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Affairs Canada

Affaires indiennes
et du Nord Canada

Final Report

*Implementation Evaluation of the
First Nation Infrastructure Fund
(Project Number: 08045)*

February 2010

Evaluation, Performance Measurement,
and Review Branch
Audit and Evaluation Sector

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Canada 

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List of Acronyms

AFN	Assembly of First Nations
B.C	British Columbia
CFM	Capital Facilities and Maintenance
CPM	Centre for Public Management
DIAND	Department of Indian Affairs and Northern Development
EPMRB	Evaluation and Performance Measurement Branch
FN	First Nation
FNIF	First Nations Infrastructure Fund
FNITP	First Nations and Inuit Transfer Payments
GTF	Gas Tax Fund
ICMS	Integrated Capital Management System
INAC	Indian and Northern Affairs Canada
INFC	Infrastructure Canada
MOU	Memorandum of Understanding
MRIF	Municipal Rural Infrastructure Fund
NOC	National Oversight Committee
O&M	Operations and Maintenance
RC	Regional Committee
RBAF	Risk-Based Audit Framework
RMAF	Results-Based Management Accountability Framework
TBS	Treasury Board Secretariat

Executive Summary

Introduction

The First Nations Infrastructure Fund (FNIF) is a targeted fund operated by Indian and Northern Affairs Canada (INAC) that combines allocations under three existing programs: the First Nations component of Infrastructure Canada's Municipal Rural Infrastructure Fund and Gas Tax Fund, as well as contributions from INAC's Capital Facilities and Maintenance Program. A National Oversight Committee (NOC) includes a representative from Infrastructure Canada (INFC) and one representative from INAC provides broad program oversight. The objective of FNIF is to improve the quality of life and the environment for First Nation communities by assisting First Nations to improve and increase public infrastructure in their communities.

The purpose of this implementation (formative) evaluation report is to examine management issues relating to how the FNIF program is being implemented rather than its results; the adequacy of its design and delivery, whether or not the FNIF program is likely to produce the expected outcomes; whether the performance measurement strategy is generating valid and reliable performance data; whether adjustments are necessary; and whether progress toward the achievement of the outcomes is occurring.

A lot of the effort of the evaluation was focussed on case studies in First Nation (FN) communities across the country. This represented regional variations in terms of service delivery, varying degrees of size and remoteness of location, as well as the differing funding agreements, which guided program and reporting requirements. Key informant interviews, and literature and document reviews also provided the evaluation team with the overall policy and program context in which the various communities are operating, and in most cases, struggling to meet the often unique and challenging needs of FN communities.

Methodology

The evaluation developed multiple lines of evidence gathered through the following activities:

- A review of documents;
- A review of literature sources;
- Review of administrative and financial data documents;
- 113 key informant interviews;
 - 17 federal program officials (INAC National Headquarters),
 - Two representatives from INFC,
 - 34 regional program officials,
 - 58 First Nations representatives, and
 - Two community plans / planning experts;
- Case Studies, that included:
 - Interviews with community service providers,
 - 16 projects in 14 communities,
 - Review of files, and
 - One online survey involving:

- 56 FNs in British Columbia invited to participate, and
- 15 survey responses received, representing 13 planning initiatives and two skills development initiatives; and
- Two focus groups involving 11 FNIF end-users (tribal councils from across the country and one with the grand chiefs of various Indian associations);

Overall Evaluation Findings

FNIF is an opportunity to provide targeted funding in an attempt to improve or introduce new infrastructure and related services to FNs. This evaluation indicates that the targeted funding is addressing infrastructure needs, while also providing some performance information. Thus, even though this demonstrates that there are definite advantages to maintaining FNIF in future infrastructure activities, some communities have indicated that they have limited capacity to develop and manage such projects as a result of location.

At the same time and overall, the program continues to meet vital FNs infrastructure needs.

Relevance

Overall, the evaluation found strong evidence that FNIF activities are still relevant as its objectives are well aligned with both the federal government priorities and INAC's mandate; this is especially due to the Government of Canada's emphasis on infrastructure renewal. There is also a necessary role for the federal government to deliver FNIF and a clear and continued need for the program being delivered in communities because it is meeting real needs and is highly valued by community members. According to all the lines of evidence, most of the projects would not have been undertaken without federal involvement. Further, there is a clear gap between funding that is available and the needs of the community; this is demonstrated by the fact that there are more eligible projects than can be funded from available funding.

