

Foreward

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan – provides an overview of federal spending and summarizes both the relationship of the Estimates to the Expenditure Plan (as set out in the Budget) and key elements of the Main Estimates;

Part II – The Main Estimates – directly supports the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and the amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March; and

Part III – Departmental Expenditure Plans – In April of 1997 the House of Commons approved a motion that split the Part III into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year time horizon. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board, on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March, referred to committees and reported back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

These measures stem from the Improved Reporting to Parliament Project which was initiated as part of the revamped Expenditure Management System announced in January, 1995. The central objective of this Project was to improve expenditure management information and accountability to Parliament. This was to be accomplished through a focus on results within a more strategic, multi-year perspective on program delivery.

Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

As part of its ongoing efforts to streamline reporting requirements, the Treasury Board of Canada Secretariat has requested that Indian and Northern Affairs Canada (INAC) and four other departments explore alternative reporting structures to this year's report on plans and priorities. It has, therefore, exempted INAC from having to follow the guidelines for the preparation of this report.

Indian and Northern Affairs Canada and Canadian Polar Commission

**1999–2000
Estimates**



Report on Plans and Priorities

The Honourable Jane Stewart, P.C., M.P.
Minister of Indian Affairs and Northern Development

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Section I

Messages

Minister's Message



As we set out our goals and objectives in this document, we remain focused on our mission: to improve the quality of life in First Nations, Inuit and Northern communities. We are making strategic, sustainable investments so that Canada will enter the 21st century as a secure society with a strong economy — and that it offers opportunity to all who live here.

To fulfill our mission, we will move ahead with *Gathering Strength — Canada's Aboriginal Action Plan*. In introducing *Gathering Strength* one year ago, we said it was a long-term plan to fix a fundamental problem: in this great land of ours, Aboriginal people lag well behind other Canadians on a great number of measures.

Through the work of the Royal Commission on Aboriginal Peoples, we have transformed the government's approach to Aboriginal issues. Rather than imposing made-in-Ottawa solutions, we have learned that we must work with Aboriginal people, and with all the elements of Canadian society. We must build the partnerships that can design and deliver the solutions that will help Aboriginal people to see a brighter, better future for themselves within our shared home.

Aboriginal people share the same goals as Canadians: excellent health care, an end to poverty, progress through innovation, and a better future for youth. By working together, we ensure that all Canadians have opportunities to get ahead in life.

A key challenge is to prepare a rapidly growing Aboriginal workforce for the 21st century economy. We will need to work together to create thousands of jobs so that Aboriginal people can take their place in the Canadian economy.

In the North, we are working to bring government closer to the people it serves. In the year ahead, Nunavut will come to life, giving eastern Arctic residents new tools to shape their future. Similarly, the Northwest Territories and Yukon will define for themselves how they intend to develop.

Over the past year, we have laid the foundation for success. In *Gathering Strength*, governments and Aboriginal organizations have worked together to create a common agenda. The private and voluntary sectors have joined our cause. Canadians have come forward to co-operate. In the North, residents are coming together to develop this country's 21st century frontier.

Canada has repeatedly won international praise as the best country in the world to live. We are working to make that a reality for all peoples in this country.

Executive Summary

The department's energies remain focused on implementing *Gathering Strength — Canada's Aboriginal Action Plan* and promoting resource-based activities such as diamond mining in the North, while finalizing preparations for the establishment of Nunavut. Nunavut will become a separate territory on April 1, 1999.

As we approach a new millennium, we are determined to renew our partnerships with First Nations and Inuit and to foster an atmosphere of mutual respect and responsibility. Strategies involve working with Aboriginal people, other federal departments, provincial and territorial governments, and both the private and voluntary sectors to meet the many challenges. First Nations and territorial governments have already assumed responsibility for delivering most social and economic programs funded by the department. Now the focus is on strengthening reliance and on building sustainable, accountable Aboriginal governments that will lead healthy, modern and strong communities.

Efforts to develop a new fiscal relationship include helping Aboriginal governments develop independent sources of revenue, strengthen accountability to constituents and develop financial standards comparable to other levels of government.

Unacceptable socio-economic conditions persist in many Aboriginal communities — for example, a high infant mortality rate on reserve, a majority of Aboriginal people living below the poverty line, a shockingly high suicide rate among Aboriginal youth. The profile of the Aboriginal population is much younger than the general population, creating enormous pressure for education, schools, housing and jobs. Over the coming year, the focus of *Gathering Strength* will ensure that our partnerships with Aboriginal organizations accelerate wealth creation and access to jobs through open, stable and accountable First Nation governments.

In the North, we will work to strengthen the economic base, promote sustainable development, safeguard the environment and develop governance systems sensitive to Aboriginal values that are in the best interests of all Canadians. A fundamental reshaping of northern societies in Yukon, western Northwest Territories and Nunavut is under way. Completing preparations for the establishment of Nunavut requires a comprehensive approach by all governments and agencies involved.

The department is under pressure to manage First Nations' land claims litigation, and is working with First Nations to establish an Independent Claims Body to facilitate negotiations to resolve grievances. This would remove the perception that Canada is acting as judge, jury and defendant in claims against itself, will ease the backlog of claims, and will provide a better alternative to litigation for First Nations to resolve historical grievances. The department is negotiating more than 80 self-government agreements representing more than half the First Nation and Inuit communities.

The Canadian Polar Commission is promoting a science and technology policy for the North. Its success will hinge on the priority assigned polar research by federal departments and agencies and on the level of support in the polar research community. A key goal during the next three years will be raised public awareness among Canadians.

The underlying message of *Gathering Strength* is that lasting solutions will only be found through partnerships and cooperation of all levels of government — Aboriginal, municipal, provincial, territorial and federal.

Management Representation Statement

I submit, for tabling in Parliament, the 1999–2000 Report on Plans and Priorities (RPP) for Indian and Northern Affairs Canada.

To the best of my knowledge the information:

- accurately portrays the department's mandate, and the plans, priorities, strategies and expected key results of the organization.
- is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*.
- is comprehensive and accurate.
- is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the RPP's production.

The planning and reporting structure on which this document has been based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Name : _____
Assistant Deputy Minister, Corporate Services

Date : February 16, 1999

Section II

Departmental Overview

Mandate and Mission

The broad mandate of **Indian and Northern Affairs Canada** (INAC) is rooted in a solid legislative base that includes the *Indian Act*, the *Department of Indian Affairs and Northern Development Act*, and legislation pertaining to the territories. This mandate is reflected in the department's mission statement:

Working together to make Canada a better place for First Nations, Inuit and Northern peoples.

Twelve federal departments and agencies, including INAC, offer programs for Aboriginal people. INAC has primary responsibility to meet the federal government's constitutional, political and legal responsibilities to First Nations, Inuit and Northerners. It carries out its broad national responsibilities in partnership with 608 First Nations, 79 tribal councils, 55 Inuit communities, two (soon to be three) territorial governments and Canada's northern population.

The department provides funding to ensure Status Indians living on reserve enjoy basic services similar to those provided to other Canadian residents by provincial, territorial and municipal governments. These services include education, housing, community infrastructure (roads, water, sewage systems), social assistance and social support services.

The department negotiates and oversees implementation of comprehensive and specific land claim settlements, promotes social and economic development, and, on behalf of the federal government, negotiates practical forms of self-government.

In Canada's North, the department assists in developing territorial governance structures, promotes economic growth, manages the sustainable development of natural resources, including land, water, minerals, oil and gas in the Northwest Territories (N.W.T.), and forest resources in Yukon, and protects the northern environment. It fosters Canadian leadership in environmental stewardship and sustainable development among circumpolar nations through the new Arctic Council, and manages federal interests, including delivery of the Northern Air Stage Program (Food Mail).

INAC's mandate encompasses the vision provided by *Gathering Strength* — *Canada's Aboriginal Action Plan*. Since the *Gathering Strength* announcement in January 1998, the department has been moving forward on the action plan's agenda with Aboriginal organizations, provinces and territories, and with other federal departments. Successful implementation will help provide tools Aboriginal people need to guide their destiny, exercise their inherent right of self-government and establish principles of good governance.

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

Strategic Objectives and Priorities

Gathering Strength — Canada's Aboriginal Action Plan outlines INAC's strategic priorities, as well as a government-wide plan to address the challenges facing Aboriginal people — the need for structural reform of the federal government's Aboriginal programming to promote self-reliance and economic development, and the need to strengthen the capacity of Aboriginal governments and organizations to run accountable, responsive systems. This long-term action plan was designed to create a more promising future for all Aboriginal people and Northerners in Canada. Its success is rooted in innovative partnerships which will lead to opportunities for Aboriginal youth, increased economic development and strong, sustainable Aboriginal communities.

Table 1 illustrates how these priorities fit within INAC's operating structure.

Table 1

Business Lines	Strategic Objectives or Priorities	1999–2000 Planned Spending (\$ Millions)
Indian and Inuit Programming/Claims	Support <i>Gathering Strength</i> by <ul style="list-style-type: none"> <input type="checkbox"/> renewing the partnerships <input type="checkbox"/> strengthening Aboriginal governance <input type="checkbox"/> developing a new, stable fiscal relationship <input type="checkbox"/> supporting strong communities, people and economies 	4,437.8
Northern Affairs	Support <i>Gathering Strength</i> by <ul style="list-style-type: none"> <input type="checkbox"/> managing federal interests <input type="checkbox"/> promoting northern sustainable development 	165.8
Administration	Support <i>Gathering Strength</i> by <ul style="list-style-type: none"> <input type="checkbox"/> finding innovative ways of doing business 	74.5
Total INAC		4,678.1*

* Includes \$4,626.9 million in budgetary funding and \$51.3 million in non-budgetary funding (figures are rounded).

The Canadian Polar Commission's strategic objectives and priorities are as follows:

Table 2

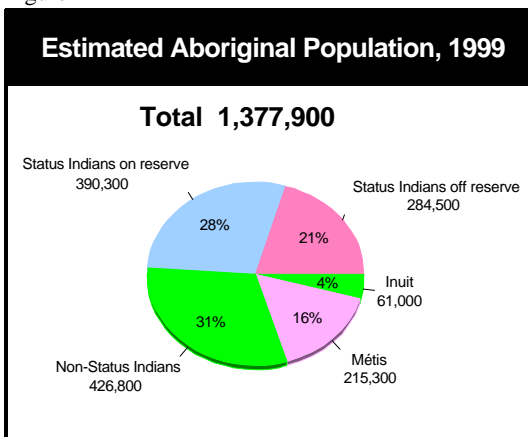
Business Lines	Strategic Objectives or Priorities	1999–2000 Planned Spending (\$ Millions)
Canadian Polar Commission	<ul style="list-style-type: none"> <input type="checkbox"/> Develop and disseminate polar knowledge <input type="checkbox"/> Raise public awareness of the importance of polar science to Canada and Canadians <input type="checkbox"/> Enhance Canada's international profile as a circumpolar nation <input type="checkbox"/> Foster science and technology in the North 	1.0

Operating Environment

Profile of Canada's Aboriginal Population

In Canada, the total **Aboriginal population** in 1999 is estimated at 1,377,900 (see Figure 1). Approximately 4.5 percent of all Canadians have Aboriginal ancestry. There are 608 First Nations, comprising 52 Nations or cultural groups with more than 50 languages. Indians on reserve represent 58 percent of the Status Indian population.

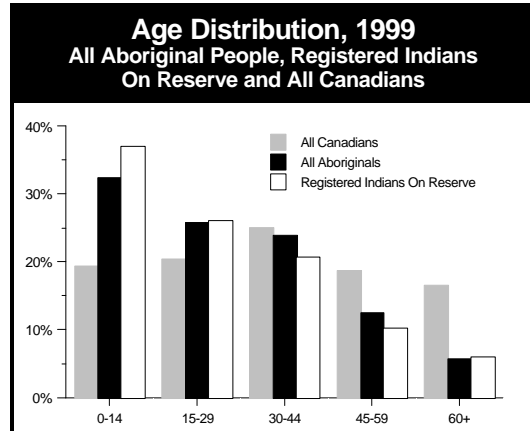
Figure 1



The on-reserve Status Indian population – projected to be 390,300 people in 1999 – is growing at a rate of 2.1 percent per year, while the off-reserve Status population is growing by 2.7 percent (or about twice the overall Canadian rate). Over the period 1999 to 2009, on-reserve and off-reserve Status Indian populations are projected to grow by 19 percent, compared with a 10 percent increase in the Canadian population.

