative resources and the capacity to effectively deliver programs to their communities. This activity is critical to achieving self-government.



What Are We Doing to Achieve Results?


Indian Government Support provides financial subsidies to First Nations to help pay for the overhead costs associated with providing municipal-type services to communities. These costs include: salaries and benefits to First Nations administrative staff; travel and training expenses; office rental expenses and common

services for First Nations employees delivering services funded by the department; honoraria to elected officials; and private pension plans and other benefits. DIAND also funds the salaries and other costs associated with the provision of advisory services by tribal councils to their member First Nations.

How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Indian Government Support	250,434	254,214	275,494	286,701	311,412

1995-96 Commitments

- Increase First Nation control of the Indian and Inuit Program

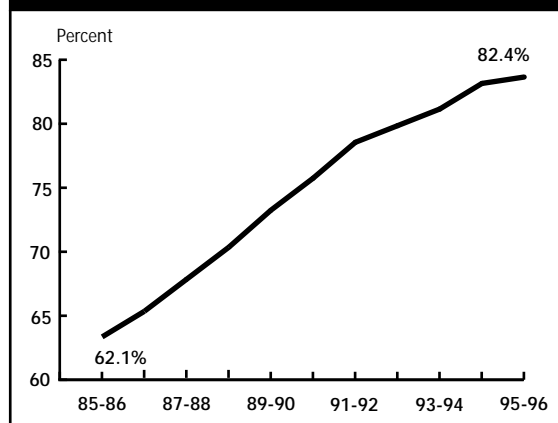


What Did We Accomplish in 1995-96?

In 1995-96, 627 band councils provided services to various communities. As well, 79 tribal councils provided advisory and other services to member First Nations. Nationally, 498 pension plans were funded in 1995-96.

Approximately 82 percent of Indian and Inuit Affairs Program funding was directly administered by First Nations in 1995-96 (compared to 62.1% in 1985-86). A further 11 percent was administered by the provinces, and only 7 percent was administered by DIAND.

**Indian and Inuit Affairs Program
Band Administered Funds**



1.2.7 Economic Development



Why Are We In The Business?

Economic Development helps Aboriginal people to find and develop economic opportunities and markets. The results of investing in economic development are increased business opportunities, jobs, and skill development; these contribute, in turn, to a reduction in welfare dependency.



What Are We Doing To Achieve Results?

Improving economic conditions on-reserve remains a serious challenge. While progress is being made in training and improving access to capital, the absence of infrastructure, entrepreneurship, and access to market opportunities translates into high levels of chronic unemployment and welfare dependency. DIAND offers a range of programs aimed at promoting greater Aboriginal participation in the Canadian economy, with an emphasis on promoting

self-reliance and on finding and taking advantage of economic opportunities. These programs include:

- the Community Economic Development Program;
- the Commercial Development Program;
- Access to Resources; and,
- the Research and Advocacy Program.

How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Economic Development	84,804	84,453	58,196	70,406	66,255

<p>1995-96 Commitments</p> <ul style="list-style-type: none"> • Increase economic opportunities
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What Did We Accomplish in 1995-96?

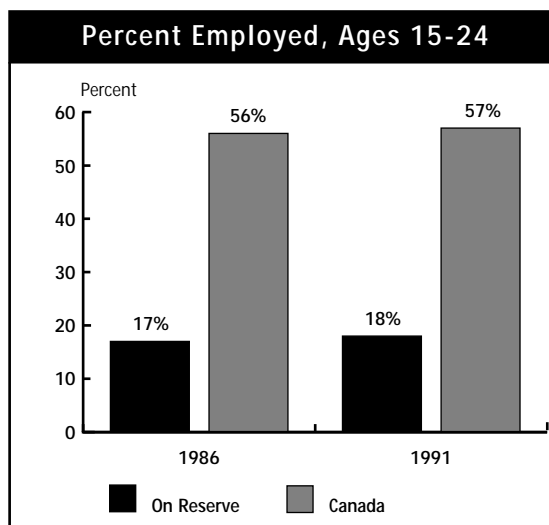
- Work is under way to develop **Aboriginal tourism** in conjunction with First Nations' regional and national associations. Community-based action plans such as the Kahnawake Tourism Task Force, and partnership/risk-sharing arrangements such as the Eel River Bar Heritage Garden, are in keeping with DIAND's tourism strategy. This strategy aims to raise First Nations' awareness of the revenue-generating potential of tourism as well as employment and career development opportunities.
- Supporting **Aboriginal arts** in such international venues as the Frankfurt Trade Fair and in domestic exhibits is one way of developing markets for Aboriginal tourism products.
- DIAND, in concert with the Canadian Tourism Commission (CTC) and Aboriginal Business Canada (ABC), is developing a **workshop series** on packaging and marketing Aboriginal tourism products. DIAND also has produced publications on the tourism industry and is using the Internet to reach a wider audience.
- The New Brunswick **Joint Economic Development Initiative**, bringing together Aboriginal, provincial, and federal partners, will help identify and implement practical, measurable ways to increase Aboriginal employment and access to business opportunities in that province.
- On February 5-8, 1995, in conjunction with Industry Canada, Canada Mortgage and Housing Corporation and the Province of New Brunswick, DIAND co-hosted a **National Symposium on Aboriginal Development Financing**. Symposium participants, representing Aboriginal groups, private business and government sectors, agreed to establish a National Aboriginal Financing Task Force. Six Task Force committees were formed, each one focusing on a different issue: institutional development; access to capital; tax incentives; regulatory issues; human resources development; and a communications strategy. The mandate of each sub-committee was to identify key issues, undertake research, develop solutions, establish measurable outputs, and report back to the National Task Force. The interim reports were presented to the Minister in March 1996, and tabled in May 1996 with Aboriginal leaders, federal ministers, and representatives of financial institutions. The Task Force is to finalize its work by December 1996 and make recommendations based on its findings. Implementation of these measures began in April 1996. It will set high-priority recommendations to help in implementing its findings.
- Early in 1994, DIAND struck an inter-departmental working group to examine **Aboriginal procurement**. In concert with Public Works and Government Services Canada, Treasury Board Secretariat and regional development agencies, consultations were held with Aboriginal businesses across Canada in early 1995. On the advice received through this process, the government developed a program design for Aboriginal procurement. In the fall of 1995, as part of its Jobs and Growth Strategy, the government announced its intention to establish a special program for Aboriginal businesses. The aim is to enhance Aboriginal awareness of and participation in federal procurement markets.
- A **program evaluation** (October 1994) notes that our efforts to develop Aboriginal

organizational capacity at the community level are, in fact, beginning to bear fruit. Indicators of this positive trend include skill development, job placements, new business opportunities, and reduced welfare dependency.

- The area of **resource management** holds great promise in creating economic opportunities for First Nations and Inuit people. The department provided assistance to 118 resource access negotiation projects and to 10 co-management agreements or projects.

- Results of our initiatives include the following:

- Training and employment activities resulted in the placement or continuing employment of 4,486 people.
- As of 1995-96, there were 5,917 individually owned and 1,304 band owned businesses in the service area. The 975 new businesses started during the year created 2,325 jobs, while another 1,525 jobs resulted from 617 business expansions.



1.2.8 Lands and Trust Services



Why Are We In The Business?

*Lands and Trust Services (LTS) is responsible for discharging many of the Crown's statutory duties and fiduciary obligations related to First Nations. These stem from the **Constitution Act, 1867 and 1982**, the treaties, the **Indian Act**, the **Indian Oil and Gas Act**, and other federal statutes. This sector supports DIAND's self-government agenda by continued strengthening of Aboriginal communities through devolution and partnerships with First Nations. The expected result is to fulfill of the government's fiduciary obligations and statutory duties, and to provide First Nation governments with the tools that will enable them to assume increasing responsibility for the decisions that affect them directly. This involves developing legislative alternatives to the **Indian Act**, and assisting First Nations to ensure the sustainable development in the management of First Nations lands, resources, and revenues, while protecting the environment.*



What Are We Doing To Achieve Results?