Design

FNIF is largely seen as appropriately structured to meet its current objectives. Based on the lines of evidence, FNIF objectives, roles, responsibilities and accountabilities are clear and understood but some improvements may be needed as there are indications of some mixed understanding. The FNIF design and budget allocation align in general with program objectives and FN needs and priorities.

Overall, there is an understanding of a need for performance measurement. While the FNIF Program Guide lists potential project benefits (outcomes) and requires that FNs submitting applications identify "measurable" benefits that are expected to result from their projects, there is a recognized need that implementation with regard to the collection of data to actually measure the benefit is lacking.

Delivery

For the most part, overall findings show that FNIF appears to be designed in a way that will enable it to realistically attain its stated objectives and outcomes. Furthermore, all agreed that the program is well aligned with the needs of FNs as it focuses mainly on the local needs instead of the national priorities, as in the case of the Capital Facilities and Maintenance Program.

On the other hand, the evaluation revealed that during the approval process for the first two calls, there was some confusion between FNs and regional offices regarding terminology such as “approved for funding”, though this situation seems to have been resolved. Also, the selection process that occurred due to some delivery issues seemed to have disadvantaged some FNs who do not have the capacity to submit sound proposals. There was an additional lack of knowledge of the details of the program that surfaced during the application process phase.

Overall, most FNIF activities have been implemented as planned. These include the institution of regional committees, the launch of calls for proposals, provision of information to FNs, and the establishment of a review process aligned with what was initially designed. In spite of these implementations, some issues occurred with respect to some of these activities. For instance, launch of calls for proposals was not timely and not consistent; this affected the quality of the proposals as it did not allow FN members sufficient time to prepare proper, detailed planning or cost estimates.

FNIF received so many eligible proposals that they faced budget problems as a result of limited funding available.

Communication of the details of the program was also an issue. While most communities became aware of the program by virtue of invitations sent by their tribal council, others had no knowledge of it. It also became clear to the evaluation team that there was a misunderstanding of the program and the evaluation process for some of the FNs. It was also apparent that limited openness and a lack of transparency of the selection process (in terms of clear explanations of selection to FNs applicants) in some regions are a significant concern for FNs officials.

Effectiveness (Performance/Success)

Overall, findings show that even if the evaluation was unable to assess the degree to which the program’s expected results are being achieved due to the weakness in performance measurement at the early stage of the program, FNIF appears to be targeting its objectives. All the evidence uncovered show that the flexibility and ability of FNIF to meet local needs contributed to the success of the program and had real impact on communities. Projects that were undertaken have improved and contributed to the health and safety of residents; it also points to a cleaner and healthier environment, as well as better public/government service delivery in FNs communities.

Overall Evaluation Recommendations

Outlined below are four recommendations applicable to the FNIF Program:

1. a) Ensure that when there is a call-up for proposals, enough time is provided in order to create an atmosphere where the particular FN have an equal opportunity to access the program and submit proposal; and
b) Ensure that INAC regional officers are equipped with the required time and resources in order for the selection processes to perform efficiently and in a transparent manner.
2. Put in place a mechanism or process, due to the high staff turnover, to ensure that knowledge and corporate memory are duly passed on to successors so that key information would be communicated in a timely fashion to FNs.
3. Put in place a performance measurement process to comply with the Memorandum of Understanding (MOU) and report to Infrastructure Canada (INFC).
4. Negotiate with INFC in order to be more strategic in the use of FNIF funds, taking into consideration local/regional priorities especially since the demand from FNs is higher than the funding capacity.