The Registered Indian population is young, with a median age of 25, compared with a median age of 36 for all Canadians. Over 60 percent of the on-reserve population is under the age of 30 (see Figure 2).

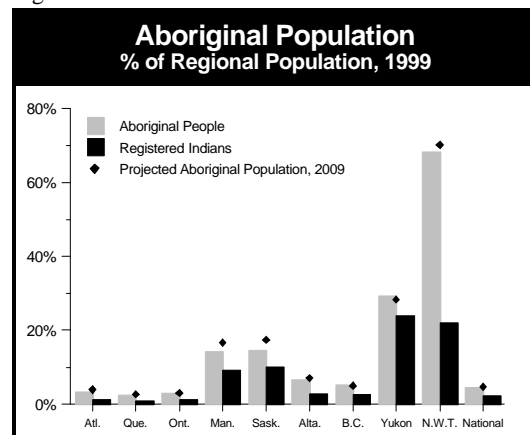
Figure 2



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

Although Aboriginal people live across Canada, there are significant concentrations in the western provinces and territories (see Figure 3).

Figure 3



It is interesting to note that 64 percent of First Nation communities have fewer than 500 residents — only five percent have more than 2,000. Thirty-six percent of on-reserve Indians live in urban zones, 44 percent in rural zones, 18 percent in special access zones and two percent in remote zones. This results in higher costs of providing services.

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

Through a formula financing agreement with the Department of Finance, the Government of the Northwest Territories (GNWT) delivers social and community programs to people, including Aboriginal people, in the N.W.T. Similar services are funded by Canada for delivery by First Nations on reserves in the south and by provinces for people off reserves. In Nunavut, the territorial government will be responsible for programs and services currently delivered by the GNWT. These programs and services include housing, community infrastructure, water and sewer services, social services and education. In Yukon, the federal government directly funds or delivers many of these programs and services for Aboriginal residents. The Yukon government delivers some programs such as elementary and secondary education.

Challenges

Gathering Strength: Over the past year, in partnership with First Nations and Inuit, we have laid the foundation for change and see clearly how we must proceed.

The challenge is to implement *Gathering Strength*, to achieve results on the broad range of initiatives that have been launched. It is also to manage the agenda in partnership with First Nations and Inuit people through effective coordination and integration of federal activities and in keeping with the principles outlined in the department's Sustainable Development Strategy.

Although progress has been made, much remains to be accomplished to improve/eliminate the **unacceptable socio-economic conditions** that exist in many First Nation communities.

In 1994, the infant mortality rate for Registered Indians on reserve was twice the Canadian rate.

According to the 1996 Census, the **income gap** between First Nation and non-Aboriginal people is widening and most Aboriginal people are at or below the Low Income Cut Off — **the poverty line**.

The **unemployment rate** in 1996 for Aboriginal Canadians was 18 percent, about twice the Canadian rate. The unemployment rate for Registered Indians living on reserve was 29 percent.

In 1993, the **suicide rates** for Registered Indian youth (ages 15 to 24) are nine times the national rates for females and five times higher for males.

Between 1975 and 1995, **life expectancy** for Registered Indians increased by 10 years for men and women, to 69 and 76 years, respectively. This compares to the overall Canadian life expectancy of 75 for men and 82 for women.

In 1996, 37 percent of Indians on reserve had more than a **high school education** compared with 31 percent in 1991. This lags behind the overall Canadian rate of 65 percent in 1996.

Social assistance dependency on reserve was 46 percent in 1997, four times the national rate.

The number of adequate **housing units** has increased from 30,633 (46 percent) in 1991–1992 to 45,153 (54 percent) in 1997–1998.

In 1977–1978, only 53 percent of houses had adequate **water supplies** and 47 percent had adequate **sewage disposal**. In 1997–1998, this increased to 97 percent and 93 percent respectively.

Overcrowding and lack of adequate **water and sewage facilities** have a direct impact on individual and community health.

Delgamuukw/Lands and Resources: INAC continues to address policy implications and uncertainty created by the Delgamuukw Supreme Court decision. The decision affects issues related to lands and resources; it confirmed there is uncertainty with respect to ownership. Delgamuukw has increased pressure on governments to conclude treaties in order to resolve the ambiguity in regions where Aboriginal rights and title have not been dealt with (i.e., British Columbia, portions of Quebec, Ontario, N.W.T. and Yukon). The decision imposes a more stringent duty to consult Aboriginal groups concerning infringements on their Aboriginal title caused by government activities, and it provides opportunities for Aboriginal people to work with provinces to get access to resources.

Specific Claims: The key challenge here is to address the government's outstanding legal obligations and to forecast and provide appropriate compensation with predictability, while maintaining Canada's relationship with First Nations. INAC is working with First Nations on creating an

Independent Claims Body (ICB) which will focus on facilitating negotiations to resolve grievances. An ICB would remove the perception that Canada is in a conflict of interest by acting as judge, jury and defendant in resolving claims against itself; improve efficiencies in the resolution process; and help address the backlog of claims within an increased settlement budget. An ICB would provide an attractive alternative to litigation for First Nations to resolve outstanding grievances.

Litigation Management: First Nations are increasingly resorting to litigation. There are currently more than 1,000 cases alleging abuse in residential schools. This places enormous pressures on INAC's resources to manage the litigation, conduct documentary research, prepare positions on settlement or trial, and manage settlement dollars.

In its action plan to address outstanding issues of concern to Aboriginal people, the Government of Canada underlined its commitment to finding proactive and timely means of dispute resolution in partnership with First Nations. This clearly requires a movement away from the adversarial, costly and very time-consuming process of litigation towards more equitable and progressive means of negotiated settlements.

INAC is taking action to enhance its capacity to engage in alternate means of finding fair, cost-effective and lasting solutions.

Accountability: The key challenge for INAC and First Nations is to ensure that effective and consistent systems of accountability are in place to address the needs of First Nation people and to build public confidence, on and off reserve, that resources are being managed effectively.

The North: The challenge is to continue to develop governance institutions sensitive to Aboriginal interests and to the shared interests of Northerners and of all Canadians, while working to strengthen the North's economic base. The 1998 federal budget stated the government was committed to working with territorial governments and Northerners to develop a modern economic development strategy. This work has begun.

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

INAC, as the lead federal agency in the North, faces many challenges as it moves toward completing and implementing these

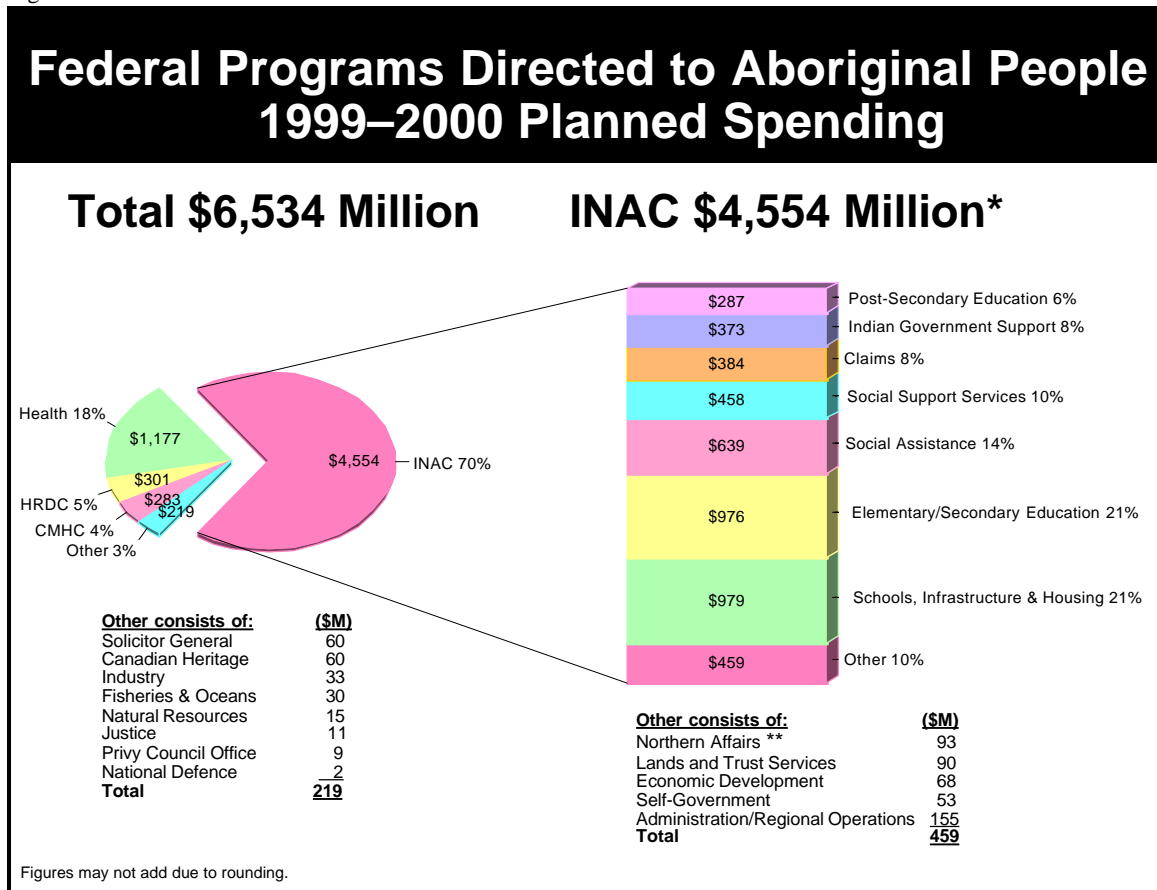
initiatives. We need to work in partnership with the many players involved in the creation of Nunavut to be ready for April 1, 1999, and beyond. We need to continue to pursue a heavy legislative agenda to provide the base for numerous resource management boards being created as a result of settled land claims. The department will continue to work with residents of the western N.W.T. and Yukon to find ways to fulfil their political development aspirations within the context of public government, including the devolution of province-like responsibilities from the federal government to the territorial governments.

Canadian Polar Commission: Given the broad mandate of the Canadian Polar Commission, the challenge will be to evaluate changes both within Canada and in the international polar world and to set priorities and provide recommendations to the government that reflect new domestic and international partnerships.

Planned Federal Expenditures For Aboriginal People

Twelve federal departments and agencies, including INAC, offer programs for Aboriginal people. These departments and agencies will spend \$6.5 billion on Aboriginal people in 1999–2000 (see Figure 4). This money gives Aboriginal people access to a range of basic services within their communities comparable to those provided to other Canadians through provincial, territorial and municipal governments.

Figure 4



* Expenditures in Figure 4 are budgetary only. To reconcile to the expenditure figure for INAC in Table 1 on page 7 (\$4,678 million), \$124 million must be added to the INAC total of \$4,554 million in Figure 4. The \$124 million reflects the total for non-budgetary expenditures and the non-Aboriginal portion of expenditures in the Northern Affairs Program.

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

Table 3 provides a summary of the programs, initiatives and planned spending in 1999–2000 by other government departments to improve conditions for Aboriginal people across Canada.