Administration:

- promotes the transfer of the Indian Registry Administration Program to First Nations;
- assists First Nations to ensure that band by-laws meet legal and procedural criteria and to develop such key tools of government such as taxation powers;
- manages over \$1 billion in trust funds for First Nations and individuals; and
- maintains a register of all interests in reserve, designated and surrendered lands.

Land and Natural Resource

Management:

- assists First Nations to manage and increase control over reserve lands and to address environmental issues affecting these lands;
- promotes sustainable and economically viable First Nation management and control of resources such as oil and gas, timber, and minerals;
- helps to manage over 2,000 reserves with more than 2.6 million hectares; and
- administers 30,000 active interests on reserve and designated lands, grossing over \$30 million a year in revenues.

How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Lands and Trust Services	62,932	64,584	98,978	63,713	82,850

- 1995-96 Commitments**
- Advance Devolution – Indian Registration Lands Administration
 - Complete environmental inventory
 - Progress in solid waste management and fuel storage
 - Transfer Indian Taxation Secretariat to Indian Taxation Advisory Board
 - Assist First Nations to enact Taxation By-laws
 - Support co-management initiatives



What Did We Accomplish in 1995-96?

- **Indian Registration:** In May 1995, Six Nations of the Grand River, the largest of the First Nations in Canada, and 26 other First Nations agreed to the transfer of responsibility of the Indian Registry Administration Program from DIAND. There are now 519 of 608 First Nations responsible for administering the Indian Registry Administration Program.
- **Electronic Imaging:** The Indian Land Registry has adopted electronic imaging technology to create a digital version of its records, some of which are over 100 years old.
- **Taxation:** In 1995, some 55 First Nations enacted by-laws taxing real property interests on their reserve lands, collecting approximately \$15 million dollars annually in tax revenue. This was accomplished with the support and assistance from the Indian Taxation Advisory Board. The revenue from property taxation on-reserve has grown steadily since 1989. The Indian Taxation Advisory Board estimates revenues from taxation will reach \$20 million by 1997-98.

Taxing real property interests on reserve lands has helped First Nations in their move toward self-government and self-sufficiency. Revenue from property taxation has been used mainly for social and economic development projects on reserve.

- **Oil and Gas Co-Management Pilot Project:** Since 1995, individual Memoranda of Understanding have been signed between the Minister and the White Bear, Horse Lake, Blood, Siksika, and Dene Tha' First Nations. The signing of these agreements begins a three-phase pilot project that will ultimately enable these First Nations to assume full control over the oil and gas functions currently handled by Indian Oil and Gas Canada (IOGC). During 1995, these First Nations began co-management of surface, subsurface and environmental operations.

The government's Red Book, *Creating Opportunity*, commits the government to building new partnerships with Aboriginal peoples and to improving economic conditions on reserves. One way of fulfilling these commitments is for the government to work with First Nations, helping them to manage their oil and gas reserves. This initiative should ultimately create real economic opportunities in First Nations communities.

- **Oil and Gas Activities:** Operational levels over the last few years have exceeded average norms and these elevated levels are expected to continue. In 1995-96, the number of wells drilled on Indian lands remained strong at 118, down 4 percent from the previous year's total of 123. Gas production was at 1,574 million m³, up nearly 7 percent from 1994-95 levels, while oil production increased 4 percent to 420,700 m³. Both oil and gas production generated royalty returns to First Nations of \$50.5 million in 1995-96.
- **Co-management Initiatives – Saskatchewan:** The department has worked with the Federation of Saskatchewan Indian Nations to establish the **Saskatchewan Co-Management Innovation Initiative**. To date, the program has supported 10 co-management projects between First Nations, the province and the private sector, addressing a variety of issues including forestry, fishing, water, mining, tourism and the environment. Two province-wide initiatives have also been supported.
- **Co-management Initiatives – Alberta:** In March 1995, Minister Irwin invited Alberta Chiefs to come forward with proposals for the **co-management of natural resources in Alberta**. DIAND is currently supporting three initiatives resulting from Minister Irwin's invitation, involving the Tallcree/Little Red River Cree Nations, the Whitefish Lake First Nation, and the Yellowhead Tribal Council. The largest project, involving the Tallcree/Little Red River Cree Nations, covers an area of 20,000 square kilometres in northern Alberta.
- **Resource Access Negotiations (RAN):** The RAN program helps Aboriginal communities to become involved with off-reserve resource development projects. It helps attract investment to resource development on reserve. First Nations can contract with developers (both private and public sector) to manage, develop, and harvest natural resources on Crown and private lands and negotiate resource co-management agreements with the appropriate sector. In 1995-96, 118 projects received RAN funding totalling \$3.7 million.
- **Environmental Issues Inventory and Remediation Plan (EIIRP):** Approximately 2,000 environmental issues had been identified on reserves as of March 31, 1996. The most common problems involved fuel storage and handling, waste disposal, sewage treatment, and soil contamination. In 1995-96, approximately \$37 million was invested in cleaning up approximately 400 high-risk sites on reserves. In addition, reserve communities participated in prevention training programs for the handling of fuel products, hazardous wastes and minor environmental crises, at an approximate total cost of \$314,000.
- **Indian Environmental Assistance Fund (IEAF):** IEAF provides funding to First Nations to address environmental issues of an operational nature affecting reserves and traditional areas. During 1995-96, IEAF financed 62 projects for a total of \$1.4 million. These projects involved preparation and participation in environmental assessment activities (pre-intervenor funding), noxious weed control, recycling, and surveys of renewable and non-renewable resources.

- A national framework for **waste management on reserve** was implemented in 1995-96.
- DIAND's Departmental Audit and Evaluation Branch is currently undertaking an evaluation of the **Indian Environmental Partnership Program**. The report should be completed in 1996-97.
- **Other achievements:** Under a ministerial initiative, LTS has initiated the *Indian Act Amendment Project*. The project aims to remove the most offensive provisions of the *Indian Act*. The amendments will improve and modernize the *Indian Act* in order to promote local control, foster economic activity on reserve, and give First Nations increased financial autonomy. This project began when the Minister wrote to all First Nations and Aboriginal organizations in April 1995, inviting their support and suggestions for amendments to the *Indian Act*. After consultation with First Nations, 64 amendments were recommended. The Minister received drafting authority from Cabinet in June 1996.
- In the **transfer of land management**, significant progress has been made, especially in the level of participation in the Regional Land Administration Program. An increase from 83 to 114 participating First Nations translates into a rise of 37 percent. Participation in the Land Management Delegation Program rose from 14 to 15 First Nations, an increase of 7 percent.
- The *First Nation Land Management Act* will give participating First Nations an opportunity to be part of a new land management regime that allows them greater control to manage their lands and resources. Together with the Minister, Chiefs from 13 First Nations signed a Framework Agreement on February 12, 1996. This agreement will be given effect through the *First Nation Land Management Act* and ratified by each of the participating First Nations as part of the opting-in process of community approval. The bill is anticipated to be tabled in the fall of 1996.

2.0 Northern Affairs Program

Why Are We In The Business?