Management Response / Action Plan

Project Title: Implementation Evaluation of the First Nation Infrastructure Fund

Project #: 08045

Recommendations	Actions	Responsible Manager (Title / Sector)	Planned Implementation and Completion Dates
1. Ensure that: a) when there is a call-up for proposals, enough time is provided in order to create an atmosphere where the particular FNs have an equal opportunity to access the program and submit proposals; b) INAC regional officers are equipped with the required time and resources in order that the selection processes perform efficiently and in a transparent manner.	a) Increase length of call out period from 2 months to 4 months.	a) Director General Operations and Planning Support Branch	31/03/2011
	b) Provide training, increased guidance and workshops to regional offices.	b) Director General Operations and Planning Support Branch Director General Community Infrastructure Branch	31/03/2011
2. Put in place a mechanism or process, due to the high staff turnover, to ensure that knowledge and corporate memory are duly passed on to successors so that key information would be communicated in a timely fashion to First Nations.	Centrally store general program documentation, such as project selection rational and joint Infrastructure Canada and INAC program adjustments and decisions.	Director General Community Infrastructure Branch Director General Operations and Planning Support Branch	31/03/2011
3. Put in place a performance measurement process to comply with the MOU and report to INFC.	Incorporate FNIF indicators within the Capital Facilities and Maintenance Performance Measurement Strategy.	Director General Community Infrastructure Branch	31/03/2011
4. Negotiate with INFC in order to be more strategic in the use of FNIF funds, taking into consideration local/regional priorities especially since the demand from FNs, is higher than the funding capacity.	Work with Infrastructure Canada to identify priorities across regions.	Director General Operations and Planning Support Branch Director General Community Infrastructure Branch	31/03/2011

The Management Response and Action Plan for the Implementation Evaluation of the Enhanced Prevention Focused Approach of the First Nations Child and Family Services Program in Alberta were approved by the Evaluation, Performance Measurement and Review Committee on September 24, 2010.

1. Introduction

1.1 Overview

1.1.1 Context of the Evaluation

This evaluation report fulfills a departmental commitment to complete a formative evaluation of the First Nations Infrastructure Fund (FNIF) and to provide a foundation for a future summative evaluation of the program. In accordance with Treasury Board Secretariat (TBS) requirements and expectations of formative evaluations, the evaluation team looked at the adequacy of the program's relevance, design and delivery as well as progress towards expected outcomes. Since FNIF was only introduced in 2007, there is no attempt to measure long-term outcomes.

FNIF is a targeted fund operated by Indian and Northern Affairs Canada (INAC) that combines allocations under three existing programs: the First Nations component of Infrastructure Canada's Municipal Rural Infrastructure Fund and Gas Tax Fund, as well as contributions from INAC's Capital Facilities and Maintenance Program. A National Oversight Committee (NOC), which includes a representative from Infrastructure Canada (INFC) and one representative from INAC, provides broad program oversight. The objective of FNIF is to improve the quality of life and the environment for First Nation communities by assisting First Nations (FNs) to improve and increase public infrastructure in their communities. While a formative evaluation of the FNIF is required in 2009, a summative evaluation is expected in 2011.

To meet the evaluation requirement, INAC's Evaluation, Performance Measurement and Review Branch (EPMRB) of the Audit and Evaluation Sector, after identifying tasks that could be done "in-house" and those that needed to be done externally, contracted the formative evaluation of FNIF in February 2009 to the Centre for Public Management (CPM), an Ottawa-based professional services consulting firm. CPM conducted portions of the evaluation (e.g. field work) in collaboration with EPMRB officials; the analysis of the information gathered from the field work was done in-house by EPMRB officials.

1.1.2 Objectives of the evaluation

The purpose of this formative evaluation was to assess:

1. FNIF's relevance;
2. its alignment with government priorities;
3. how the FNIF is being implemented;
4. the adequacy of the FNIF Program's design and delivery;
5. whether or not the program is likely to produce the outcomes expected;
6. whether the performance measurement strategy is generating valid and reliable performance data;
7. whether there are adjustments necessary; and
8. whether progress toward the achievement of the outcomes is occurring.

The anticipated results are expected to lead to improvements in the delivery and desired impact of the program/components. The results are also required by Treasury Board and INFC, as part of INAC's responsibility under the FNIF Reporting section of the INFC- Department of Indian Affairs and Northern Development (DIAND)-Indian and Inuit Affairs Program Memorandum of Understanding (MOU).

1.1.3 Structure of the report

This report contains seven sections, including the Introduction (Section 1), Section 2 describes the methodology for the evaluation, while Section 3 describes the Evaluation Findings - Relevance; Section 4 Evaluation Findings – Design; Section 5 Evaluation Findings – Delivery; Section 6 Evaluation Findings - Effectiveness (Performance/Success); and Section 7 presents the Conclusions and Recommendations.