Table 3

Department	1999–2000 Planned Expenditures (\$ Millions)	Programs
Health Canada	1,177.4	Non-Insured Health Benefits. Community Health Services, Environmental Health and Surveillance, and Hospital Services. National Native Alcohol and Drug Abuse Program. Brighter Futures Program — Community Mental Health and Child Development and Aboriginal Head Start. <i>For additional information see Web site at www.hc-sc.gc.ca.</i>
Human Resources Development Canada	300.9	Aboriginal Human Resources Development Strategy. <i>For additional information see Web site at www.hrdc-drhc.gc.ca.</i>
Canada Mortgage and Housing Corporation	282.8	On Reserve — Non-Profit Housing and Residential Rehabilitation Assistance Programs. Off Reserve — Rural and Native Housing, Urban Native Non-Profit Housing, Residential Rehabilitation Assistance and Emergency Repair Programs. <i>For additional information contact the local Canada Mortgage and Housing Corporation office.</i>
Solicitor General of Canada	59.7	First Nations Policing Policy – On-Reserve First Nations Policing. <i>For additional information see Web site at www.sgc.gc.ca.</i>
Canadian Heritage	59.7	Aboriginal Friendship Centre, Northern Native Broadcast Access, Aboriginal Representative Organizations, Aboriginal Women’s Program and Territorial Aboriginal Language Accords. <i>For additional information contact Citizens Participation Directorate (Canadian Heritage).</i>
Industry Canada	32.8	Aboriginal Business Canada – to promote the development, competitiveness and success of Aboriginal business in Canadian and world markets. <i>For additional information see Web site at www.abc.gc.ca.</i>
Fisheries and Oceans Canada	30.2	Aboriginal Fisheries Strategy — to increase Aboriginal involvement in all aspects of coastal fisheries, fish habitat management and commercial fishing opportunities. <i>For additional information contact Aboriginal Affairs (Fisheries and Oceans Canada).</i>
Natural Resources Canada	15.4	Canada Lands Surveys, First Nations Forestry Program and capacity building initiatives in resource management. <i>For additional information contact the Financial Management Branch (Natural Resources Canada).</i>
Justice Canada	11.0	Native Courtworker Program, Legal Studies for Aboriginal People Program and Aboriginal Justice Strategy Fund. <i>For additional information contact the Programs Branch/Aboriginal Justice Directorate (Department of Justice).</i>
Privy Council Office	8.5	Indian Specific Claims Commission and Tripartite Self-Government Negotiations. <i>For additional information see Web site at www.indianclaims.ca.</i>
National Defence	2.0	Canadian Rangers, Bold Eagle, Northern Native Entry Program, Headstart (student employment) — these programs hire and train qualified personnel for full and part-time employment in the Canadian Forces. <i>For additional information contact Corporate Services (Department of National Defence).</i>
Total	1,980.4	

Financial Spending Plan

Table 4

Indian and Northern Affairs	(\$ Millions)			
	Forecast Spending 1998–1999	Planned Spending 1999–2000	Planned Spending 2000–2001	Planned Spending 2001–2002
Gross Planned Spending				
Indian and Inuit Programming	4,191.2	4,003.0	4,134.8	4,194.3
Claims	405.6	383.6	349.5	343.5
Northern Affairs	263.6	165.8	148.5	149.5
Administration	84.6	74.5	74.7	74.5
Sub-Total (Gross Planned Spending) ¹	4,945.0 ²	4,626.9	4,707.5	4,761.8
Less: Revenue to the Consolidated Revenue Fund	(64.2)	(60.6)	(60.6)	(100.7)
Plus: Non-Budgetary (Loans)	55.7	51.3	22.3	22.3
Plus: Costs from Other Government Departments	31.9	32.0	32.2	32.5
Net Cost of the Department	4,968.4	4,649.5	4,701.4	4,715.9
Full-Time Equivalents	3,254	3,267	3,227	3,225
⁽¹⁾ Details – Gross Planned Spending				
Operating Expenditures	494.8	432.3	424.6	422.9
Capital Expenditures	2.2	13.8	13.5	13.5
Transfer Payments	4,448.1	4,180.8	4,269.4	4,325.5
Total	4,945.0	4,626.9	4,707.5	4,761.8
⁽²⁾ Includes \$4,425 million in Main Estimates plus a total of \$520 million in Supplementary Estimates (major items include \$350 million for the Aboriginal Healing Foundation, \$54 million for <i>Gathering Strength</i> and \$29 million for the Davis Inlet relocation).				

Figures may not add due to rounding.

Table 5

Canadian Polar Commission	(\$ Millions)			
	Forecast Spending 1998–1999	Planned Spending 1999–2000	Planned Spending 2000–2001	Planned Spending 2001–2002
Total Planned Spending (Gross & Net)	1.0	1.0	1.0	1.0
Full-Time Equivalents	6	6	6	6

Section III

Objectives, Expected Results, Value For Money

Performance Terminology

The nature of departmental performance commitments and achievements involves a mix of outputs, short-term and intermediate outcomes, and long-term outcomes, as defined in this table:

Commitment Type	Examples
Activities and outputs involve processes and the production of tangible products and deliverables.	continue to negotiate, develop a strategy/policy, conduct research
Short-term and intermediate outcomes involve incremental changes that affect the capacity of Aboriginal people to achieve longer-term outcomes.	sign an agreement, improved program capacity, increase skills, change in physical infrastructure, change (recipient) operating practices
Long-term or ultimate outcomes involve changes in trends in social, cultural, and economic circumstances for Aboriginals. These trends are subject to significant outside influences.	school completion rate, health factors, economic (employment) indicators

Result Linkages Table

Activities/Outputs	Expected Short-Term/Intermediate Outcomes	Expected Longer-Term Outcomes
Indian and Inuit Affairs (\$4,437.8 million in 1999–2000)		
COMMITMENT — RENEWING THE PARTNERSHIPS		
<ul style="list-style-type: none"> ❑ Strengthening working relationships between INAC, and other federal departments and agencies, and Aboriginal people and organizations through coordination, consultation and joint policy development. ❑ Taking new approaches to federal-provincial-territorial relations with First Nations and Inuit to identify common priorities and to work together on practical solutions to meet the needs of Aboriginal people. ❑ A public education campaign to increase the understanding of all Canadians about Aboriginal culture and history. 	<ul style="list-style-type: none"> ❑ Improved horizontal policy development and programming that more closely meets the needs and aspirations of First Nations and Inuit. ❑ Expanded partnerships with First Nations and Inuit and federal, provincial, territorial and municipal governments. ❑ Increasing the public's knowledge of the life, culture and issues of Aboriginal people in Canada. 	<ul style="list-style-type: none"> ❑ Capacity developed within First Nations and Inuit communities and organizations enabling their full participation in the design and delivery of programs affecting their lives and communities. ❑ All levels of government working cooperatively with First Nations and Inuit to find practical solutions to the problems facing First Nations and Inuit. ❑ A more educated populace which will be increasingly supportive of the aspirations of Aboriginal people in Canada and aware of the contributions Aboriginal people have and continue to make to Canada.

Activities/Outputs	Expected Short-Term/ Intermediate Outcomes	Expected Longer-Term Outcomes
COMMITMENT — STRENGTHENING ABORIGINAL GOVERNANCE		
<ul style="list-style-type: none"> ❑ Examining how to build Aboriginal nations where jurisdiction is exercised by governing structures larger than individual bands, and wherein programs and services are delivered effectively to their citizens. Shift from negotiating jurisdictional agreements to negotiating a government-to-government relationship. 	<ul style="list-style-type: none"> ❑ Self-government: substantial progress or completion of framework agreements, agreements-in-principle and final agreements; improved governance capacity of First Nations and Inuit communities. ❑ Finalization of up to 8 specific land claim settlements annually; substantial progress or completion of framework agreements, agreements-in-principle, and final agreements. 	<ul style="list-style-type: none"> ❑ Strengthened Indian and Inuit governments accountable to members and Parliament. ❑ Increased economic development potential in communities. ❑ Provision of land base and resources necessary for self-government and reduced dependency on other levels of government.
COMMITMENT — DEVELOPING A NEW, STABLE FISCAL RELATIONSHIP		
<ul style="list-style-type: none"> ❑ Through negotiations, develop new fiscal transfer arrangements. ❑ Develop fiscal and accountability models, and information management systems. 	<ul style="list-style-type: none"> ❑ Appropriate professional development and support for First Nations on fiscal matters. ❑ Development of own-source revenues including tax agreements. ❑ First Nation accountability frameworks comparable to other governments in Canada. 	<ul style="list-style-type: none"> ❑ Government-to-government fiscal transfers that provide more stable funding, and integrate own-source revenues. ❑ Strong information systems and enhanced local accountability.
COMMITMENT — SUPPORTING STRONG COMMUNITIES, PEOPLE AND ECONOMIES		
<ul style="list-style-type: none"> ❑ Fiscal investments, structural, policy, and program reforms to achieve sustainable results to improve socio-economic conditions in Aboriginal communities. 	<ul style="list-style-type: none"> ❑ Improved policy and program capacity. ❑ Improved health and public safety such as adequate houses, water and sewer facilities. ❑ Investment in people to improve education and reduce dependency. ❑ Strengthened economic development and improved employment opportunities and income levels. 	<ul style="list-style-type: none"> ❑ Healthy, more self-reliant and independent communities with basic services similar to levels provided to other Canadians.

Activities/Outputs	Expected Short-Term/ Intermediate Outcomes	Expected Longer-Term Outcomes
Northern Affairs (\$165.8 million in 1999–2000)		
COMMITMENT — MANAGING FEDERAL INTERESTS		
<ul style="list-style-type: none"> <input type="checkbox"/> Support development of strong and stable northern governments and economies, by working with territorial governments and other northern partners to establish Nunavut, devolve provincial-type responsibilities, and develop a modern economic development strategy that recognizes the dynamics of the North and the need to establish more diversified economies. 	<ul style="list-style-type: none"> <input type="checkbox"/> Develop a northern economic development strategy. <input type="checkbox"/> Devolution of provincial-type powers and programs to the Yukon government. <input type="checkbox"/> Creation of Nunavut as separate territory on April 1, 1999. 	<ul style="list-style-type: none"> <input type="checkbox"/> Stronger communities and a stronger economic base for the North. <input type="checkbox"/> Creation of long-term jobs and economic self-sufficiency in the North. <input type="checkbox"/> Development of a new governance structures in the western N.W.T.
<ul style="list-style-type: none"> <input type="checkbox"/> Strengthen the capacity of the program to meet its regulatory obligations due to increasing demand for services resulting from a resource boom, stronger environmental legislation and regulations, and the establishment of resource management boards associated with claims settlements. 	<ul style="list-style-type: none"> <input type="checkbox"/> Legislative base for the resource management boards being created as a result of settled claims. 	<ul style="list-style-type: none"> <input type="checkbox"/> New resource management structures and coordinated approach to northern science and technology activities.
<ul style="list-style-type: none"> <input type="checkbox"/> Administering the Northern Air Stage Program (Food Mail) for the benefit of residents in isolated communities across Canada. 	<ul style="list-style-type: none"> <input type="checkbox"/> Reducing the cost of nutritious perishable foods in isolated communities. 	<ul style="list-style-type: none"> <input type="checkbox"/> Health benefits resulting from a more nutritious diet.
COMMITMENT — PROMOTING NORTHERN SUSTAINABLE DEVELOPMENT		
<ul style="list-style-type: none"> <input type="checkbox"/> Effectively managing the sustainable development of the North's natural resources and protecting the northern environment. 	<ul style="list-style-type: none"> <input type="checkbox"/> Jobs and growth. <input type="checkbox"/> Predictable regulatory environment. <input type="checkbox"/> New mineral and oil and gas development projects. <input type="checkbox"/> Effective management of mine abandonment and reclamation, remediation of waste sites and research into northern contaminants. 	<ul style="list-style-type: none"> <input type="checkbox"/> Modern and competitive legislative, regulatory and policy regimes. <input type="checkbox"/> Improved health and safety for northern people and the environment.

Activities/Outputs	Expected Short-Term/ Intermediate Outcomes	Expected Longer-Term Outcomes
Administration (\$74.5 million in 1999–2000)		
COMMITMENT — FINDING INNOVATIVE WAYS OF DOING BUSINESS		
<input type="checkbox"/> Support programs for First Nations and Northerners and implementing <i>Gathering Strength</i> .	<input type="checkbox"/> Effective implementation of <i>Gathering Strength</i> agenda.	<input type="checkbox"/> Improved socio-economic conditions for First Nation and northern communities.
<input type="checkbox"/> Provide our employees with the tools that they need to succeed in a rapidly changing environment by developing training programs geared to advance managers and initiate projects for employees to round out their experience and increase their skills.	<input type="checkbox"/> An environment that promotes Aboriginal representation, fosters leadership, innovation and values, and pursues opportunities available through change.	<input type="checkbox"/> Increased Aboriginal representation within a dynamic and skilled work force.
<input type="checkbox"/> Support government's efforts to modernize comptrollership in the federal government through participation in a Pilot Project as a lead department.	<input type="checkbox"/> An environment which promotes excellence in management/business practices.	<input type="checkbox"/> Leadership in effective management practices/comptrollership.
Canadian Polar Commission (\$1.0 million in 1999–2000)		
COMMITMENT — PROVIDING AN EFFECTIVE ROLE AND PRESENCE IN POLAR REGIONS AND IN THE FIELD OF POLAR SCIENCE AND TECHNOLOGY		
<input type="checkbox"/> To serve as a source of information on polar research and a link between the research sector, Aboriginal communities, industry, academic, governments and Canadians.	<input type="checkbox"/> Actively promote adoption of a federal science and technology policy for the North.	<input type="checkbox"/> Ensure Canada fulfills its international obligations in relation to polar science and technology. <input type="checkbox"/> Respond to public enquiries with respect to a broad range of polar issues.