The Northern Affairs Program (NAP) works to help Northerners, including Aboriginal groups, to develop political and economic institutions that will allow them to take responsibility for decisions that affect them directly. During the transition period (i.e. until the eventual transfer of responsibility to the Northern governments), the program's responsibilities are to protect and rehabilitate the northern environment; to resolve and implement land claims agreements; and to manage the sustainable development of the North's natural resources in a manner that will generate jobs and economic wealth.

What Are We Doing To Achieve Results?

Managing federal interests by:

- **Building strong northern public governments** through the creation of Nunavut, supporting western constitutional development, and devolving provincial-type responsibilities;
- **Sustaining healthy communities** through the provision of funding for activities such as health care contributions in the Northwest Territories, the continued delivery of the Northern Air Stage (food mail) Program, the provision of regional economic development assistance, and infrastructure programs;
- **Implementing land claim agreements;** and
- Promoting northern scientific research throughout Canada and **strong international Arctic relationships.**

Ensuring sustainable development by:

- Effectively **managing and assisting in the development of the North's natural resources**, including water, lands, forests, minerals, and oil and gas, resources which are normally managed by the provinces; and,
- **Protecting the Arctic environment** through the delivery of the Arctic Environmental Strategy (AES) and the circumpolar Arctic Environmental Protection Strategy (AEPS).


Supporting program management by:

- Providing advice and managerial and administrative support to the NAP.

How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Managing Federal Interests	51,072	90,042	70,188	86,949	78,701
Sustainable Development	47,374	54,612	65,488	76,641	64,683
Program Management	15,523	14,436	17,167	5,647	17,076
Total	113,969	159,090	152,843	169,237	160,460

1995-96 Commitments

- Build strong northern public governments and strong healthy communities
- Pursue northern sustainable development
- Protect the Arctic environment
- Transfer administration of the Transfer Payments to the Territorial Governments Program to the Department of Finance



What Did We Accomplish in 1995-96?

Managing Federal Interests

NAP has made significant progress in **building strong northern public governments** through the implementation of the *Nunavut Act*, which will culminate in the division of the Northwest Territories (N.W.T.) into two separate territories on April 1, 1999. On December 11, 1995 a public vote in Nunavut led to the selection of Iqaluit as the capital of the new territory. The federal government has committed funding for the next three years to recruit and train a Nunavut public service and to build an essential infrastructure.

In the western N.W.T., the Government of the Northwest Territories (GNWT) is working with the Aboriginal leadership to create a constitution for the new western territory that will be created in April 1999. DIAND is supporting this process.

In the Yukon, consultations are under way for the devolution of all of DIAND's remaining provincial-type responsibilities to the Yukon Government by April 1998, including the management of forestry, minerals, land, and water resources. Similar discussions have begun with the GNWT.

NAP is committed to **sustaining healthy communities**. During the past two years, NAP has fostered regional economic development through the delivery of the Canada/Yukon and Canada/N.W.T. **Economic Development Agreements**. These cost-shared agreements have strengthened and diversified the leading economic sectors in each territory.

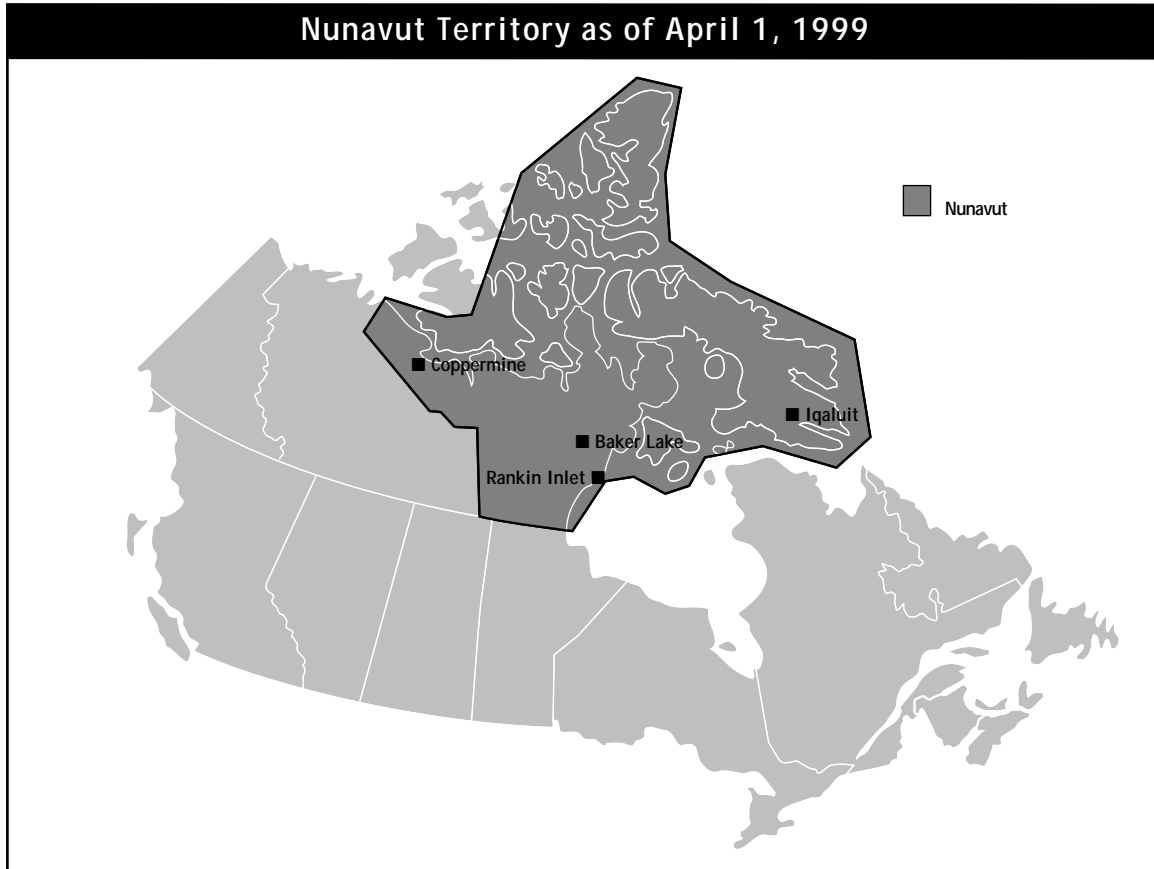
Many northern communities lack year-round surface transportation, necessitating the transport of perishable foods such as fruits and vegetables by air. Because the resulting high costs of these foods are often unaffordable, the

Nunavut is the Inuktitut word for "our land." There have been discussions since the 1960s concerning the division of the N.W.T. into two distinct areas. The *Nunavut Act*, which received Royal Assent on June 10, 1993, established the legal framework to do just that. Nunavut will come into being on April 1, 1999.

Nunavut will have similar powers to those of the current territorial governments. It will have an elected Legislative Assembly, a Cabinet, a territorial court, and a public service.

Establishing the new government will give the largely Inuit population an opportunity to develop skills, make decisions that respond to their unique needs, and build a new economy. Preparatory activities over the next four years will likely lead to the creation of 3,400 jobs: 600 in the new territorial public service, 200 in the private sector, 1,400 in the construction industry, and 1,200 in southern Canada.

Nunavut Territory as of April 1, 1999



health of northern residents is jeopardized. The principal objective of the **Northern Air Stage Program** is to reduce the cost of nutritious perishable food and other essential items, thereby improving nutrition and well-being in isolated northern communities. Following a comprehensive departmental review and consultation process carried out in 1995, the Minister announced that the Northern Air Stage Subsidy Program would continue, supported by annual, federal investments of \$15.6 million. Six provinces and both territories benefit from the program.

As a result of the 1994 Program Review Phase I, administration of the **Transfer Payments to the Territorial Governments** Program (Formula Financing Agreements) was transferred to the Department of Finance on June 2, 1995.