1.2 Program Profile

1.2.1 Program Background and Objectives

In the 2002 Speech from the Throne, the Government of Canada pledged to work with provincial, territorial, and municipal governments to put in place a ten-year initiative of infrastructure renewal to ensure that Canadian communities, large and small, are sustainable, competitive and healthy centres for economic growth and innovation.

In August 2002, the Prime Minister announced the creation of INFC as a separate organization reporting to the Minister of Transport, Infrastructure and Communities. As a stand-alone organization, INFC was created as a focal point for Government of Canada leadership on infrastructure issues and programs.

In Budget 2003, the Government of Canada confirmed its ten-year commitment by providing \$1 billion to help meet the infrastructure needs of smaller communities. This new initiative was the Municipal Rural Infrastructure Fund (MRIF).

The Government of Canada's Budget 2005 outlined its intent to provide cities and communities an amount equivalent to a portion of the federal excise tax on gasoline to provide for environmentally sustainable municipal infrastructure to primarily support environmental sustainability objectives under a Cities and Communities agenda. This initiative was called the Gas Tax Fund (GTF). The Minister of Transport, Infrastructure and Communities, is responsible for implementing MRIF and GTF, including their FNs components.

The Minister of Transport, Infrastructure and Communities, is responsible for reporting to Parliament on the use of funds from the MRIF and the GTF. The responsibility for reporting on the FN component for the MRIF and the GTF has been transferred to the Minister of INAC. INAC also manages an infrastructure program, the Capital Facilities and Maintenance (CFM) Program, which provides assistance to FNs for the establishment of healthy, safe and sustainable FN communities.

In recognition of this and of the unique infrastructure needs of FN communities, INFC pledged to work collaboratively with INAC to deliver the FNs components of MRIF and GTF in the provinces. The pooling of the three funds into one new program to be delivered by INAC's existing mechanisms adheres to the Government of Canada's best practices for program delivery and also maximizes value for money. Consequently, INAC and INFC agreed to create a new program, FNIF, administered by INAC. The FNIF, introduced in 2007 as part of the new Government of Canada programs, draws funding from these three existing program authorities. This amalgamation of funds is expected to maximize the benefit of the funds to FNs, while reducing the administrative burden on FN communities.

FNIF is designed to improve the quality of life and the environment for FN communities (see logic model in Appendix B) by assisting FNs to improve the quality of and increase the amount of public infrastructure on reserves, Crown land or land set-aside for the use and benefit of a FNs; or off reserve in the case of cost-shared projects with non-FN partners such as those neighbouring municipally¹. The program also has a planning and skills development component, with a purpose of encouraging the use of integrated asset management by municipalities.

According to the strategic outcomes, the FNIF reflects and complements the objective and areas of focus identified within CFM. As per FNIF Terms and Conditions (2007), the fund specifically seeks to:

- improve the health and safety of FN communities;
- contribute to a cleaner and healthier environment;
- improve the delivery of public/government services, including education and e-health to FN communities;
- enhance collaboration among FN communities, municipalities and provinces; and,
- leverage other sources of funding for infrastructure projects in FN communities, by way of enhancing municipal, provincial, or private sector partnerships.

To reach its strategic outcomes or objectives, FNIF is divided into five project categories:

- **solid waste (management):** construct, restore and improve infrastructure that improves solid waste management and increases the recovery and use of recycled and organic materials, reduces per capita tonnage of solid waste sent to landfill, reduces environmental impacts and enhances energy recovery.
- **energy systems:** construct, restore or improve local band-owned infrastructure that optimizes the use of energy sources (e.g. in buildings and other installations), accesses provincially owned energy grids and reduces the greenhouse gas emissions and air contaminants arising from local sources.
- **local roads and bridges:** 1) construct, restore or improve public roads and bridges that will result in improved safety, support tourism and commerce, support social and economic development of local areas; and 2) reduce the need for client travel outside of their local region for schooling and healthcare purposes.

¹ RMAF/RBAF, pg. 7

- **(community) planning and skills development:** to support investment in community planning and/or skills development projects that will support long-term sustainable community development of FN communities.
- **connectivity²:** to support under-connected FNs to gain access to partner on nearby regional broadband network expansions driven by regional, provincial, and private sector broadband infrastructure partnerships and/or nearby regional telecommunications rural broadband expansion projects in order to improve social, cultural and economic development opportunities, as well as: improve the delivery of public services, such as government services, education, and e-health to FN communities to improve community access to information and broadband technologies.