The following pages provide details of INAC's plans and priorities for the Indian and Inuit Affairs Program, the Northern Affairs Program, the Administration Program and the Canadian Polar Commission.

Why Are We In The Business?

The objective of Indian and Inuit Affairs Program (IIAP) is to assist First Nations and Inuit communities achieve their self-government, economic, educational, cultural, social, and community development needs and aspirations. The IIAP helps First Nations to build healthy, sustainable communities with basic services similar to those provided to other Canadian residents by provincial, territorial, and municipal governments. The IIAP also fulfils many of Canada's constitutional and statutory obligations and responsibilities to First Nations and Inuit people, and negotiates and implements the settlement of Aboriginal land claims. Such settlements resolve outstanding historical grievances, establish certainty regarding land title and access to lands and resources, create a climate that promotes economic development, and avoid time-consuming litigation.

Organizationally, the IIAP consists of two business lines:

- Indian and Inuit Programming
- Claims

To achieve the objectives of both business lines, *Gathering Strength – Canada's Aboriginal Action Plan* provides a comprehensive framework for action based on the following priorities:

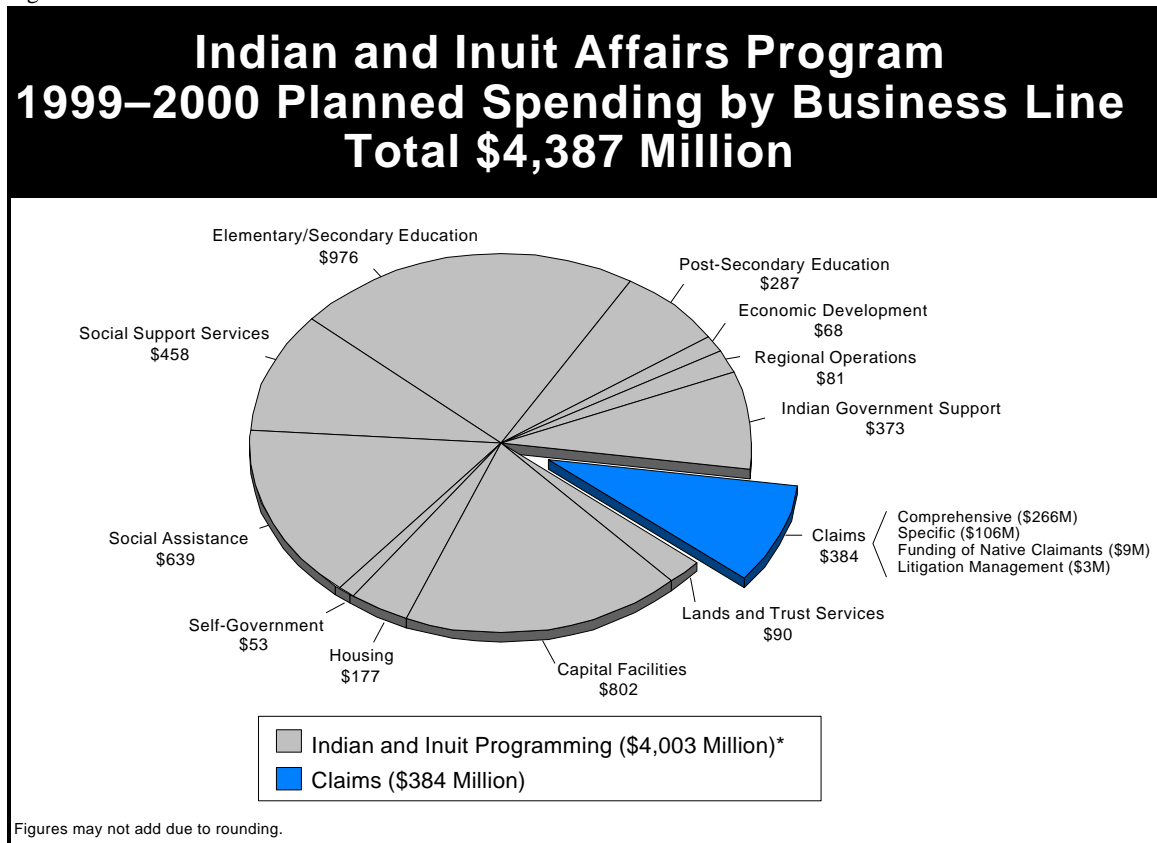
- Renewing the partnerships (page 22);
- Strengthening Aboriginal governance (page 23);
- Developing a new, stable fiscal relationship (page 26); and
- Supporting strong communities, people and economies (page 29)

In the first year, *Gathering Strength* focused on reconciliation and on fostering healing for victims of physical and sexual abuse at Indian residential schools through the establishment of an Aboriginal Healing Foundation. Important work began on building effective partnerships with our Aboriginal partners and organizations to identify and address priorities. Over the coming year, the focus of *Gathering Strength* implementation will shift to ensuring that our partnership with Aboriginal organizations accelerates wealth creation and job access for Aboriginal communities through open, stable and accountable First Nations governments and expansion of partnerships with provincial and territorial governments and the private sector.

How Much Does It Cost?

Figure 5 provides an estimate of how the Indian and Inuit Affairs Program's 1999–2000 budget of \$4.4 billion is allocated between business lines and services. The department supports a community-based approach to programs. It should be noted that through the process of devolution First Nations have assumed responsibility for the delivery of almost all social and economic programs funded by INAC. Approximately 82 percent of the IIAP budget goes directly to First Nations and their organizations for government services such as education, social services, infrastructure and local government. The objective is to support First Nations in providing their communities with basic province-like services that reflect their culture and values and compare to surrounding communities. There is increased fiscal accountability and control, and increased emphasis on capacity building and partnerships to help First Nations achieve their aspirations.

Figure 5



* Year-over-year growth includes approved expenditure growth of 2 percent and other specific adjustments for items such as *Gathering Strength* and Davis Inlet.

For each of the Indian and Inuit Affairs Program's priorities, the following pages outline the objectives and strategies, factors that could influence performance, expected results and how value for money is achieved.

Renewing the Partnerships

What Are Our Key Objectives And Strategies?

The Government of Canada is working with Aboriginal people and organizations, provincial and territorial governments, and other partners to develop solutions and to achieve a partnership based on mutual respect and recognition, responsibility and sharing. We are strengthening relationships with Aboriginal people and organizations through consultation and joint policy development, and are taking new approaches to federal-provincial-territorial relations with First Nations and Inuit to identify common priorities and to work together on practical solutions to meet the needs of Aboriginal people.

Our commitment to partnership is to work out solutions together beforehand, instead of picking up the pieces after the fact; to negotiate rather than litigate; to communicate; and to promptly address concerns before positions get too polarized to move.

Our commitment began with the Statement of Reconciliation and the \$350 million for the Aboriginal Healing Foundation for healing initiatives to address the legacy of physical and sexual abuse at residential schools. To help renew the partnership, we are implementing a First Nations and Inuit language program to preserve and enhance the use of Aboriginal languages; a public education campaign to teach all Canadians about Aboriginal culture and history; a capacity-building program to help Aboriginal organizations develop and implement initiatives affecting Aboriginal people.

On January 15, 1998, the federal government and the Assembly of First Nations announced an Agenda for Action with First Nations, which outlines in practical terms how the Government of Canada and First Nations can work as partners, developing a more effective working relationship. The department and the Inuit Tapirisat of Canada are also building a new partnership, and are developing an Inuit Action Plan that will establish planning and priority setting within the federal government.

Governments and Aboriginal people can act cooperatively to address Aboriginal issues. Current examples include the British Columbia Treaty Process, the Canada-Saskatchewan Common Table with the Federation of Saskatchewan Indian Nations, and the Joint Economic Development Initiative in New Brunswick. We plan to build on these approaches.

What Factors Could Influence Performance?

The history of residential schools and the legacy of abuse continues in Aboriginal communities and is reflected in the cycles of abuse, family violence and dysfunction, and substance abuse that still exist within the Aboriginal population, nearly two decades after most residential schools closed.

The ability of the component parts of the Aboriginal population (Métis, Inuit and Status Indians living on and off reserve) to continue to work together to design and implement healing initiatives will be essential. The ability of the Aboriginal Healing Foundation to remain focused on the healing needs of victims of physical and sexual abuse will be critical to the Foundation's success.

Shared objectives for addressing Aboriginal issues can only be achieved if all levels of government work cooperatively with each other and Aboriginal people. We need to move beyond debate and disagreements over jurisdictions and responsibilities and employ new approaches to support a partnership.

- participation of First Nations in the design and delivery of programs through joint INAC-First Nation policy development, management and implementation;
- an Inuit Action Plan; and
- moving forward in a true partnership for the betterment of the environment.

What Are The Expected Results?

The ultimate outcome of this priority will be a renewed partnership with First Nations people and Inuit based on mutual respect and responsibility. This will provide a solid foundation to move forward, in true partnership, on the new Aboriginal Action Plan.

Key Deliverables 1999–2002

- improved public knowledge as demonstrated by increased public awareness of Aboriginal issues;
- new approaches to federal-provincial-territorial relations with First Nations and Inuit;

How Does This Achieve Value For Money?

The initial steps have been taken to bring lasting change in our relationships with Aboriginal people. The Aboriginal Healing Foundation has been established and funded. Agreement was reached with the Assembly of First Nations on how to implement an agenda that addresses basic elements for a new relationship with First Nations, and progress was made in expanding partnerships with provincial and territorial governments. These renewed and broadened partnerships will enhance success of mutual interests and initiatives, most notably in resolving outstanding grievances and addressing the socio-economic conditions which exist in many First Nation communities.

Strengthening Aboriginal Governance

What Are Our Key Objectives And Strategies?

Government is about people. It is about making lives better for people. We need to ensure that Aboriginal governments have the tools and capacity to improve the lives of those they serve. To be responsive and accountable to community needs, Aboriginal governments must have the legitimacy and authority to be effective. We are committed to assisting Aboriginal people to develop and deliver programs and services.

One aspect of self-government means well-defined, negotiated arrangements with rights and responsibilities that can be exercised in a coordinated way. The result will be that other governments, the private sector, other individuals and institutions can easily establish a relationship with Aboriginal governments and communities and participate in partnerships.

A stronger economic base is essential to achieving this outcome. That includes working with First Nations to provide increased access to lands and resources. We must continue to address Aboriginal land claims in a fair and equitable way. Claims settlements in Yukon provide a good example of how claims and economic development go hand in hand and are the basis for strong self-government.

Our goal is even greater success and more models of good governance. To that end, we will pursue the following key initiatives:

- an Aboriginal government's recognition instrument to guide jurisdictional and intergovernmental relations;
- governance transition centres to highlight best practices and maximize shared experience and expertise;
- continuation of exploratory treaty discussions with groups of Treaty First Nations to discuss treaty issues in a structured fashion, establish common understandings and consider ways to move forward;
- partnership efforts with Treaty First Nations to achieve self-government within the context of the treaty relationship;
- building of governance capacity by funding innovative projects intended to enhance First Nations governance capacity;
- assistance to First Nations in the professional development in land, environment and resource management through the Lands Management Training Program;
- the development of a National Aboriginal Land Managers Association;

- Assembly of First Nations/INAC Joint Initiative on Lands and Trust Services;
- commemoration of historic treaties; and
- continuation of work with First Nations to create a new Independent Claims Body (ICB).

A new ICB would greatly improve the efficiency of settling specific claims by First Nations. It would remove the perception that the Government of Canada is in a conflict of interest by being defendant, judge and jury in these claims.

INAC is working with representatives from the Assembly of First Nations through a joint task force to provide recommendations on the scope, mandate, authority and jurisdiction of the ICB.

What Factors Could Influence Performance?

As always, the courts will have a significant effect on Aboriginal issues. The Delgamuukw decision by the Supreme Court of Canada with respect to Aboriginal title has profoundly affected not only the British Columbia treaty process, but also the way in which Aboriginal title is dealt with generally. The Delgamuukw decision has increased expectations by Aboriginal groups across Canada for recognition of Aboriginal title and greater access to lands and resources. The Peter Paul decision in New Brunswick has a significant impact not only on forestry in that province, but also on general relations with Aboriginal people in New Brunswick and elsewhere. A number of other decisions are expected in the foreseeable future that will have a considerable impact on Aboriginal issues.