NAP is partially responsible for **implementing land claim agreements** in the North. As part of final land claim agreements, NAP must

draft a number of complex bills, based on a co-management or partnership approach to resource management. In 1995, Parliament passed the *Yukon Surface Rights Act*, one of five pieces of legislation to be completed by the end of 1998-99. The others are the *Nunavut Waters Act* (Bill C- 51), the *Mackenzie Valley Resource Management Act*, the *Nunavut Surface Rights Tribunal Act*, and the Yukon Development Assessment Process.

Canada is working with seven other Arctic states to establish a high-level permanent **Arctic Council**, thereby **promoting strong international Arctic relationships**. This intergovernmental forum will give these states and Arctic peoples (indigenous and non-indigenous) an opportunity for cooperation, coordination, and interaction on common issues. Such issues include not only environmental concerns, but economic and social development, health conditions, and cultural well-being. The

initiative, announced in September 1996, is supported by DIAND. The department participated in meetings of the senior Arctic officials who have been negotiating terms of reference for the council's establishment.

Sustainable Development

NAP is responsible for pursuing sustainable development in the North, including the management of northern lands, water, minerals, and oil and gas resources. Its responsibilities, which are analogous to those administered by provinces in resource development, include administering the related acts and regulations, including:

- processing applications for permits and leases from companies, communities and individuals for development rights for such things as mineral leases, water permits and land use permits among others;
- administering rights in good standing;
- inspecting to ensure compliance with the terms and conditions of these rights; and,
- collecting baseline data on water, lands and forests.

During 1995-96, NAP made significant progress in its provincial-type responsibilities. For example:

- During 1994 and 1995, NAP played a key role in the bankruptcy sale and re-opening of the **mine at Faro, Yukon**, now under the ownership of Anvil Range Mining Corporation. This activity resulted in jobs and growth for the Yukon economy, the completion of an agreement on environmental reclamation, and the recovery of royalties owed to the Crown. During the same period, the NAP managed enormous mineral staking rushes in both the Yukon and N.W.T., including significant diamond discoveries.
- In order to provide authority for revisions to the Mining Land Use Regulations, legislation to amend the *Yukon Quartz Mining Act* and the *Yukon Placer Mining Act* (Bill C-6), was introduced in the House of Commons on March 6, 1996. These new regulations will provide an **environmental screening process** for Yukon mining activities. The Canada Mining Regulations are being reviewed to amend the **administrative and royalty regimes** for mining in the N.W.T.

Throughout 1995-96, substantial efforts were focused on diamond development in the N.W.T. As a result, on August 8, 1996, the Minister announced the acceptance of the environmental review of the Broken Hill Proprietary (BHP) Diamonds Inc. Project, giving it the go-ahead to proceed with the work required to obtain the permits and licenses needed for the construction and operation of the multi-billion dollar Northwest Territories mine.

Before issuing major licences, the Minister will review progress on the negotiation of both an environmental agreement and impact benefit agreements between BHP Diamonds Inc. and the affected Aboriginal groups. The federal and N.W.T. governments, Aboriginal groups, and other interested parties will work together to create a protected areas strategy by the end of 1998.

BHP expects the mine to add some \$6.2 billion to the Canadian GDP during its expected lifetime (25 years). Sixty percent of this addition will be in the form of wages and benefits. BHP expects the mine to employ 1,000 people during the construction period and roughly 830 in mine operations, with another 640 jobs in spin-off employment. Direct and indirect earnings will contribute an average of \$39 million per year to the territorial economy.

- Amendments to the **Yukon Timber Regulations** have introduced a reforestation charge, set eligibility criteria for commercial timber permits, and increased the stumpage fees.
- In August 1994, the **Mackenzie corridor** was opened to oil and gas exploration for the first time in more than 25 years. Since then, 21 new exploration licences have been issued and work commitments of some \$57 million have been received from 12 petroleum exploration companies. In the Yukon, legislation to transfer control of onshore **oil and gas** to the Yukon territorial government has been drafted (Bill C-50) and was introduced in Parliament on June 6, 1996.
- NAP used the department's **Internet website** to provide up-to-date information in a cost-effective manner, in an effort to attract private sector investment to the North.

NAP's responsibility to **protect the Arctic environment** is exercised both nationally, through the Arctic Environmental Strategy (AES), and internationally, through the Arctic Environmental Protection Strategy (AEPS). NAP has taken the lead on northern environmental protection and remediation.

Contamination of the Arctic is largely the result of the long-range transport of airborne pollutants. Persistent organic pollutants (POPs) from temperate and southern latitudes can have serious long-term health consequences for Northerners, especially when these compounds build up in the meat of traditional game animals and fish (country foods). NAP is leading the effort to establish an agreement to control POPs under the United Nations Economic Commission for Europe Convention

on Long Range Transboundary Air Pollution. NAP continues its pursuit of a global action plan on POPs, as proposed by the United Nations Environment Program. NAP has chaired the AEPS senior officials' meetings during the past two years and organized the International AEPS Ministers' meeting in March 1996. NAP continues to educate Northerners about their environment, communicating the comparative risks and benefits of consuming country foods, so that Northerners can make informed decisions.

In March 1995, the five Aboriginal partners evaluated the AES, and found that the program facilitated community decision making and created jobs and was a real example of partnership in action. As well, in February 1996, the second of two **Environmental Audits of Activities Associated with Mining** in the Yukon and the N.W.T found that DIAND was in compliance with all environmental- and mining-related legislation; however, the delivery process could be improved. As a result, a comprehensive Mine Site Reclamation Policy is being developed for approval and implementation later this year.

During 1995-96, 22 priority **hazardous waste sites** in the Yukon and N.W.T. were cleaned up; another 12 were assessed, and 2 detailed remediation plans were developed. Close to 90 percent of waste cleanups used local contractors and community labour. To date, 477 sites have been cleaned up, 215 sites still require detailed assessments, and 481 sites have been declared non-hazardous. The process of assessment and clean-up considers sites with potential health or safety risks, the department's legal and land claim obligations, and the department's ability to manage any associated environmental risks.

In 1995-96, the Arctic Environmental Strategy (AES) underwent an independent program evaluation that cited the program as "one of the federal government's most significant accomplishments to date north of 60°," The report will be tabled in the fall of 1996. The skills that AES has transferred to communities will put them in a better position to control their own resources and environment. The program improved Canada's knowledge of the land, water, and other resources, allowing for more accurate assessment of possible environmental impacts.

3.0 Administration Program



Why Are We In The Business?

The Administration Program supports DIAND’s operating programs, providing policy direction and coordination and central advisory services. It is responsible for administrative services and guidance in finance, human resources, and technical services. It provides liaison with Parliament, Cabinet policy committees, other federal departments, and other levels of government. Its functions include strategic and financial planning, informatics, material management, and ministerial correspondence and briefings. The program also conducts evaluations and internal audits in accordance with Treasury Board policy. The expected result is the provision of the guidance and support necessary to attain the objectives outlined in the Framework for Action, the Department’s Business Plan, and the Program Review exercise.



What Are We Doing To Achieve Results?

- **Executive Direction** responds to the Minister’s priorities and answer the needs of clients, Parliament, Cabinet, central agencies and departmental managers. It deals with financial and human resource management, results accountability, and ministerial correspondence.
 - **Corporate Policy’s** role is to manage the department’s long-term strategy and related policy agendas in its relationships with First Nations, other federal departments, provinces and territories, and Aboriginal organizations.
- It is also responsible for the department’s legislative agenda, the communications program, and specific policy initiatives.
- **Corporate Services** is responsible for expenditure, management, and review processes and for a variety of services (financial management and administration, information management, human resources, general administration, engineering, and internal audit and program evaluation). Its aim is to make operations efficient, effective and accountable.