1.2.2 Key Stakeholders, Management and Accountability

INAC and INFC share some responsibilities with respect to FNIF. INAC is responsible for delivering the program, collecting and recording information on results achieved, and reporting annually to INFC and to Parliament on the progress and outcomes of the program. INFC is responsible for setting up the program. INFC facilitated, with INAC, the design of the terms and conditions, the preparation of an MOU and the development of an integrated Result-based Management and Accountability Framework (RMAF). The MOU deals with matters such as roles and responsibilities, reporting and due diligence, environmental assessments, information management, and communications.

Regarding governance and accountability, there is also a set of specific responsibilities that apply to INAC and INFC (a two-tiered management committee structure for the planning and oversight of FNIF), which includes these stakeholders: NOC, Regional Committees (RCs), the Assembly of First Nations (AFN) as observers and FNs.

1.2.3 Beneficiaries

Eligible applicants include:

- FNs government, including a band or tribal council or its agent (wholly-owned corporation), on the condition that the FN has indicated support for the project and for the legally designated representative to act as an applicant through a formal band or tribal council resolution; and
- Innu communities where the applicant is on reserve, Crown land in the province.

1.2.4 Program delivery

FNIF is a targeted funding program and INAC is the lead federal department in its delivery. This is in recognition that FN allocations from MRIF and GTF are being transferred to INAC. Within

² It should be noted that no fund was provided for connectivity project from fiscal year 2007 to 2009 but will be in the third call. This could be explained by the fact that INAC didn't receive the authority to deliver this component up to 2009-2010.

INAC, according to the current Program Activity Architecture, FNIF is managed under the Economy pillar and more specifically under Community Infrastructure. The Community Infrastructure Branch is responsible for its delivery and management as well as for the CFM Program. FNIF funding is distributed to INAC's seven regional offices (under the 60th parallel), which provide funding through a proposal-driven process with beneficiaries.

FNIF is subject to a management and implementation MOU between INFC and INAC. The MOU deals with matters such as departmental commitments, roles and responsibilities, governance, program evaluation, and communications.

A NOC with two federal co-chairs at the Assistant Deputy Minister level, including one appointed by the Deputy Head of INFC, and the second appointed by the Deputy Minister of INAC provides broad program oversight. NOC's functions include ensuring the fairness, transparency, and effectiveness of the application, selection, and reimbursement processes of FNIF, promoting coherence in the administration and governance of the FNIF with respect to INAC, INFC and other federal government infrastructure programs, when necessary.

Other bodies that assist with program delivery are RCs established by each INAC regional office. The RCs are composed of officials from INAC regional offices, FN representatives, and when appropriate, representatives from regional development agencies, provinces, and municipalities. The RCs are chaired by the Associate Regional Directors General in each region and where possible, these committees are made up of existing regional bodies, such as Regional Investment Management Boards or any regional committees established for the INFC Program. The RC activities include, among other things, establishing regional priorities based on Community Plans, Needs Assessments, and any pressing local health, safety, or disaster requirements; advising on communications issues, where appropriate; and, reviewing requests for project amendments.

The responsibilities of the INAC regional offices include such activities as establishing RCs; ensuring that FNIF funds are managed in accordance with the Terms and Conditions of FNIF; assessing and verifying the eligibility of project costs; providing secretariat services to the RCs; and reviewing, verifying, approving and making payments in accordance with the *Financial Administration Act*, and INAC Financial Policies and Procedures for Transfer Payments and so on.

INAC administers FNIF and channels funds to successful FNs applicants through its existing comprehensive funding agreements with individual FNs. To do so, the regional offices issue call letters (includes the same intake date across the country) to all FNs inviting project applications once per year (in 2007-08, 2008-09, and 2009-10). A Project Application Guide outlining the program and all application requirements are made available and these were disseminated to potential applicants.

Selection criteria allowed for the recommendations and approval of both small-and large-scale infrastructure projects, including projects with a regional impact. In order to achieve the FNIF objectives and outcomes, the RCs also established regional priorities based on community plans, needs assessments, and any pressing local health, safety, or disaster requirements. All project

applications meeting the mandatory screening criteria identified in the Program Guide will then be measured against the selection criteria for the project category selected, in consideration of local needs and priorities identified by the RC.