The Royal Commission on Aboriginal Peoples challenged us and First Nations and Inuit people to examine the attributes of good governance, such as legitimacy, power and resources. It also challenged us and First Nations to examine how to rebuild Aboriginal nations with the governance capacity to exercise jurisdiction beyond the local community level and effectively deliver programs and services to their citizens.

Self-government is more than a technical abstraction; it must incorporate not only the theory of good governance, but also the day-to-day activities that are the basis of governance.

Strengthening governance will integrate other elements of the agenda, such as fiscal arrangements; economic development; service delivery and policy and program redesign; accountability methodologies and mechanisms; capacity-building; access to and development of lands and resources; and claims settlements.

What Are The Expected Results?

The ultimate outcome of achieving and implementing negotiated self-government and claims agreements will be strengthened First Nation and Inuit governments that are accountable to their members, with the jurisdictional authorities and other attributes of governance necessary to effectively govern their communities and manage their relationships with other levels of government.

The claims process will establish certainty with respect to Aboriginal rights, land title, access to land and resources, and the resolution of outstanding grievances. This will create a climate that fosters economic development, and avoids costly and time-consuming litigation. The achievement of negotiated settlements also provides the land base and resources necessary for meaningful self-government and reduced dependence on other levels of government.

Key Deliverables 1999–2002

- proclamation of Nisga'a settlement legislation;
- continued progress in self-government and comprehensive claims negotiations including up to 10 agreements-in-principle and five final agreements;
- settlement of eight specific claims annually;
- proposal for the establishment of an Independent Claims Body;
- initiatives to increase First Nations' capacity for self-government;
- implementation of professional development strategies in governance orientation, law-making, environmental stewardship, land and resource management, and community support;
- forums for exploratory treaty discussions;
- transfer of federal responsibilities;
- continued progress in settling cases out of court;
- development and passage of claims resource management legislation;
- implementation of a joint Assembly of First Nations/INAC Framework of Policy Options on the future of Lands and Trust Services; and
- *First Nations Land Management Act* as alternative legislation.

How Does This Achieve Value For Money?

The focus of negotiations for self-government has broadened to include not only a discussion of powers a First Nation or Inuit government would have, but also how those powers can most practically be exercised and supported. INAC provides capacity development through training programs to First Nations wishing to take over various activities of the department.

Settling claims not only meets our legal obligations but benefits First Nations and all Canadians by providing the means for First Nations to become economically self-sufficient. Settling claims strengthens First Nation communities and local economies and provides a land and economic base necessary to improve socio-economic

conditions, including economic opportunities, employment, incomes and social dependency.

One of the goals of the negotiation of a claim is to remove uncertainty that may exist regarding the status of land in a claim area. This allows everyone to deal with land confidently in business transactions and often improves relations between First Nations and their neighbours. The full benefits of resolved grievances can be far-reaching and could include economic gains accruing to First Nations and surrounding communities. Businesses could benefit from larger potential sales and investors could benefit from expanded opportunities. Taxpayers could benefit because higher revenues and lower social services costs imply lower taxes or accelerated debt reduction.

Developing a New, Stable Fiscal Relationship

What Are Our Key Objectives And Strategies?

In a relationship based on partnership and mutual responsibility, one government cannot depend on another for all of its revenue and resources. We are working to help Aboriginal governments become more self-reliant, with the fiscal autonomy and financial capacity required to support their responsibilities.

This means our system of transfers must be forward-thinking and predictable so elected representatives can plan, make informed spending decisions and be accountable for choices. We have to look at helping Aboriginal people to secure new authorities and develop their own sources of revenue, including taxation.

Aboriginal governments, like all governments, must be both politically and

financially responsible. The legitimacy of Aboriginal governments depends on their ability to be accountable to the people they represent. Canadians, too, want to ensure that we are investing in strong, effective and accountable Aboriginal governments. Aboriginal governments are developing and operating within a framework of financial standards comparable to that of other levels of government. This is a foundation upon which we shall build to further strengthen transparency and accountability and foster strong, modern governments.

Through means such as a planned National Fiscal Relations Table with the Assembly of First Nations and regional tables such as the tripartite Fiscal Relations Table in Saskatchewan (Federation of Saskatchewan Indian Nations, the province and Canada), we are working with Aboriginal people to build capacity and institutions in financial management and data.

We are building from the **accountability** principles of transparency, disclosure and redress that are common to governments in Canada. These are being realized through key mechanisms such as budgeting, program policies, internal control systems, audit and codes of ethics. First Nations are applying these in a manner which respects and builds from the strength of their culture and traditions. Significant capacity development activity is involved.

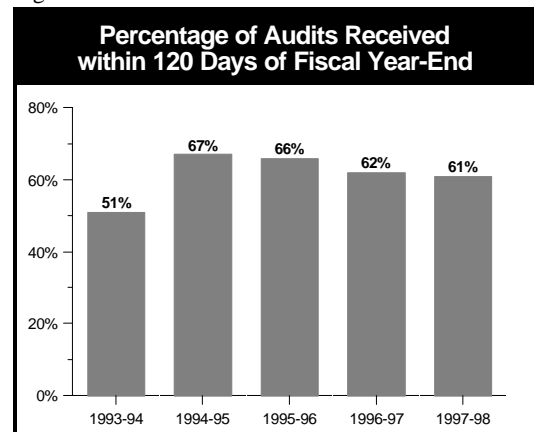
All First Nations have been asked to assess their existing management and accountability systems against their current and future needs. Model policies, procedures and systems are being developed, and best practices shared amongst First Nations. Significant co-operative efforts have emerged, notably in British Columbia and Alberta.

First Nations are building new partnerships to support progress. For example, the Assembly of First Nations and the Certified General Accountants' Association of Canada are co-operating to increase professional development opportunities, strengthen community financial reporting, and assess the appropriateness and application of accounting standards. Further, high impact training is being tested with the Banff Centre for Management, to help reverse problems at an earlier and more manageable stage. An Aboriginal Finance Officer Network is also growing to increase professional development and support for First Nations.

Standard financial reporting

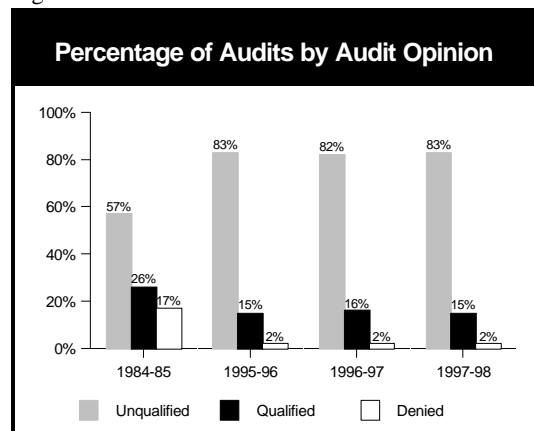
requirements: Financial audits will continue to be an important accountability tool for First Nations. Over the years, First Nations have significantly improved their financial management systems and timeliness of reporting. Sixty-one percent of audits are now received within 120 days of fiscal year-end, compared with only 51 percent in 1993–1994 (see Figure 6).

Figure 6



Since 1984–1985, the proportion of First Nations’ financial audits receiving a clear (unqualified) audit opinion from an independent and accredited auditor increased from 57 percent to 83 percent (see Figure 7). Furthermore, these audits are being prepared and disclosed to both community members and the federal government in a more timely manner. First Nations, like the federal and provincial governments, are implementing the new recommendations of the Public Sector Accounting and Auditing Board, to strengthen public reporting.

Figure 7



We are also working with First Nations and some provinces to determine information requirements, related protocols and institutional arrangements necessary to sustain a new fiscal relationship. We will work with Aboriginal people and Statistics Canada to design a statistical training program to improve data collection methods and analysis and to prepare for an Aboriginal Peoples' Survey in 2001. These new tools will better equip decision-makers and better inform First Nations people and the Canadian public.

What Factors Could Influence Performance?

Discussions concerning own-source revenue will have to factor in the relatively low level of economic development in First Nation communities. The federal government will continue to be the major provider of funds to First Nation governments for some time.

Meaningful and lasting change will not be achieved overnight. Sustainable progress requires a commitment from the federal government, provinces, the private sector, and First Nations.

Public perception of First Nations government and management will continue to be influenced by negative incidents reported in the media. In such instances First Nations are recognizing the importance of presenting their perspective to counter destructive stereotypes. They are increasingly recognizing the importance of articulating an accountability framework that is responsive to community needs and seeks to establish credibility with the Canadian public.

What Are The Expected Results?

The ultimate outcome of efforts by First Nations and INAC to achieve a new fiscal relationship and strengthened accountability will be government-to-government fiscal transfers which provide more stable funding, integrate own-source revenues with strong information systems, and enhance local accountability based on the principles of transparency, disclosure, and redress that are common to other governments in Canada and that reflect Aboriginal traditions.

Key Deliverables 1999–2002

Fiscal transfer models that support:

- a government-to-government approach;
- own-source revenues including taxation;
- increased capacity to generate revenues from community lands and resources;
- standard financial reporting requirements;
- strong accountability as demonstrated by a high percentage of unqualified financial audits; and
- information exchange.

How Does This Achieve Value For Money?

New fiscal relationships will take time to develop but will lead to more stable and predictable funding sources for First Nations and to increasingly self-reliant Aboriginal governments. These new relationships will support delivery of programs and services, public confidence in the operation of government, greater stability and effective use of financial resources. In turn, this will support the efforts of Aboriginal communities to improve the social and economic conditions which exist in many communities.

Supporting Strong Communities, People and Economies

What Are Our Key Objectives And Strategies?

The department will continue to work with First Nation and Inuit communities and organizations, other government departments, the provinces and the private sector to support healthy, self-reliant and sustainable First Nation and Inuit communities.

We are developing a national policy framework that will commence a reform of the on-reserve welfare system from one of passive support to one based on active measures. A joint Assembly of First Nations/INAC policy co-ordinating group oversees the policy development process.

The Aboriginal Workforce Participation Initiative will continue to facilitate partnerships between Canadian employers and Aboriginal people to increase Aboriginal employment levels by increasing public awareness and providing employers with successful strategies to recruit, retain and promote. We will continue our partnership with the Department of Justice and, through the Aboriginal Justice Strategy, will support development of justice initiatives that are culturally sensitive and relevant to First Nations and Inuit.

Investments are being made in children by expanding the Head Start program onto reserves through Health Canada, by building on National Child Benefit reinvestment initiatives, by continuing the Youth Employment Strategy and by strengthening the training support provided through Human Resources Development Canada.

We will work in partnership with our federal colleagues, other levels of government, the private sector, including Aboriginal businesses, and other interested Aboriginal parties. We will find innovative ways to foster economic and business development by addressing perceived and real barriers to gain access to capital, domestic and international markets, and resources.

What Factors Could Influence Performance?

Despite considerable progress in recent years, many First Nation and Inuit communities remain among the most disadvantaged in Canada. Unemployment for Registered Indians living on reserve is about 29 percent — nearly three times the Canadian rate of 10 percent; social dependency is 46 percent — several times the Canadian rate; infant mortality is twice the Canadian rate; life expectancy is about nine years less for Status Indians living on reserve than in the Canadian population as a whole; 22 percent of houses on reserve are overcrowded; educational attainment is about 60 percent of the Canadian rate — 37 percent of Status Indians who live on reserve have more than a high school education compared to 65 percent of the Canadian population as a whole; and though Aboriginal people make up just 4.5 percent of the Canadian population, 15 percent of the federal penitentiary population is Aboriginal according to a recent study from the Canadian Centre for Justice Statistics entitled “An Overview of Data on Aboriginal Peoples” (May 1998).

The nature of conditions in Aboriginal communities demands investments through structural reform of policies and programs to achieve lasting results. The emphasis on structural change supports program design and delivery at the regional level and a horizontal approach across government, and ensures that priorities and initiatives are developed in partnership with regions and First Nations.

Income Security Reform Initiative Demonstration Projects is one illustration of how this structural reform will be achieved by: shifting from passive welfare support to active measures; coordinating federal and provincial programs; reducing growth in social expenditures and effectively re-investing savings with the long-term goal of reducing overall dependence on welfare.