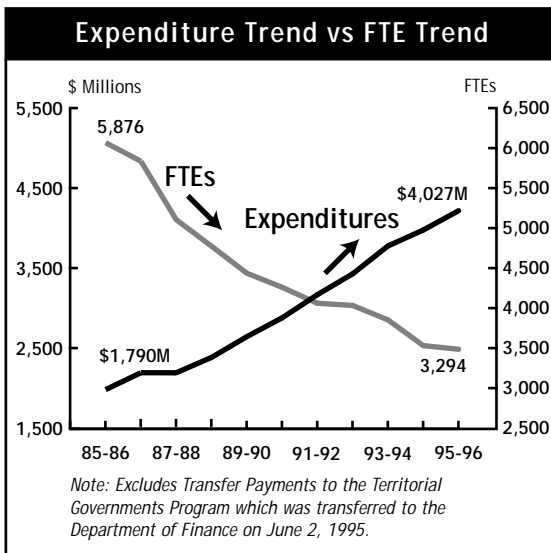
How Much Did It Cost? (\$ thousands)					
Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Executive Direction	7,275	5,679	5,625	6,939	4,982
Corporate Policy	10,373	11,746	16,910	16,045	18,456
Corporate Services	56,072	52,105	50,796	47,821	54,060
Total	73,720	69,530	73,331	70,805	77,498

1995-96 Commitments

- Increase continuous learning
- Streamline department
- Promote Aboriginal work force participation
- Support Manitoba First Nation representatives gaining experience in federal government
- Manage change

What Did We Accomplish in 1995-96?

Improved Operations: Over the last decade, DIAND has rigorously pursued streamlining and efficiency measures. It has lowered its administrative overhead from 7 percent of the total budget in 1985-86 to 3.2 percent in 1995-96. The department will also reduce Full-Time Equivalents (FTEs) from about 5,900 in 1985-86 to fewer than 3,000 by 1998-99.



Treasury Board Authorities Confirmed for New Financial Transfer Arrangements: DIAND has worked with the Treasury Board Secretariat and Office of the Auditor General to develop a clear and shared understanding of federal accountability requirements. This understanding forms a sound basis for our work with First Nations to strengthen accountability, in ways that meet federal requirements, yet are meaningful at the community level.

Aboriginal Workforce Participation

Enhancement: In December 1995, Minister Irwin approved the enhancement of the Aboriginal Workforce Participation Initiative (AWPI) including the appointment of 10 full-time Aboriginal AWPI coordinators. One coordinator in each region will work directly with employers and regional Aboriginal organizations to promote Aboriginal employment. This initiative is entirely funded within DIAND's existing reference levels. To date, DIAND has been involved in over 75 AWPI initiatives, including:

- the Partnership for Economic Growth Conference for some 500 individuals;
- the Summer Engineering Camp with Concordia University, which, in the last two years, welcomed 70 Aboriginal students from various Indian and Inuit communities;
- training and hiring agreements with the Canadian Broadcasting Corporation (CBC) and with Allouette Aluminum; and
- the 1995 Aboriginal Career Symposium, promoting the idea of a video conference between participants in Ottawa and Inuvik. Live broadcast of the event was telecast to over 144 communities north of the 60th parallel.
- Aboriginal employment rate within DIAND now at 22 percent compared to 20 percent two years ago.

Managing Change

Two of DIAND's major objectives involve managing change: changing the relationship between the Government of Canada, First Nations and territorial governments, and changing DIAND's way of doing business.

An extremely challenging and critical aspect of managing change is the need for the department and First Nations – like all Canadians – to adapt to new fiscal realities. To date, we have been successful in reducing growth in expenditures with the Indian and Inuit Affairs Program to about 6 percent in 1995-96, compared to growth rates of 12 percent as recently as 1989-90. This has been accomplished through rigorous monitoring and compliance measures and by mirroring reductions to provincial programs.

DIAND has taken steps through a variety of programs – such as the housing pilot project, the settlement of claims, co-management of natural resources, and the Aboriginal procurement program – to support economic development and increase the self-reliance of First Nations. Service standards and related accountability provisions at the First Nations level and appropriate reporting to the Government of Canada have strengthened the various governmental relationships which exist within First Nations and between them and the federal government. DIAND is working with First Nations to identify and communicate effective practices that allow other First Nations to take advantage of particular experiences and innovative practices.

DIAND has taken a number of steps to improve its way of doing business. In 1995-96, the department launched an initiative known as "Resourcing Our Priorities" (ROP) to ensure that its resources were most effectively devoted to high priorities and essential responsibilities. Staff identified resources that could be reallocated to areas such as self-government and claims. The ROP exercise also identified functions that lend themselves to new partnership arrangements with First Nations and territorial governments. Finally, ROP launched projects to improve the department's transactions with First Nations and internal efficiency.

A key aspect of changing DIAND's way of business has been greater openness of communication – with First Nations, territorial governments and the public, and within the department itself. For instance, the department has adopted a policy of releasing its audits and evaluations. Similarly, the department's business plan has been widely distributed. E-mail and computer links both within the department and with First Nations have led to more efficient exchange of information and key planning documents, such as the department's business plan and Estimates documents, are available at our website address (<http://www.inac.gc.ca/>).

For many years, DIAND has led the way in forging new partnerships and alternative service delivery mechanisms with other levels of government through its devolution initiatives, initiatives which are now largely complete south of the 60th parallel. In 1995-96, the management of most of the Cultural Education Centres program came under the control of First Nations. The Mohawk Trading Post, a First Nations enterprise, became the major supplier to DIAND's headquarters operations and other federal departments sharing the Terrasses de la Chaudière complex in Hull. At headquarters and in several regions, DIAND has taken the lead to share services with other government departments, striving for maximum efficiency. The department will have fully devolved its responsibilities for the Yukon by March 1998; and we are developing options to complete devolution to the Government of the Northwest Territories.

The culture of the department is changing as a result of a number of major initiatives. The renewed employment equity program commits the department to filling 50 percent of vacancies with Aboriginal people. This will increase Aboriginal representation to 24 percent of the department's complement by 1998-99. Another means of revitalizing the department is through the Bridging the Gap program which provides a better working environment for women in support groups. Given the continuing and gradual winding down of the department, a career management program has been introduced to expand the scope of employee developmental opportunities.

4.0 Canadian Polar Commission

Why Are We In The Business?

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

What Are We Doing To Achieve Results

The Commission consists of a seven-member Board of Directors headed by a full-time chairperson and supported by a small administrative staff. The Commission works

closely with universities and research institutes, Aboriginal organizations, industry, and government departments and agencies in Canada and abroad.

How Much Did It Cost? (\$ thousands)

Activity	Actuals 1991-92	Actuals 1992-93	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Canadian Polar Commission	860	1,134	1,113	1,053	1,054

What Did We Accomplish in 1995-96?

The presence of contaminants in the Arctic ecosystem is a serious concern to northerners. The Commission therefore concentrated its efforts on examining the contaminants issue and preparing for its national conference on Arctic contaminants. The conference, entitled *For Generations to Come*, will be held in Iqaluit on October 8-10, 1996. The Commission has worked with Aboriginal organizations, representatives from government and environmental groups, to set priorities and objectives for the conference. In addition, members of the Board of Directors of the Commission held meetings with residents of

the Deh Cho/South Slave region, discussing community concerns and specific research needs, some of which will be addressed at the Iqaluit conference.