Regional offices send a notification of conditional approval to the applicant for signature, setting a start date for the project and for claiming eligible costs.

In an effort to recognize the range of infrastructure needs in FN communities across the country, RCs will strive to ensure that all parts of the region benefit from projects, and in an effort to respect this, will cap FNIF investments into any one project to \$10 million.

1.2.5 Program Resources

Cabinet approved a total funding of \$131,131,000 over five years. Of that, \$127,258,070 was for Grants and Contributions and \$3,872,930 for Operations and Maintenance (O&M) funding, which is required for the administration of FNIF.

2. Evaluation Methodology

2.1 Evaluation Scope and Timing

This evaluation, entailing the examination of regional activities was national in scope, covered fiscal years 2007-08 to 2008-09 as well as the following categories (with the exception of “connectivity”) that fall under INAC’s responsibility:

- solid waste (management);
- energy systems;
- local roads and bridges; and
- (community) planning and skills development.

The Terms of Reference were approved by INAC’s Evaluation, Performance Measurement and Review Committee in December 2008, and field work was conducted between April 2009 and September 2009.

2.2 Evaluation Issues and Questions

The evaluation focused on the following issues:

1. **Relevance:** Assessment of the alignment with federal government priorities, continued need for FNIF and consistency with federal roles and responsibilities.
2. **Design** (*to what extent the FNIF is well designed?*): Assessment of the feasibility of meeting program objectives, the understanding of the roles, responsibilities and accountability of stakeholders, the alignment of the processes with the objective of the program, and the appropriateness of the performance information collected and utilized for effective program management.
3. **Delivery** (*to what extent the FNIF is delivered effectively?*): Assessment of FNIF implementation and possible alternative for the delivery model.
4. **Success:** Assessment of achievement of intended outcomes (immediate, intermediate and ultimate) and objectives of FNIF, identification of factors that hindered the program success and lessons learned.
5. **Effectiveness:** Demonstration of cost-effectiveness and alternatives.

The Evaluation Framework Matrix is included in Appendix A.

2.3 Evaluation Method

Evaluation fieldwork was conducted largely between April 2009 and September 2009, and the inclusive research work was performed in part by consultants and in part by EPMRB officials; the report writing was undertaken solely by EPMRB staff.

This evaluation project was conducted through a series of activities, which included:

- Development of the Evaluation Framework and Methodology;
- Preliminary Consultations;
- Literature Review;
- Document and File Review
- Administrative and Financial Data Analysis;
- Key Informant Interviews;
- Case Studies;
- Focus Groups; and
- Survey.

Each particular set of activities is briefly described in the following subsections.

Preliminary Consultations

The evaluation team consulted with five INAC Headquarters officials at the outset of the evaluation. The individuals consulted included INAC's Evaluation branch employees as well as those from the following branches: social program policy analysts, senior statistical officers, and managers of program funding and program operations. Two representatives of INFC were also consulted at this phase.

The purpose of the preliminary consultations was to:

- Identify key informants;
- Identify key documents, literature, and data sources;
- Determine the adequacy of data collection;
- Identify possible case study communities;
- Identify local / community contact to facilitate with application of lines of inquiry; and finally
- Obtain appropriate insight into FNIF's successes and limitations.

The preliminary consultation activity began with the evaluation team, in consultation with the client identifying key INAC staff along with the contact information of each identified participant. Prior to conducting the preliminary consultations, the evaluation team also developed an invitation letter, a questionnaire, an interview guide as well as an interview compilation template. Each participant was then contacted by the evaluation team to schedule and conduct interviews at the agreed upon date. The interview data were then entered into the interview compilation template.

2.3.1 Data Sources

All findings and conclusions are based on the analysis and triangulation (an approach to data analysis that synthesizes data from multiple sources. Triangulation seeks to quickly examine existing data to strengthen interpretations and increase the credibility and validity of the results) of the following multiple lines of evidence (see also Appendix A, Evaluation Matrix):

Literature Review:

The literature review canvassed several topics pertaining to the CFM and FNIF programs. It assessed what has been published on these topics by experts in this field, including work done at INAC, elsewhere in Canada, and internationally. This evaluation line of evidence permits information to be collected on a wide range of evaluation issues (i.e. Relevance, Design, Delivery, Success and Cost-effectiveness/Alternatives) and typically provides a detailed background of the issues facing both programs, its strengths and weaknesses as well as canvasses of the available material for best practices.