What Are The Expected Results?

The ultimate outcome of supporting strong communities, people, and economies is to achieve healthy, self-reliant, and independent communities and individuals.

Key Deliverables 1999–2002

- support over 20 Income Security Reform Demonstration Projects by March 31, 1999;
- contribute to the development of a national policy framework for First Nations social assistance programming informed by the results of the demonstration projects;
- continued support to Aboriginal children and families through the enhancement of National Child Benefit reinvestment initiatives;
- increased government/industry/Aboriginal collaboration in economic development;
- more skills development opportunities;
- improved quality First Nation education systems and increased graduation rates;
- involvement in health and public safety and the remediation of priority contaminated sites on reserves;
- effective monitoring and enforcement of contaminants and hazardous waste clean-up;
- ensure that First Nation communities have the same level of environmental protection as non-Aboriginal communities;
- facilitate First Nation access to additional land resources;
- improved access to capital for First Nation communities and Aboriginal business development as demonstrated by increased business activity;
- decentralize equity investment programs to the regional level to be administered in partnership involving the Aboriginal business community;
- improved market access by Aboriginal businesses;
- renewed First Nation and Inuit Youth Employment Strategy;
- increasing the number of adequate houses from 45,000 in 1997–1998 to 65,000 in 2000–2001 as well as develop enhanced approaches to the financing, governance and linkages of economic development to housing activity;
- develop regional strategies for working with First Nations to enable them to take advantage of the new housing policy;
- close the gap of houses without basic water and sewer services by between 25 and 30 percent by 2000–2001;
- implementation of water and sewer projects to address urgent health and safety issues on reserves; and
- implementation of community-based housing policies, programs and multi-year plans.

How Does This Achieve Value For Money?

Investments to create strong communities, people and economies help ensure that First Nations governments can provide basic services such as education, schools, infrastructure and social support similar to those provided to all other Canadians by provincial, municipal and territorial governments.

These investments will contribute to the health and well-being of the on-reserve population and should result in reduced health and other social expenditures by the federal government.

Investments in Canada's *Aboriginal Action Plan* will provide First Nations with the tools and the capacity necessary to be self-governing and increasingly self-sufficient, and create businesses and employment opportunities.

The objective of the Income Security Reform Initiative is to redirect spending from passive support to active measures, such as training, education and economic development, resulting in more employment opportunities and employability in First Nation communities.

Economic development is essential to developing vibrant and sustainable First Nation communities. The priority being placed by the department on economic development will assist the Aboriginal business sector to pursue opportunities available beyond local markets (i.e., off reserve).

Why Are We In The Business?

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

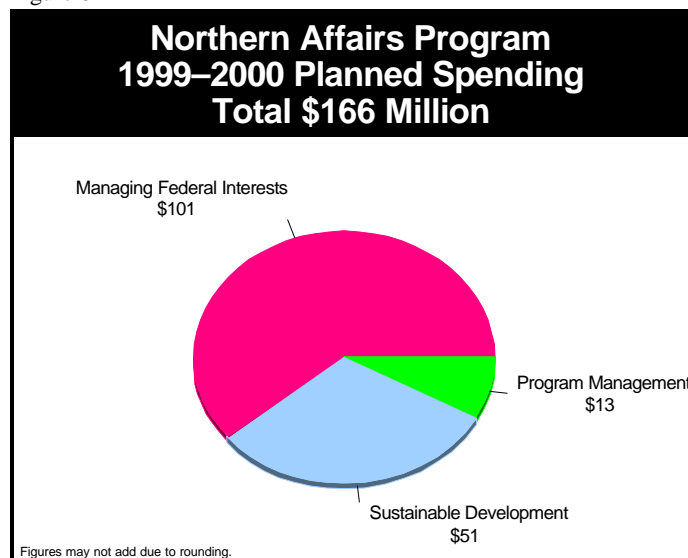
To achieve these objectives, and support *Gathering Strength* and commitments made in INAC's Sustainable Development Strategy, the Northern Affairs Program focuses on two key priorities:

- ❑ Managing federal interests (page 33); and
- ❑ Promoting northern sustainable development (page 35).

How Much Does It Cost?

Figure 8 provides an estimate of how the Northern Affairs budget of \$166 million is allocated among services funded through this program.

Figure 8



For each of the Northern Affairs Program's priorities, the following pages outline the objectives and strategies, factors that could influence performance, expected results, and how value for money is achieved.

Managing Federal Interests

What Are Our Key Objectives And Strategies?

The department will continue to build strong northern public governments by completing preparations for the establishment of Nunavut on April 1, 1999, in partnership with the GNWT, Nunavut Tunngavik Incorporated, the Office of the Interim Commissioner and other government departments and agencies. In the western N.W.T., INAC will continue to actively support the territorial government, Aboriginal groups and residents of the western N.W.T. as they define a new integrated governing framework, and resolve outstanding land claims and self-government agreements.

In Yukon, the negotiation of a Yukon Devolution Protocol Accord has set the stage for the negotiation and finalization of a Transfer Agreement on full devolution of all remaining INAC provincial-type responsibilities. These discussions are being carried out with the full participation of Yukon First Nations.

Political development will be complemented by strengthening economic self-sufficiency of northern individuals and communities. INAC will work with territorial governments, the private sector, other federal departments, Aboriginal groups and other stakeholders to develop the modern, economic development strategy for the North announced in the 1998 federal budget.

INAC's responsibilities in the North are broad and include international Arctic initiatives. We are working with Foreign Affairs and Environment Canada to ensure Canada continues its leadership in the Arctic Council. The department is working with Foreign Affairs to ensure Canada meets its bilateral obligations under the Canada-Russia Agreement on Cooperation in the

Arctic and the North. Through the Northern Air Stage Program (Food Mail), INAC is reducing the cost of nutritious perishable foods in isolated northern communities.

What Factors Could Influence Performance?

A fundamental reshaping of northern societies in Yukon, western Northwest Territories and Nunavut is underway.

Progress on the completion of a devolution agreement with the Government of Yukon and Yukon First Nations is being influenced by progress on the finalization of the seven outstanding land claims and self-government agreements in Yukon, as well as progress on program and services transfer agreements. With seven land claims and self-government agreements to be negotiated, a high priority of both the Government of Yukon and Yukon First Nations is settlement of land claims.

Political development in the western N.W.T. is closely linked to building an integrated governing framework for the region, especially in the context of the division that will take place in 1999. It is also linked to progress on the finalization and implementation of land claims and self-government agreements in the western N.W.T. Five Aboriginal groups in the western N.W.T. (Deh Cho, South Slave Métis Tribal Council, Treaty 8 Dene, Dog Rib Claim Treaty 11, and Salt River First Nation) are involved in processes and activities to move toward settlement of land and resource management issues. The other groups, the Inuvialuit, Gwich'in and Sahtu, all of whom have settled land claims, are in self-government negotiations.

Completing preparations for the establishment of Nunavut on April 1, 1999, requires a comprehensive approach that involves INAC, other federal departments, the GNWT, Nunavut Tunngavik Incorporated and the Office of the Interim Commissioner. Responsibilities are diverse and widely dispersed, but through partnership arrangements and processes, significant progress was made in 1998–1999 in many areas, including infrastructure projects, Inuit training, establishing the Government of Nunavut core functions and essential services, and negotiating intergovernmental service agreements.

Five remaining pieces of complex legislation are required to meet resource management commitments in the Yukon, Nunavut, Gwich'in and Sahtu final land claims agreements: the Mackenzie Valley Surface Rights Board, *Yukon Development Assessment Process Act*, *Nunavut Water Management Act*, Nunavut Surface Rights Tribunal legislation and the *Nunavut Resource Management Act*.

What Are The Expected Results?

The ultimate outcome of managing federal interests will be a fundamentally different federal presence in the North. Over the next two to three years the most notable results will include the division of the Northwest Territories into two territories on April 1, 1999; the development of a viable proposal for a new system of government in the western Northwest Territories; the comprehensive devolution of Northern Affairs' provincial-type powers and programs to the Yukon government; strong international Arctic relationships through structures like the Arctic Council; new resource management structures resulting from claims implementation legislation; and a coordinated approach to northern science and technology activities.

Key Deliverables 1999–2002

- establishing the Nunavut territory and government on April 1, 1999;
- supporting the western political development process in the N.W.T.;
- devolving INAC's provincial-type responsibilities to the Yukon government;
- completing claims resource management legislation;
- involving Aboriginal people and other Northerners in planning and implementing *Gathering Strength*;
- promoting strong international Arctic relationships and meeting Canada's obligation to the Arctic Council;
- implementing program changes based on a review of the impacts of the Northern Air Stage Program (Food Mail) on food prices, food consumption and nutrition; and
- implementing the government's Northern Agenda, and developing a Northern Economic Development Strategy.

How Does This Achieve Value For Money?

Work carried out in 1998–1999 has set the stage for major political change in the North during 1999–2000, when Canada's third territory will become a reality, the Yukon Territorial Government will be positioned to assume responsibility for the land, water, mineral and forestry resources, and northern Aboriginal people will be full partners in the management of the North's natural resources through a number of resource management boards and agencies.

Building stronger communities and a stronger northern economy are key objectives for INAC. Developing a northern economic development strategy, Yukon devolution, and the creation of Nunavut directly supports this objective.

Promoting Northern Sustainable Development

What Are Our Key Objectives And Strategies?

The department will continue to manage and regulate the development of the North's natural resources, including land, water, minerals, oil and gas in the N.W.T., and forestry resources in Yukon and protect the northern environment through land and water research, policies, regulation, enforcement and inspections. Managing the North's natural resources, environmental protection and the management of national programs such as waste clean-up and contaminants are priorities.

INAC has had a direct role in establishing a diamond mining industry in Canada. The first mine opened in the fall of 1998 and a second mine, Diavik, is now in the regulatory review phase. Oil and gas exploration and delineation activities, well abandonments and field development drilling resulted in expenditures of \$55.5 million in 1998–1999. The creation of jobs and business opportunities for northern communities has been a direct result.

The provision of a modern and competitive regulatory regime by INAC is supporting the development of new mines and oil and gas fields in the North.

To continue to provide investor certainty, ensure effective and efficient resource management, and support the development of stronger northern economies, INAC will continue with regulatory modernization.

What Factors Could Influence Performance?

Mineral and petroleum resource development activity in the N.W.T. continues to influence workloads for those in the areas of inspections, permits, claims registration, mineral assessment verification, project reviews and environmental assessment, all of which are the responsibility of the department. The decline in gold prices during 1997–1998, and the resulting mine closures in the N.W.T., continues to create new pressures and priorities for staff. The implementation of new legislation and regulatory obligations poses great workload challenges for the department. The possible closure of the Giant mine could leave INAC with a major liability that may require shifting priorities.

In the Yukon, economic activity has slowed down and exploration and development has declined. With the transfer of oil and gas control to the Yukon government in November 1998, oil and gas exploration development is in a renewed infancy stage. Workloads continue to be high in Yukon, but are largely driven by major regime modernization and the implementation of land claim commitments, as well as monitoring problem operations and abandoned mineral operations.

In the new territory of Nunavut, emphasis will be placed on developing new partnerships with the Government of Nunavut and Nunavut Tunngavik Incorporated aimed at creating new economic opportunities in the region. Discussion towards renewing the issuance of oil and gas exploration rights is one such partnership.

What Are The Expected Results?

The ultimate outcome of promoting northern sustainable development through the management of northern natural resources and the protection of the environment will be stronger communities and a stronger sustainable economic base for the North; modern and competitive legislative, regulatory and policy regimes that ensure the sustainable development of the North's natural resources; and protection of the Arctic environment with a focus on effective monitoring and enforcement, northern contaminants, and hazardous waste remediation.

Key Deliverables 1999–2002

- developing and revising natural resources management legislation, regulations and policies;
- implementing strategies to ensure protection of the environment and renewable resources;
- managing resource developments, closures and abandonments, waste clean-up and monitoring northern contaminants;
- finalizing a second departmental Sustainable Development Strategy;
- opening a regional office in Nunavut; and
- meeting commitments under the Inuit Employment Plan.

How Does This Achieve Value For Money?