In keeping with its advocacy role on behalf of the Canadian polar scientific community, the Commission released a paper entitled *Toward a Policy for Canadian Polar Science and Technology*, which recommended a policy for polar science and technology. The paper stresses the need for a clear federal commitment to polar science.

The Commission sponsored a meeting of Members of Canada's Antarctic research community to establish an Antarctic research program and fulfil Canada's international commitment in the Antarctic. As a result, a

report (*Toward a Canadian Antarctic Research Program*) was prepared. The Commission agreed to assist with a regular publication on Antarctic research activities.

Members of the Commission appeared before a meeting of the House of Commons Standing Committee on Environment and Sustainable Development held in Iqaluit, and presented a brief calling for a number of changes to the *Canadian Environmental Protection Act*. Many of the issues raised by the Commission were addressed in the Committee's report to Parliament.

The first issue of the Commission's newsletter *Meridian* was published in the fall of 1995, covering issues of importance and interest to all northerners and organizations.

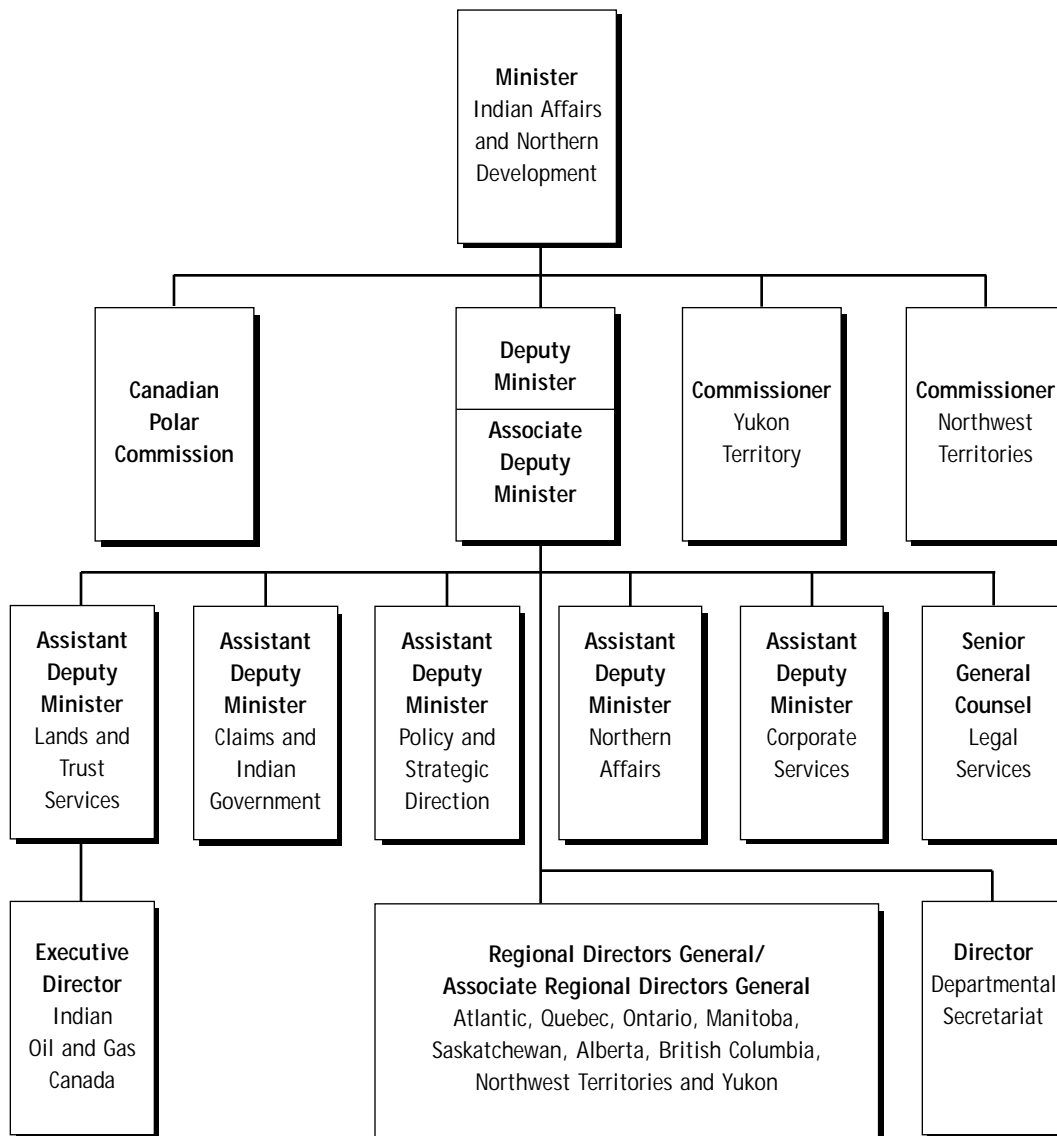
The Commission's Board of Directors met at Trout Lake N.W.T., in order to set directions for the next four to five years. A comprehensive Canadian Polar Information System was re-evaluated because of the lack of federal funding. The result was the establishment of a small-scale but focussed Polar Research Directory and web site.

Section V

Supplementary Information

1.0 Organization

1.1 Organization Chart



1.2 Personnel Requirements

Personnel Requirements (Full Time Equivalents)			
Summary by Business Line/Activity	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Business Lines/Activities			
Claims	144	234	250
Indian and Inuit Programming	2,286	1,895	1,746
Northern Affairs	583	592	536
Administration	648	619	762
Canadian Polar Commission	6	6	6
Total	3,667	3,346	3,300
Summary by Professional Category	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Order-in Council Appointments	7	7	7
Executive Group	171	137	148
Scientific and Professional	415	296	330
Administrative and Foreign Services	1,758	1,647	1,687
Technical	212	227	206
Administrative Support	975	880	803
Operational	49	72	45
Other	80	80	74
Total	3,667	3,346	3,300

2.0 Further Financial Information

2.1 Revenues to the Consolidated Revenue Fund

Revenues to the Consolidated Revenue Fund			
(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Claims			
Return on investments:			
• Inuvialuit Regional Corporation	3,810	–	–
• Native Claimants	–	4,918	7,140
Other non-tax revenue	–	8,940	9,465
Sub-total (Claims)	3,810	13,858	16,605
Indian and Inuit Programming			
Goods and Services Tax	181	261	260
Return on investments:			
• Indian economic development fund	933	1,198	905
Recovery from guaranteed loans	967	1,114	361
Refunds of previous years' expenditures	5,372	6,154	5,027
Adjustments of Prior Year's Payables at Year End	1,401	4,761	5,993
Privileges, licences and permits	404	263	240
Services and service fees	–	–	22
Proceeds from:			
• Sales	346	428	505
• Disposal of surplus Crown Assets	66	71	89
Other non-tax revenue	132	104	558
Sub-total (Indian and Inuit Programming)	9,802	14,354	13,960
Northern Affairs			
Goods and Services Tax	36	35	43
Return on investments:			
• Norman Wells Project profits	30,375	30,205	99,766
• Other	3,262	2,006	3,770
Refunds of previous years' expenditures	299	4,200	1,980
Adjustments of Prior Year's Payables at Year End	894	730	100
Canada mining	3,987	3,063	7,280
Yukon quartz mining	765	713	5,817
Placer mining fees	219	227	237
Quarrying royalties	101	98	152
Coal leases	20	39	4
Metallic and non-metallic	53	53	64