Document and file review:

In the course of this activity, the evaluation team collected documents (hard or electronic copies) either provided or identified by the client and preliminary consultation participants, as well as relevant documents identified on the Internet. The document review permitted information to be collected on a wide range of evaluation issues. This information provided the evaluation team with initial insights into the issues, background information on the program, and areas to be pursued in the interviews and case study modules, as well as some initial findings to be assessed and reviewed in the other evaluation modules. Additional documentation was reviewed during the implementation of this evaluation; the documents reviewed on-site were used to inform the case studies.

The types of documents that were reviewed included:

- RMAF, Management Control Framework and MOU on FNIF; and
- Program documents (application related information, annual reports, notes, briefing notes, minutes, project reports, and work plans).

Data Analysis:

This comprised an analysis of both administrative and financial data. The administrative review pertained to that, which provided information on program outputs and outcomes, budgets, the type of data being collected and what it is able to say about impacts, the extent to which program objectives were being met, etc. However, the data analysis focused mostly on financial data, which included an examination of program budgets, annual reports and data drawn from the First Nations and Inuit Transfer Payments (FNITP) system. The data was analyzed in order to determine how FNIF funding was being used amongst FN recipients across Canada.

Key Informant Interview and Case Studies:

Recognizing that the case study participants included key informants, the evaluation team took advantage of this process and involved the participants in an interview, the result of which is included in the information gathered for this section. In all, the evaluation team, in consultation with the project authority, conducted approximately 113 key informant interviews to identify program successes, challenges, and general effectiveness with INAC Headquarters and regional officials and other relevant experts. Below is a total of those interviewed:

- 17 federal program officials (INAC National Headquarters)
- two representatives from INFC;
- 34 regional program officials;
- 58 First Nations representatives; and
- two community plans / planning experts

In total, two different kinds of case studies were undertaken. The first one included case studies of 16 projects in 14 communities, with at least one case study conducted in each of the eight regions. As much as possible, these case studies provided a good representation of various reserves, including both small and large reserves in rural, urban, and remote areas, and projects from a variety of the eligible FNIF project categories. The case studies included a review of relevant documents, interviews with regional program officials, and FNs chiefs and/or band managers, and/or staff responsible for the projects. To give additional detail and context to the issues encountered in the FNIF Program, data collected from the CFM evaluation case studies was also utilized, where appropriate, for this report. It must be noted that where possible, the timing of data collection was also coordinated with that of the CFM summative evaluation.

Survey:

The second case study approach involved interviews and a survey, which focused on the planning and skills development initiatives, most specifically undertaken by FNs in the British Columbia (B.C.) region with funding from the FNIF in 2007/08 and 2008/09. All FNs in the B.C. region that received funding from FNIF for planning and skills development initiatives were invited via email to participate in an on-line survey, consisting of both closed and open-ended questions. Participants were asked to complete one survey for each planning or skills development initiative undertaken under FNIF. Copies of this survey were sent via fax to FNs without an available email address.

Of the 56 FNs in B.C. who were invited to participate, 15 survey responses were received, representing 13 planning initiatives, and two skills development initiatives. In total, this equates to a 25 percent response rate.

Focus Group:

Two focus groups were conducted in July 2009: one with members of tribal councils from across the country and one with the grand chiefs of various Indian associations. The principal subject was the CFM Program but there were some questions around the FNIF Program as well. In total, 11 individuals participated in these focus groups and were mainly specialists, technicians and

managers. These individuals were selected through pre-consultations with individuals from programs and policy.

2.3.2 Considerations, Strengths and Limitations

This evaluation was affected and constrained by some limitations:

Considerations

- *Simultaneous Conduct of Two Evaluations*

As mentioned earlier, the evaluation team undertook two evaluations concurrently, both of which deal with Infrastructure programs: a formative evaluation of FNIF and a summative evaluation of the CFM. This approach was used because both programs raise the same or similar issues and, to a certain extent, target the same population. Moreover, it was also a way of reducing the burden that the two evaluations would impose on FN communities since some of the data collection activities could be undertaken at the same time. This was particularly so in the case of the literature review, the key informant interviews and the case studies. Finally, and for the sake of cost-effectiveness, both evaluations were conducted simultaneously where warranted.

