



FEDERAL FRAMEWORK FOR ABORIGINAL ECONOMIC DEVELOPMENT

Presentation for the Sioux Lookout Economic
Development Summit

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Government
of Canada

Gouvernement
du Canada

Canada



AN ECONOMIC DEVELOPMENT FRAMEWORK FOR THE 21ST CENTURY

The last policy framework for Aboriginal economic development was released in 1989 as the Canadian Aboriginal Economic Development Strategy (CAEDS).

The conditions, needs, opportunities and relationships associated with Aboriginal Canadians and economic development have changed significantly.

A new federal framework for Aboriginal economic development that is targeted at opportunities, is responsive to new and changing conditions, leverages partnerships and is focused on results.

Aligning with Advantage Canada

- Focusing government
- Creating new opportunities and choices
- Investing for sustainable growth
- Freeing business to grow and succeed

The first priority is economic development. This is obviously the most essential step to improving the lives of Aboriginal people and their families.

**Prime Minister Stephen Harper,
November 2007**



A UNIQUE OPPORTUNITY TO ACT

A Growing Population

Over the next ten years, 400,000 Aboriginal Canadians will reach an age to enter the labour market

There is a rising recognition among Canadian companies that employing Aboriginal people and partnering with Aboriginal communities is a smart business strategy.

TD Bank Financial Group, June 2009

A Growing Land Base

First Nations now own or control over 15 million hectares of land and Inuit own or control over 45 million hectares of land

A Growing Interest from the Private Sector

The private sector is increasingly recognizing the tremendous economic potential of Aboriginal Canadians

...forward-thinking companies who recognize that First Nation, Métis and Inuit partnerships make good business sense are taking the first steps by expanding engagement with these communities and spearheading cooperation.

Canadian Council for Aboriginal Business, February 2009

A Growing Entrepreneurial Leadership

Aboriginal leaders are business-oriented, and increasingly recognize economic development as a means to self reliance and greater autonomy





ABORIGINAL ECONOMIC DEVELOPMENT: AN EMERGING CONSENSUS

The Legal and Regulatory Environment

Address barriers that impede economic development

Skilled Labour

Improve literacy and essential skills development and industry-specific job training

Deficits in Capacity

Increase tools and capacity to identify and pursue economic opportunities

Improve community development programs and Aboriginal institutional arrangements, including support for long-term planning and ready access to expert advice

The single most important key to First Nation self-reliance is economic development.

Chief Clarence Louie, Osoyoos Indian Band, Chair, National Economic Development Board

Access to Lands and Resources

Accelerate resolution of land claims and additions to reserves processes

Operate at the speed of business

Deficits in Infrastructure

Improve commercial, communication and transportation infrastructure

Limited Financing Options

Improve access to commercial capital and other forms of financing





WHERE WE ARE...	AND NEED TO GO...
Untargeted investments are often distributed on grounds of equity rather than for real business opportunity	Economic opportunities for Aboriginal resources are systematically assessed, targeted and expanded
Few links exist with the private sector despite its growing interest in Aboriginal partnerships	The private sector drives investment, lending, joint ventures and major projects with Aboriginal Canadians
Aboriginal economic development is subject to rules and impediments not present elsewhere in the Canadian economy	Aboriginal communities operate in a stable, efficient and predictable investment climate that is attractive to business and investors
Capacity and accountability are inconsistent across federal programs	Federal programs are disciplined and focused on economic development levers
Federal investments in human capital development are insufficiently linked	All federal investments in human capital are connected wherever possible
Federal departments operate independently and do not leverage related investments in Aboriginal economic development	A whole-of-government approach will align federal investments in Aboriginal economic development
The federal role needs clarification and does not build on potential for collaboration with other levels of government and potential partners	A well-defined federal role exists that reflects constitutional and fiduciary obligations founded on good public policy objectives and strong partnerships





A NEW FEDERAL FRAMEWORK FOR ABORIGINAL ECONOMIC DEVELOPMENT

VISION

By focusing on opportunities, responding to new and changing conditions, leveraging partnerships and focusing on results, the Government of Canada, Aboriginal Canadians and willing partners will work together to ensure that Aboriginal Canadians enjoy the same opportunities for employment, income and wealth creation as other Canadians

The road forward out of dependency is already being paved. We believe in developing innovative solutions, instead of pouring money into futile programs that don't produce results

Chuck Strahl, Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Nonstatus Indians, June 2009



STRATEGIC PRIORITIES

<p>Strengthening Aboriginal Entrepreneurship</p> <p>A more business friendly climate on reserve and in the North, and improved access to capital and other business opportunities will strengthen entrepreneurship</p>	<p>Developing Aboriginal Human Capital</p> <p>Supporting demand driven labour market development will build human capital</p>	<p>Enhancing the Value of Aboriginal Assets</p> <p>Aligning federal investments with viable economic opportunities, better management of business and community assets, and a modern lands/resource management regime will help enhance the value of assets</p>	<p>Forging New and Effective Partnerships</p> <p>Promoting partnerships with provinces and territories and the private sector will ensure long-term, sustainable economic development</p>
<p>Focusing the Role of the Federal Government</p> <p>The role of the federal government will be more effective and efficient with clearer direction, greater coordination, more linkages and better collaboration</p>			



PURPOSE OF THE FRAMEWORK

A decision-making tool

The Framework will guide the development of new programs and actions to ensure they are consistent with its strategic priorities and principles