The development and revision of resource management legislation, regulations and policies, the continuation of the Northern Contaminants Program, and the management of major resource developments (both mineral and oil and gas), as well as abandonments and closures, are all key deliverables in INAC's Sustainable Development Strategy. Efforts by INAC staff to create an efficient and stable regulatory regime and to work with Northerners, the territorial governments and the private sector to take advantage of economic opportunities are having a direct impact on jobs and growth throughout the North.

Ensuring that development proceeds in the North in a manner that does not compromise the ability of future generations to meet their own needs is at the core of INAC's sustainable development efforts in the North.

Administration Program

Why Are We In The Business?

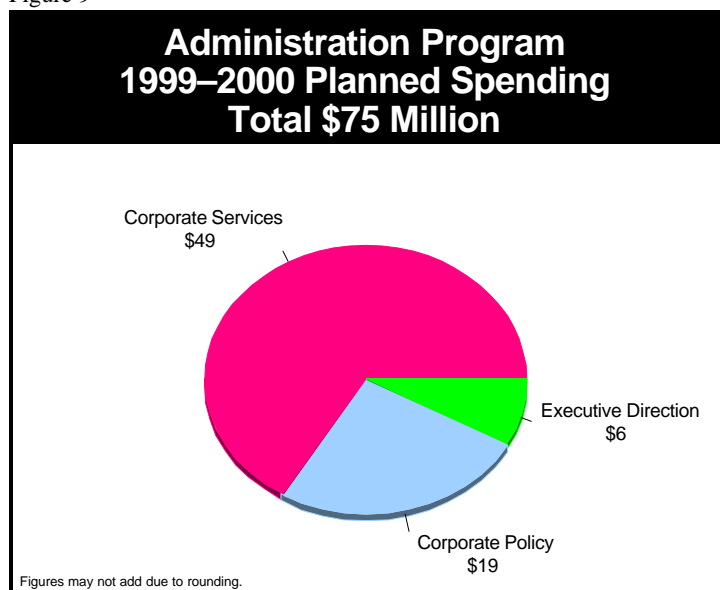
The Administration Program supports INAC's operating programs, providing policy direction and coordination and central advisory services. It is responsible for administrative services and guidance in finance, human resources, communications and technical services. It provides liaison with Parliament,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

To achieve these objectives in support of *Gathering Strength*, the Administration Program priority is to focus on finding innovative ways to do business.

How Much Does It Cost?

Figure 9 provides an estimate of how the Administration Program budget of \$75 million is allocated among the various services funded through this program.

Figure 9



For the Administration Program's priority, the following pages outline the objectives and strategies, factors that could influence performance, expected results, and how value for money is achieved.

What Are Our Key Objectives And Strategies?

Over the last few years, the department has been working on innovative ways to change from the command and control style approach to management to an environment that encourages leadership at all levels. Each region and sector has taken responsibility for its own leadership initiatives.

The feedback to managers process indicates many positive results are being achieved regarding leadership and cultural change in INAC. The department rates very well on overall “business-oriented” attributes, such as flexibility and innovation, the ability to see the big picture, and risk-taking. The department is working to improve the “people management abilities” (win-win negotiations, communication, team-building).

The leadership initiative has indicated a clear desire on the part of employees to contribute actively to the process of change and to shape a new partnership with First Nations and Inuit communities and Northerners. This is particularly the case with front-line employees who provide services to our First Nations, Inuit and Northern partners. There is a clear willingness and support from management to embrace change.

INAC is also one of five pilot departments who have been chosen to assist the government’s efforts to modernize comptrollership. In addition, the department is also working with the Treasury Board Secretariat and a number of other pilot departments to enhance results-based planning and reporting through the Report on Plans and Priorities and the Performance Report.

What Factors Could Influence Performance?

Implementing *Gathering Strength* calls for a new vision of the department’s role. For many years, our overriding focus has been transferring responsibility to First Nations and preparing ourselves to go out of business. *Gathering Strength* recognizes there is a legitimate and appropriate role beyond transfer or devolution. We, as a department, have a role to play in assisting the capacity development of First Nations and Inuit and in assisting in policy development for strong and sustainable First Nation governance structures. Over the last few years, INAC senior management has based the culture of the department and the management approach on leadership and values. A variety of tools and approaches have been employed, such as “open space” sessions and regional/sectoral leadership initiatives.

What Are The Expected Results?

The ultimate outcome of this priority will be the creation of a highly efficient and effective departmental support program which will provide a high level of quality services in support of departmental programs to First Nations and Northerners. These priorities will be accomplished in an environment that promotes Aboriginal representation, fosters leadership, innovation, values and ethics, sound management practices, and pursues opportunities available through change.

Key Deliverables 1999–2002

- promotion of Aboriginal representation within INAC;
- implementation of best management practices and modern comptrollership; leadership and learning skills; and Year 2000 readiness;
- pursuit of the objective of 50 percent external Aboriginal recruitment; increased Aboriginal representation with a cadre of strong Aboriginal management;
- development of training tools to assist in capacity building of front-line workers which allow them to better represent the spirit of *Gathering Strength* and the full range of services and programs offered by the department;

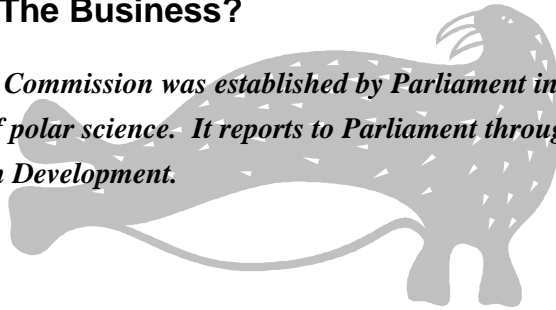
- creation of more opportunities for First Nations and INAC employees to work together; and
- increased integration of sustainable development philosophy in departmental operations through an Environmental Management System, Guidance Document and Action Plan, Best Practices Guides, and audit of the Greening of Government Operations.

How Does This Achieve Value For Money?

Fostering a leadership style consistent with the goals of modern comptrollership ensures the effective implementation of *Gathering Strength* and achievement of concrete results.

Why Are We In The Business?

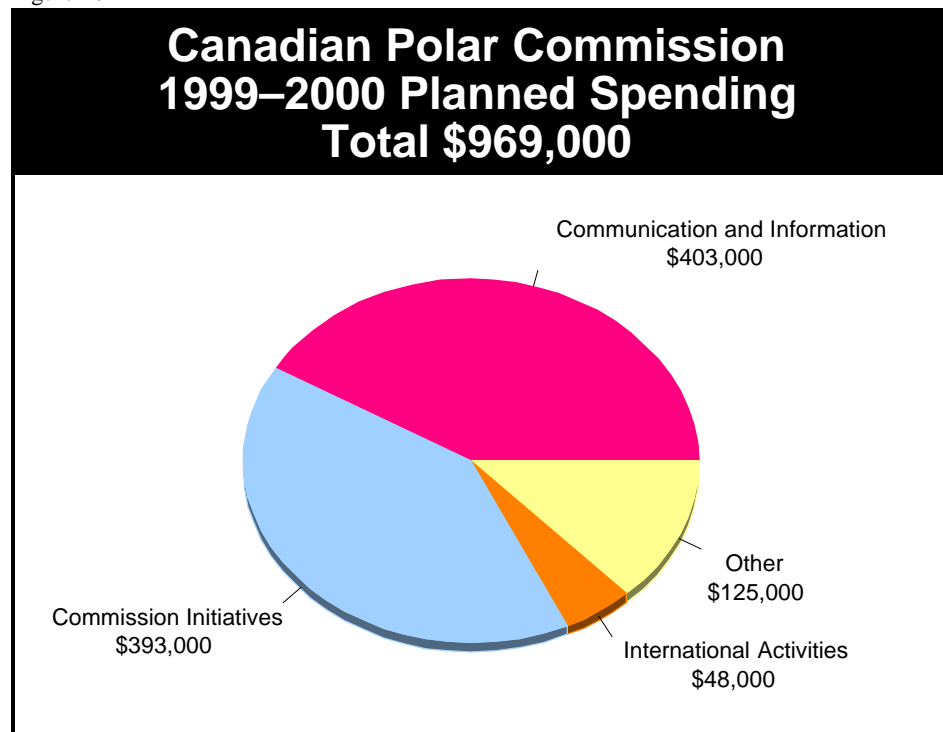
The Canadian Polar Commission was established by Parliament in 1991 as the lead federal agency in the area of polar science. It reports to Parliament through the Minister of Indian Affairs and Northern Development.



How Much Does It Cost?

Figure 10 provides an estimate of how the Canadian Polar Commission's planned spending of \$969,000 is allocated in 1999–2000.

Figure 10



What Are Our Key Objectives And Strategies?

The Canadian Polar Commission will continue to actively promote adoption of a federal science and technology policy for the North. Work will continue on compiling detailed information on specific sectors within the field of polar science, a task essential to understanding the factors influencing this country's polar research capability and assessing future requirements. The Commission has been active using communications technologies to maintain and deliver polar information. This work ensures results of Canadian research are made available to the international polar research community, so Canada can fulfil its international obligations related to polar science and technology. The Commission responds to public enquiries with respect to a broad range of polar issues.

What Factors Could Influence Performance?

The success of the Commission in achieving these objectives will depend, in part, on the priority assigned polar research by federal departments and agencies, and on the support from the polar research community.

What Are The Expected Results?

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

Key Deliverables 1999–2002

- development and dissemination of polar knowledge, including Antarctica;
- raising public awareness of the importance of polar science to Canada and Canadians;
- enhancement of Canada's international profile as a circumpolar nation; and
- fostering science and technology in the North.

How Does This Achieve Value For Money?

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

Section IV

Supplementary Information

Spending Authorities

Vote	(thousands of dollars)	1999–2000 Main Estimates	1998–1999 Main Estimates
Indian Affairs and Northern Development Department			
<i>Administration Program</i>			
1	Program expenditures	66,264	63,272
(S)	Minister of Indian Affairs and Northern Development - Salary and motor car allowance	49	49
(S)	Contributions to employee benefit plans	7,354	7,546
	<i>Total Program</i>	<u>73,667</u>	<u>70,867</u>
<i>Indian and Inuit Affairs Program</i>			
5	Operating expenditures	226,987	219,317
10	Capital expenditures	13,750	5,000
15	Grants and contributions	3,891,398	3,783,017
(S)	Grassy Narrows and Islington Bands Mercury Disability Board	15	15
(S)	Liabilities in respect of loan guarantees made to Indians for Housing and Economic Development	2,000	2,000
(S)	Indian Annuities	1,400	1,400
(S)	Grants to Aboriginal organizations designated to receive claim settlement payments pursuant to Comprehensive Land Claim Settlement Acts	127,786	124,578
(S)	Contributions to employee benefit plans	19,851	20,669
	<i>Total budgetary</i>	<u>4,283,187</u>	<u>4,155,996</u>
L20	Loans to native claimants	28,053	21,503
L25	Loans to First Nations in British Columbia for the purpose of supporting their participation in the British Columbia Treaty Commission process	22,840	24,000
L30	Loans to Yukon Elders	402	-
	<i>Total non-budgetary</i>	<u>51,295</u>	<u>45,503</u>
	<i>Total Program</i>	<u>4,334,482</u>	<u>4,201,499</u>
<i>Northern Affairs Program</i>			
35	Operating expenditures	84,782	83,507
40	Grants and contributions	57,117	90,940
45	Payments to Canada Post Corporation	15,600	15,600
(S)	Payments to comprehensive claim beneficiaries in compensation for resource royalties	1,458	1,455
(S)	Contributions to employee benefit plans	6,837	7,102
	<i>Total Program</i>	<u>165,794</u>	<u>198,604</u>
Total Department		4,573,943	4,470,970
Canadian Polar Commission			
50	Program expenditures	882	858
(S)	Contributions to employee benefit plans	87	87
Total Agency		969	945

Capital Spending/Projects

(millions of dollars)	Current Estimated Total Cost	Forecast Spending to March 31, 1999	Planned Spending 1999-00	Planned Spending 2000-01	Planned Spending 2001-02	Future Year Spending Requirement
Projects valued at \$10 million and over						
Infrastructure						
<i>Atlantic</i>						
Davis Inlet Relocation	109.4	28.5	45.4	30.6	4.9	0.0
<i>Ontario</i>						
Wapekeka – Servicing Phase 1	10.7	2.1	5.5	3.0	0.0	0.0
<i>Manitoba</i>						
Berens River – Water and Sewer	13.4	13.2	0.2	0.0	0.0	0.0
Poplar River – Water and Sewer	12.5	6.3	5.9	0.3	0.0	0.0
Sandy Bay – Water and Sewer	17.1	6.8	0.3	0.0	0.0	10.0
St. Theresa Point – Water and Sewer	10.9	10.4	0.5	0.0	0.0	0.0
Wasagamack Airstrip	11.6	0.7	0.8	5.0	4.6	0.5
Mathias Colomb – Water and Sewer	20.9	20.2	0.7	0.0	0.0	0.0
Sub-Total (Infrastructure)	206.5	88.3	59.3	38.9	9.5	10.5
Education Facilities						
<i>Manitoba</i>						
Chemawawin School	11.4	0.3	0.3	6.8	4.0	0.0
Cross Lake Middle School	14.8	8.2	3.1	3.5	0.0	0.0
Garden Hill School Phase II	31.5	0.0	1.5	6.3	15.4	8.3
Mathias Colomb School	16.9	5.9	6.1	4.9	0.0	0.0
Norway House Middle Years School	33.0	0.0	0.0	0.0	2.4	30.6
Peguis School Phase II	23.2	0.0	4.4	6.9	5.1	6.8
St. Theresa Point School Phase I	22.2	16.0	6.2	0.0	0.0	0.0
Sub-Total (Education Facilities)	153.0	30.4	21.6	28.4	26.9	45.7
Land Acquisition						
<i>Quebec</i>						
Kanesatake Land Unification	37.4	11.7	8.7	8.5	8.5	0.0
Sub-Total (Projects valued at \$10 million and over)	396.9	130.4	89.6	75.8	44.9	56.2
Other Capital Spending			418.7	450.8	473.2	
Total			508.3	526.6	518.1	

Note: Due to rounding, rows and columns may not add to totals shown.