(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Oil and gas royalties	7,280	7,606	7,660
Oil and gas forfeitures	4	972	10,849
Forestry	94	112	1,846
Land, building and machinery rentals	471	456	487
Land use fees	181	119	101
Other fees, rentals, licences	17	23	17
Living accommodations and services	739	629	575
Proceeds from:			
• Sales	141	116	157
• Disposal of surplus Crown Assets	91	11	32
Other non-tax revenues	90	12	8
Sub-total (Northern Affairs)	49,119	51,425	140,945
Administration			
Refunds of previous years' expenditures	36	28	55
Adjustments of Prior Year's Payables at Year End	21	33	89
Living accommodations and services	5	–	17
Services and service fees	5	24	3
Proceeds from disposal of surplus Crown Assets	1	–	4
Other non-tax revenues	4	1	1
Sub-total (Administration)	72	86	169
Transfer Payments to Territorial Governments Program			
Adjustment of Prior Year's Payables at Year End	–	2,219	–
Total Revenues	62,803	81,942	171,679

2.2 Capital Expenditures

Capital Expenditures			
Summary by Business Line/Activity			
(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Business Lines/Activities			
Claims	–	537	732
Indian and Inuit Programming	388,247	454,399	553,936
Northern Affairs	3,787	2,156	2,485
Administration	1,328	1,041	1,373
Total	393,362	458,133	558,526

2.3 Transfer Payments

Transfer Payments			
Summary by Business Line/Activity			
(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Grants by Business Lines/Activities			
Claims	294,170	274,573	286,140
Indian and Inuit Programming	162,100	150,182	155,357
Northern Affairs	907	907	2,545
Administration	–	–	–
Transfer Payments to the Territorial Governments	1,055,562	1,195,795	1,195,689
Canadian Polar Commission	–	–	–
Sub-total (Grants)	1,512,739	1,621,457	1,639,731
Contributions by Business Lines/Activities			
Claims	23,571	27,043	37,049
Indian and Inuit Programming	2,622,330	2,886,845	3,117,278
Northern Affairs	59,411	78,149	65,919
Administration	458	458	458
Transfer Payments to the Territorial Governments	–	–	–
Canadian Polar Commission	17	21	20
Sub-total (Contributions)	2,705,787	2,992,516	3,220,724
Total (Transfer Payments)	4,218,526	4,613,973	4,860,455

2.4 Statutory Payments

Statutory Payments			
Summary by Business Line/Activity			
(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Claims			
Grant to the Inuvialuit Regional Corporation under the <i>Western Arctic (Inuvialuit) Claims Settlement Act</i>	20,000	20,000	20,000
Payment to the Sahtu Dene and Metis Land Claim Settlement	–	13,395	5,781
Payment to the Yukon First Nations Land Claim Settlement	–	16,993	10,016
Payment to Aboriginal organizations designated to receive claim settlement payments pursuant to Comprehensive Land Claim Settlement Acts	–	–	80,107
Contributions to employee benefit plans	1,042	1,417	2,034
Indian and Inuit Programming			
Forgiveness of loans issued from Indian housing assistance account	132	86	51
Liabilities in respect of loan guarantees made to Indians for housing and economic development (<i>Indian Act</i>)	624	447	51
Indian annuities (<i>Indian Act</i>)	1,546	1,556	1,600
Payment from the Consolidated Revenue Fund of guaranteed loans issued out of the Indian economic development account	52	205	29
Contributions to employee benefit plans	14,977	13,584	11,664
Court awards	103	103	103
Spending of proceeds from the disposal of surplus Crown assets	–	64	127
Northern Affairs			
Payments to comprehensive claim beneficiaries in compensation for resource royalties	402	569	1,745
Contributions to employee benefit plans	4,330	4,424	4,495
Refunds of amounts credited to revenue in previous years	391	529	410
Spending of proceeds from the disposal of surplus Crown Assets	18	11	30
Administration			
Minister of Indian Affairs and Northern Development – Salary and motor car allowance	46	49	49
Contributions to employee benefit plans	3,986	3,855	3,634
Spending of proceeds from the disposal of surplus Crown assets	–	1	3
Total	47,649	77,288	141,929

2.5 Loans and Investments

Loans and Investments			
Summary by Business Line/Activity			
(thousands of dollars)	Actuals 1993-94	Actuals 1994-95	Actuals 1995-96
Business Lines/Activities			
Claims			
Loans to native claimants in accordance with terms and conditions approved by the Governor in Council for the purpose of defraying costs related to research, development and negotiation of claims	27,020	25,034	24,597
Loans to the Council of Yukon Indians for interim benefits to the Yukon Elders	1,200	1,155	790
Loans to First Nations in British Columbia for the purpose of supporting First Nations' participation in the British Columbia Treaty Commission process	–	14,866	16,394
Indian and Inuit Programming			
Loans – construction of houses (net)	(100)	(282)	(110)
Loans and loan guarantees through the Indian Economic Development Account (net)	(905)	(10,867)	(2,852)
Northern Affairs			
Provision of Inuit Loan Fund for loans to Inuit to promote commercial activities (net)	(117)	(696)	(795)
Loans for the establishment or expansion of small businesses in the Yukon Territory through the Yukon Territory Small Business Loans Account (net)	–	(89)	(136)
Total	27,098	29,121	37,888

2.6 Financial Summary by Vote Appropriation (Public Accounts)

Financial Summary by Vote Appropriation		
Vote (thousands of dollars)	1995-96 Main Estimates	1995-96 Actuals
Indian Affairs and Northern Development		
Department		
<i>Administration Program</i>		
1 Program expenditures	39,128	43,282
(S) Minister of Indian Affairs and Northern Development – Salary and motor car allowance	49	49
(S) Spending of proceeds from the disposal of surplus Crown assets	–	3
(S) Contributions to employee benefit plans	3,461	3,634
<i>Total Program</i>	42,638	46,968
<i>Indian and Inuit Affairs Program</i>		
5 Operating expenditures	197,331	198,971
6b To write-off from the Accounts of Canada, certain debts and obligations due to Her Majesty in right of Canada	–	2,668
10 Capital expenditures	5,343	7,828
15 Grants and contributions	3,528,728	3,478,320
(S) Grassy Narrows and Islington Bands Mercury Disability Board	15	–
(S) Forgiveness of loans issued from Indian housing assistance account	–	51
(S) Liabilities in respect of loan guarantees made to Indians for Housing and Economic Development	2,000	51
(S) Indian Annuities	1,400	1,600
(S) Grant to Inuvialuit Regional Corporation under the <i>Western Arctic (Inuvialuit) Claims Settlement Act</i>	20,000	20,000
(S) Grants to Aboriginal organizations designated to receive claim settlement payments pursuant to Comprehensive Land Claim Settlement Acts	85,887	80,107
(S) Payment from the Consolidated Revenue Fund of guaranteed loans issued out of the Indian Economic Development Account	–	29
(S) Payment to the Sahtu Dene and Métis Land Claim Settlement	–	5,781
(S) Payment to the Yukon First Nations Land Claim Settlement	–	10,016
(S) Contributions to employee benefit plans	13,045	13,698
(S) Court awards	–	103
(S) Spending of proceeds from the disposal of surplus Crown assets	–	127
Total Budgetary	3,853,749	3,819,350
L15 Loans for the construction of houses through the Indian Housing Assistance Account	–	(110)
L20 Loans and guarantees of loans through the Indian Economic Development Account	–	(2,852)
L20 Loans to Native claimants	25,226	24,597