An assessment tool

The Framework will be used to evaluate the relevance and success of federal actions, including those carried out in partnership with provinces, territories, the private sector, voluntary groups and Aboriginal people across Canada

A communications tool

The Framework will clearly identify the new federal approach to Aboriginal economic development

STRENGTHENING ABORIGINAL ENTREPRENEURSHIP

Aboriginal businesses on reserve and in the North operate in a vastly different economic environment than in the rest of Canada

Aboriginal businesses on- and off-reserve, and in the North, also face persistent barriers to accessing capital and have deficits in capacity

The Government of Canada will:

- Remove legislative and regulatory barriers that deter business development
- Increase access to debt and equity capital
- Improve procurement opportunities
- Strengthen capacity of entrepreneurs to succeed in business
- Accommodate the real needs, conditions and opportunities facing different communities in all regions of the country

DEVELOPING ABORIGINAL HUMAN CAPITAL

With Aboriginal Canadians representing the fastest growing segment of the Canadian population, improving Aboriginal labour market outcomes is critical to Canada's long-term economic prosperity

The Government of Canada will:

- Support labour market programming that increases skills development and employability to help Aboriginal people secure long-term jobs
- Foster linkages across initiatives supporting labour market participation, skills development, apprenticeship and training, as well as education and income assistance
- Collaborate with industry, educators and the voluntary sector to better match learning and training with job opportunities in the labour market

ENHANCING THE VALUE OF ABORIGINAL ASSETS

The substantial and growing land and natural resource base of Aboriginal Canadians will remain largely idle if the status quo is maintained. Laws and regulations, such as the *Indian Act* and the Northern regulatory regime, and deficits in community and institutional capacity are impediments to developing these assets

The Government of Canada will:

- Modernize lands management regimes to enhance the value of assets
- Take a more systematic approach to identifying economic opportunities
- Strengthen capacity for community economic development planning
- Ensure that economic development programs are opportunity-driven and market-oriented

FORGING NEW AND EFFECTIVE PARTNERSHIPS

Long-term, sustainable success is dependent on bringing the interests, resources, and accountability of all willing partners – including Aboriginal Canadians – to the table

Forging new and effective partnerships is necessary to ensure that actions pursued by the government and its partners lead to meaningful and permanent gains for Aboriginal Canadians

The Government of Canada will:

- Bring together the experience and resources of willing partners – including Aboriginal Canadians, provinces and territories, and the private sector – to take advantage of economic opportunities
- Promote partnerships with the provinces and territories to advance Aboriginal economic development goals
- Support improved institutions and capacity in Aboriginal communities to contribute to the sustainability of Aboriginal economic development
- Facilitate linkages with the Aboriginal and non-Aboriginal private sector



FOCUSING THE ROLE OF THE FEDERAL GOVERNMENT

The Government of Canada will be most effective by focusing on the levers it controls: improving the coordination and collaboration among the federal departments and agencies, implementing results-based performance measurement and ensuring ongoing engagement with Aboriginal groups and economic development stakeholders

The Government of Canada will:

- Link federal program spending to real business opportunities
- Ensure clearer direction, greater coordination, better collaboration and increased linkages among federal initiatives across government departments and agencies
- Take a whole-of-government approach to Aboriginal economic development, recognizing that all federal initiatives need to be complementary and mutually reinforcing
- Strengthen the role of the National Aboriginal Economic Development Board
- Create a stronger interdepartmental governance structure to produce better results and increase accountability to all Canadians

EARLY FUNDING COMMITMENTS: \$200 MILLION OVER 4 YEARS

Access to and Control of Reserve Lands

First Nations own and control a substantial and growing land and natural resource base. This land will remain economically idle without investments in land designation and assessments, and the training of qualified land managers.

The Government of Canada will invest:

- \$63.3 million over four years to accelerate the economic use of lands

EARLY FUNDING COMMITMENTS: \$200 MILLION OVER 4 YEARS

Access to Capital

Aboriginal businesses on- and off-reserve, and in the North, face unique and persistent barriers to accessing debt and equity capital. Securing access to capital for Aboriginal businesses and entrepreneurs will enable stronger business growth and consequently employment for Aboriginal Canadians.

The Government of Canada will invest:

- \$53.1 million over four years to improve access to commercial capital

EARLY FUNDING COMMITMENTS: \$200 MILLION OVER 4 YEARS

Aboriginal Procurement

The federal government's Procurement Strategy for Aboriginal Business (PSAB), obtains required goods and services at market rates and serves as a tool for Aboriginal business growth. Despite progress, Aboriginal procurement remains an underutilized tool for growing Aboriginal business.

The Government of Canada will invest:

- \$9.5 million over four years to promote Aboriginal procurement

EARLY FUNDING COMMITMENTS: \$200 MILLION OVER 4 YEARS

Strategic Partnerships

Forging new and effective partnerships is necessary to ensure that investments and actions taken now by the federal government and its partners will lead to meaningful and permanent gains for Aboriginal Canadians. Longer-term success will depend on bringing the interests, roles, and accountability of all actors – especially Aboriginal Canadians themselves – to the table.

The Government of Canada will invest:

- \$66.3 million over four years to strengthen Aboriginal participation in key sectors of the economy

Future Stakeholder Engagement Sessions

- Program renewal is a medium term action identified in the Action Plan to support the implementation of the Framework
- Formal Engagement Sessions planned in January 2010 to support program redesign.
- Locations and dates are being determined by INAC Region/HQ working Committee.
- Participant Lists will be determined in partnership with INAC Regions.
- Timeline for implementation of renewed programs is April 2011