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

1. Overview

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

2. Lead and Participating Departments

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

3. Prime and Major Sub-Contractors

(Firms and Joint Ventures with over 500 person days of employment through June 1998)

- | | |
|---|---|
| <ul style="list-style-type: none">• Mushuau Innu Construction• H.J. O'Connel• Old Mokami Construction• Construction Polaris• Michaudville | <ul style="list-style-type: none">• Pittman Enterprises• Mushuau Innu Camp and Catering• East Coast Catering• Davis Engineering & Associates |
|---|---|

4. Major Milestones

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

5. Progress

- Barge Landing Site is complete (November 1997)
- Main access road is approximately 70 percent complete (November 1998)
- Airstrip sub-grade has been completed (November 1997)
- Townsite water and sewer is approximately 50 percent complete (November 1998)
- Crushing and stockpiling of aggregate is approximately 75 percent complete (November 1998)
- Maintenance garage is 80 percent completed (November 1998)
- Camp and catering is providing full services to all contractors

6. Industrial Benefits

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

Sustainable Development Initiatives

“development that meets the need of the present without compromising the ability of future generations to meet their own needs.”

Brundtland Commission, 1992

Two documents guide INAC’s sustainable development initiatives. *Gathering Strength – Canada’s Aboriginal Action Plan* defines key priorities and a comprehensive framework for action. The department’s *Sustainable Development Strategy (SDS)* outlines the means for conducting its business in a way that supports sustainable development. Together, these documents attempt to improve the relationship with First Nations and northern peoples while contributing to actions that support sustainable development. The following table contains targets, actions, indicators and key deliverables for the 1999–2002 planning period. It illustrates how some key departmental priorities are contributing towards the implementation of the environmental dimension of SDS.

TARGETS	ACTIONS	INDICATORS	KEY DELIVERABLES FOR 1999–2002
Part I: Indian and Inuit Affairs Program			
STRATEGIC OBJECTIVE 1: RENEWING THE PARTNERSHIPS			
<input type="checkbox"/> Promote the participation of First Nations in the development of environmental programs and policy development.	<input type="checkbox"/> To encourage consultation between First Nations and other organizations and government departments.	<input type="checkbox"/> Number of projects incorporating traditional ecological knowledge and scientific knowledge. <input type="checkbox"/> Number of First Nations who agree to participate in the process. <input type="checkbox"/> Number of environmental policies and programs developed in consultations with First Nations.	<input type="checkbox"/> Moving forward in a true partnership for the betterment of the environment.
STRATEGIC OBJECTIVE 2: STRENGTHENING ABORIGINAL GOVERNANCE			
<input type="checkbox"/> Aboriginal governance regimes with the authority to develop environmental legislation on a reserve.	<input type="checkbox"/> Joint initiative between Lands and Trust Services/ Assembly of First Nations for policy development. <input type="checkbox"/> Devolve federal environmental responsibilities to First Nations.	<input type="checkbox"/> First Nations passing environmental regulations and legislation on their reserve as it pertains to their specific culture and traditions.	<input type="checkbox"/> <i>First Nations Land Management Act</i> as alternative legislation.

TARGETS	ACTIONS	INDICATORS	KEY DELIVERABLES FOR 1999–2002
STRATEGIC OBJECTIVE 3: SUPPORT STRONG COMMUNITIES, PEOPLE AND ECONOMIES			
<input type="checkbox"/> Waste and contaminated sites are no longer a threat to health and safety on reserves.	<input type="checkbox"/> To locate, prioritize and clean-up contaminated sites on reserves. <input type="checkbox"/> Develop a remediation plan to deal with those contaminated sites.	<input type="checkbox"/> Completion rate of clean-up of contaminated sites on a reserve. <input type="checkbox"/> Reduction in the total number of hazardous sites.	<input type="checkbox"/> Effective monitoring and enforcement of contaminants and hazardous waste clean-up. <input type="checkbox"/> Ensure that First Nation communities have the same level of environmental protection as non-Aboriginal communities.
STRATEGIC OBJECTIVE 4: SUPPORT STRONG COMMUNITIES, PEOPLE AND ECONOMIES			
<input type="checkbox"/> Maintenance of existing housing stock, renovation of substandard houses and construction of new homes.	<input type="checkbox"/> Implementation of the new housing policy which adheres to the <i>Canadian Environmental Assessment Act</i> .	<input type="checkbox"/> Number of community-based housing proposals approved under the new housing policy. <input type="checkbox"/> Number and percentage of housing stock which is adequate.	<input type="checkbox"/> Implementation of community-based housing policies, programs, and multi-year plans.
STRATEGIC OBJECTIVE 5: SUPPORT STRONG COMMUNITIES, PEOPLE AND ECONOMIES			
<input type="checkbox"/> Improve the basic water and sewage services available to on-reserve residents.	<input type="checkbox"/> Address Category 1 and 2 projects from the 1995 INAC / Health Canada joint survey, closing the gap projects, i.e. to provide water and sewer services to existing unserved homes, and address other urgent health and safety related water and sewer projects.	<input type="checkbox"/> Number of systems remediated or new systems put in place to address urgent health and safety issues on reserve. <input type="checkbox"/> Number of houses with adequate water and sewage services.	<input type="checkbox"/> Implementation of water and sewage projects to address urgent health and safety issues on reserve while closing the gap of those homes without services.

TARGETS	ACTIONS	INDICATORS	KEY DELIVERABLES FOR 1999–2002
Part II: Northern Affairs Program			
STRATEGIC OBJECTIVE 6: MANAGING FEDERAL INTERESTS			
<input type="checkbox"/> INAC moving towards a fundamentally different presence in the North through increased degree of local determination.	<input type="checkbox"/> More decision-making takes place in the North by Northerners.	<input type="checkbox"/> Level of transfer payments to the North (per capita) over time. <input type="checkbox"/> Implementation of land claims. <input type="checkbox"/> Amendments to <i>Northwest Territories Act</i> and the <i>Yukon Act</i> .	<input type="checkbox"/> Establishing Nunavut on April 1, 1999. <input type="checkbox"/> Devolving provincial-type powers and programs to the Yukon. <input type="checkbox"/> Supporting the western political development process in the N.W.T.
STRATEGIC OBJECTIVE 7: MANAGING FEDERAL INTERESTS			
<input type="checkbox"/> Effective membership of the Arctic Council.	<input type="checkbox"/> Participation in the Arctic Environmental Protection Strategy and the Sustainable Development Program.	<input type="checkbox"/> Partnerships with other Arctic countries. <input type="checkbox"/> Long-term data on the health of people living in the Arctic.	<input type="checkbox"/> Meeting Canada's obligations to work jointly with other Arctic countries according to the approved work plans of the various working groups of the Arctic Council (Arctic Monitoring and Assessment Program, Protection of the Arctic Marine Environment, Conservation of Arctic Flora and Fauna, and Sustainable Development).
STRATEGIC OBJECTIVE 8: PROMOTE SUSTAINABLE DEVELOPMENT IN THE NORTH			
<input type="checkbox"/> Waste sites are no longer threats to health and safety in the North.	<input type="checkbox"/> Finalize and implement a policy for the management of abandoned hazardous sites involving evaluation, remediation or risk management in a consistent manner.	<input type="checkbox"/> Reduction in the environmental liabilities to the federal government.	<input type="checkbox"/> Effective clean-up of hazardous waste and monitoring of northern contaminants.

TARGETS	ACTIONS	INDICATORS	KEY DELIVERABLES FOR 1999–2002
STRATEGIC OBJECTIVE 9: PROMOTE SUSTAINABLE DEVELOPMENT IN THE NORTH			
<input type="checkbox"/> Development that causes only minimal and acceptable damage to the environment in the North.	<input type="checkbox"/> Revise mining and other resource development legislation, regulations and policies.	<input type="checkbox"/> Degree to which all new and existing resource development legislation is consistent with INAC’s sustainable development principles. <input type="checkbox"/> Extent to which responsible resource management has been achieved through the modernization of resource regimes that facilitate natural resources development in the North.	<input type="checkbox"/> Modern and competitive legislation, regulatory and policy regimes that ensure the sustainable development of the North’s natural resources. <input type="checkbox"/> A general monitoring program in Nunavut. <input type="checkbox"/> Cumulative impact monitoring in N.W.T.
Part III: Administration Program			
STRATEGIC OBJECTIVE 10: FINDING INNOVATIVE WAYS OF DOING BUSINESS			
<input type="checkbox"/> Reduce the adverse environmental impact of departmental operations.	<input type="checkbox"/> Plan, develop and implement an Environmental Management System (EMS).	<input type="checkbox"/> Improved fleet performance with respect to fuel efficiency and emissions. <input type="checkbox"/> Improved environmental management of departmental facilities and properties. <input type="checkbox"/> Reduction in the amount of waste produced by departmental operation.	<input type="checkbox"/> EMS Policy and Guidance Document and Action Plan. <input type="checkbox"/> Best Practices Guides. <input type="checkbox"/> Status report by way of an Audit of the Greening of Government Operations.

Year 2000 Initiatives

The department has been addressing the Year 2000 (Y2K) issue since 1996–1997 and is currently completing the work required to ensure that our Government-Wide Mission Critical information technology (IT) systems are Y2K compliant, specifically, the systems for accounting, transfer payments, trust fund management, nominal roll and Indian government support. The latter two systems have been compliant and tested for some time now whereas the initial three systems are now just being completed. The department has provided its contingency planning documents to the Treasury Board and have been reporting regularly to them since the spring of 1998. Overall, the department's internal Y2K completion is 92 percent and it is expected that internal actions will be 100 percent completed as 1999–2000 approaches.

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

In the fall 1998, under the ambit of a “duty to warn, duty of care” perspective and notwithstanding that the department does not have a legal or statutory obligation, the department decided that it would work with and assist First Nations officials to address the embedded Y2K system issues that could occur consequent to a malfunction in facilities such as First Nation water or sewage treatment equipment. Many regions have already initiated the work necessary to deal with this potential problem. Furthermore, IOGC officials have sent letters to all contractors regarding their obligations to ensure that on-reserve drilling and/or production equipment is Y2K compliant. Additional and confirmation follow-up will ensue later this spring.

This co-operative exercise will in part strengthen the capabilities of First Nation communities and could be envisioned as an element in our overall *Gathering Strength* process.

Legislation and Regulations

Legislation Administered by the Department

Regulations Currently in Force in the Department

Listing of Proposed Regulations

Key Regulatory Initiatives

For information on these items please refer to the following INAC Web site.

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

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- Departmental Librarian and Manager, Publications and Public Enquiries (819) 997-8205
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