Vote (thousands of dollars)	1995-96 Main Estimates	1995-96 Actuals
L25 Loans to Yukon Elders	977	790
L30 Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission process Item not required	19,300	16,394
(S) Loans to the Inuvialuit Regional Corporation in respect of the <i>Western Arctic (Inuvialuit) Claims Settlement Act</i>	30,000	–
Total Non-Budgetary	75,503	38,819
<i>Total Program</i>	3,929,252	3,858,169
<i>Northern Affairs Program</i>		
35 Operating expenditures	74,616	69,152
36b To write-off from the Accounts of Canada, certain debts and obligations due to Her Majesty in right of Canada	–	538
40 Grants and contributions	55,503	66,719
45 Payments to Canada Post Corporation	13,105	17,371
(S) Payments to comprehensive claim beneficiaries in compensation for resource royalties	1,395	1,745
(S) Contributions to employee benefit plans	4,281	4,495
(S) Refunds of amounts credited to revenues in previous years	–	410
(S) Spending of proceeds from the disposal of surplus Crown assets	–	30
Total Budgetary	148,900	160,460
L55 Provision of Inuit Loan Fund for loans to Inuit to promote commercial activities	–	(795)
L81a Loans for the establishment or expansion of small businesses in the Yukon Territory through the Yukon Territory Small Business Loans Account	–	(136)
Total Non-Budgetary	–	(931)
<i>Total Program</i>	148,900	159,529
<i>Transfer Payments to the Territorial Governments Program</i>		
Appropriation not required		
50 Transfer payments to the Government of the Northwest Territories and to the Government of the Yukon Territory	1,216,397	1,195,689
<i>Total Program</i>	1,216,397	1,195,689
Total Department	5,337,187	5,260,355
Canadian Polar Commission		
55 Program expenditures	1,003	1,006
(S) Contributions to employee benefit plans	48	48
Total Agency	1,051	1,054

Note: The Transfer Payments to the Territorial Governments is now displayed in the Federal-Provincial Transfer Payments Program of the Department of Finance.

3.0 Contingent Liabilities

Contingent Liabilities	
List of Contingent Liabilities	Current Amount of Contingent Liability
Loans	
On-reserve Housing	
• CMHC and other approved lenders	\$ 865,871,709
• Farm Credit Corporation	218,389
Indian Economic Development Guarantee Fund	2,069,069
Yukon Energy Corporation	300,000
Claims and Pending and Threatened Litigation	
Litigations	4,953,477,646
Non-litigations	645,742,523
Comprehensive Native Land Claims	622,777,485
Total	\$ 7,090,456,821
Sick Leave	
<p>Employees are permitted to accumulate unused sick leave. However, such leave entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which will become payable in future years cannot reasonably be determined and accordingly have not been recorded in the information provided. Payments of sick leave benefits are included in current operations as incurred.</p>	

4.0 Statutes Administered by the Portfolio

1. *Alberta Natural Resources Act*
2. *Arctic Waters Pollution Prevention Act*
3. *British Columbia Indian Cut-Off Lands Settlement Act*
4. *British Columbia Indian Lands Settlement Act*
5. *British Columbia Indian Reserves Mineral Resources Act*
6. *British Columbia Treaty Commission Act*
7. *Canada Lands Surveys Act*
8. *Canada Oil and Gas Operations Act*
9. *Canada Petroleum Resources Act*
10. *Canadian Polar Commission Act*
11. *An Act respecting the Caughnawaga Indian Reserve and to amend the Indian Act*
12. *Condominium Ordinance Validation Act*
13. *Cree-Naskapi (of Quebec) Act*
14. *Department of Indian Affairs and Northern Development Act*
15. *Dominion Water Power Act*
16. *Fort Nelson Indian Reserve Minerals Revenue Sharing Act*
17. *Grassy Narrows and Islington Indian Bands Mercury Pollution Claims Settlement Act*
18. *Gwich'in Land Claim Settlement Act*
19. *Indian Act*
20. *Indian Lands Agreement (1986) Act*
21. *Indian Oil and Gas Act*
22. *Indian (Soldier Settlement) Act*
23. *James Bay and Northern Quebec Native Claims Settlement Act*
24. *Land Titles Repeal Act*
25. *Manitoba Natural Resources Act*
26. *Manitoba Supplementary Provisions Act*
27. *Natural Resources Transfer (School Lands) Amendment Act, 1961*
28. *An Act to confirm an Agreement between the Government of Canada and the Government of the Province of New Brunswick respecting Indian Reserves*
29. *An Act to amend the National Parks Act and to establish a National Park in the Province of Newfoundland*
30. *Northern Canada Power Commission (share Issuance and Sale Authorization) Act*
31. *Northern Canada Power Commission Yukon Assets Disposal Authorization Act*
32. *Northwest Territories Act*
33. *Northwest Territories Waters Act*
34. *An Act to confirm an Agreement between the Government of Canada and the government of the Province of Nova Scotia respecting Indian Reserves*
35. *Nunavut Act*
36. *Nunavut Land Claims Agreement Act*
37. *Pictou Landing Indian Band Agreement Act*
38. *Railway Belt Act*
39. *Railway Belt and Peace River Block Act*
40. *Railway Belt Water Act*
41. *St. Peters Reserve Act*
42. *St. Regis Islands Act*
43. *Sahtu Dene and Metis Land Claim Settlement Act*
44. *Saskatchewan Natural Resources Act*
45. *Saskatchewan Treaty Land Entitlement Act*
46. *Sechelt Indian Band Self-Government Act*
47. *An Act for the Settlement of certain questions between the Governments of Canada and Ontario respecting Indian Reserve Lands*
48. *An Act respecting the Songhees Indian Reserve*
49. *Split Lake Cree First Nation Flooded Land Act*
50. *Territorial Lands Act*
51. *Waterton Glacier International Peace Park*
52. *Western Arctic (Inuvialuit) Claims Settlement Act*
53. *Yukon Act*
54. *Yukon First Nations Land Claims Settlement Act*
55. *Yukon First Nations Self-Government Act*
56. *Yukon Placer Mining Act*
57. *Yukon Quartz Mining Act*
58. *Yukon Surface Rights Board Act*
59. *Yukon Waters Act*

5.0 Additional Information

5.1 Evaluation Reports

Completed Audit/Evaluation Projects – 1995-96			
Project #	Project Name	Completion Date ¹	DAEC ²
Audit Projects			
93/06-2	Environmental Management-Mining (LTS)	March 1995	July 5, 1995
93/06-3	Environmental Management-Mining (NWT)	December 1995	February 29, 1996
94/01	Waste Management: Code of Environmental Stewardship	July 1995	October 19, 1995
94/06	Self-Assessment of Funding Management	April 1995	July 5, 1995
94/08	Study of Management Practices (Atlantic, Ontario and British Columbia)	September 1995	October 19, 1995
94/10	Informatics and EDP Consolidation	January 1996	February 29, 1996
94/12	Review of DRMS Interface	November 1995	February 29, 1996
94/33	Year-End Expenditures	June 1995	July 5, 1995
Evaluation Projects			
93/02-2E	Canada/Yukon Economic Development Agreement	February 1996	February 29, 1996
93/08E	First Nations Child and Family Services – Phase 1	August 1995	October 19, 1995
93/10E	Sechelt Self-Government Agreement	September 1995	February 29, 1996
93/13E	Socio-Economic Indicators in Indian Reserves and Comparable Communities	June 1995	July 5, 1995
94/18	Employment Equity Plan Implementation	June 1995	July 5, 1995
94/35	Arctic Environmental Strategy – Framework	June 1995	N/A

¹ As per date on the report

² DAEC – Departmental Audit and Evaluation Committee

5.2 References

Indian Affairs and Northern Development

Other departmental information and publications can be obtained from:

Publications and Public Enquires
Room 1415
Les Terrasses de la Chaudiere
10 Wellington St.
Hull, Quebec
819-997-0380

Canadian Polar Commission

Suite 1710
Constitution Square
360 Albert Street
Ottawa, Ontario
K1R 7X7
613-943-8605

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