Constraints and Limitations

- *Delay in accessing administrative data*

The evaluation team faced many challenges regarding access to the administrative data due to the fact that the Integrated Capital Management System (ICMS) is not fully operational and project details are kept at the regional offices. Moreover, regional officials were rolling out Budget 2009 during this time, thus, the evaluation team had to delay the regional visit, which in turn denied the team access to additional data. Ultimately, there was a delay in the data analysis and report, the content of which focused mainly on financial information that could be accessed through FNITP.

To mitigate this situation, additional information on the projects were included in the case study report.

- *Limited performance measurement data*

On-site document review demonstrated that information collected on the project by INAC officials mostly occurred at the activity and outputs level. Tracking of achieved results, immediate and intermediate outcomes was inconsistent as it was done mostly during the proposal stage and no reporting on performance data were asked of FNs. These factors affected the performance story of the program.

To mitigate this situation, interviews with FNs communities were used to get a sense of how FNIF achieved its outcomes.

- *Confusion with CFM Program*

Additionally, it should be noted that some FN interviewees may not have distinguished FNIF as a program separate and apart from CFM, therefore, an interviewee may have been thinking about CFM in making some comments about FNIF. A lack of familiarity with the details of both programs coupled with a turnover of FN community officials who were responsible for the implementation of the program created this situation. As mentioned by some FN respondents, it was INAC that was delivering the fund but they could not necessarily indicate which program the fund came from.

This situation is mitigated by the fact that the information collected from the interviews is considered sufficient to establish key findings, most particularly since a varied set of individuals with different perspectives on the program were interviewed and is based on case studies specific to FNIF.

- *H1N1 Outbreak*

On-site visits in FN reserves in Manitoba had to be conducted by phone instead due to an H1N1 outbreak.

To mitigate this situation, the case studies for this region included phone interviews with relevant regional program officials and FN representatives.

2.4 Roles, Responsibilities and Quality Control

EPMRB was the project authority and the evaluation was conducted in accordance with the evaluation guidelines set out by TBS in order to assure quality, neutrality and utility.

In line with EPMRB's Quality Control Process and Standards and its engagement policy, a working group established for the purposes of this evaluation assisted by facilitating access to information, reviewing and validating the draft final report. The Working Group comprised of managers and program officers (Headquarter and regional) from FNIF and from the AFN. A validation session of the preliminary findings and the final report occurred with program representatives.

For quality control purpose, it should also be noted that evaluators from EPMRB participated in most of the case studies.

3. Evaluation Findings - Relevance

Overall, the evaluation found strong evidence that FNIF activities are still relevant as its objectives are well aligned with both the federal government priorities and INAC's mandate; this is especially due to the Government of Canada's emphasis on infrastructure renewal. There is also a necessary role for the federal government to deliver FNIF and a clear and continued need for the program being delivered in communities because it is meeting real needs and is highly valued by community members. According to all the lines of evidence, most of the projects would not have been undertaken without federal involvement. Further, there is a clear gap between funding that is available and the needs of the community; this is demonstrated by the fact that there are more eligible projects than can be funded from available funding.

The questions addressed in this evaluation issue included:

- To what extent is the FNIF consistent with the objectives and priorities of the federal government and INAC?
- Is there a legitimate, appropriate and necessary role for the federal government in supporting the FNIF?
- To what extent does the FNIF respond to the needs and priorities of its targeted beneficiaries/clients (i.e. First Nation)?

3.1 Alignment with Government Priorities and INAC

The evaluation clearly shows that the FNIF is relevant to the Government of Canada's priorities and INAC's strategic objectives. In particular, the program is well-aligned with the following federal government priorities:

1. A commitment to providing stable and reliable funding to provinces, territories, and communities to help them meet their infrastructure needs (per Budget 2006);
2. '*A new approach*', seeking to reduce disparities between FNs and other Canadians (per Budget 2006); and
3. A commitment to the priority of achieving a healthier and cleaner environment for all Canadians.

FNIF aligns with each of these priorities, as it aims to support the development of sustainable infrastructure in FN communities in order to contribute to an improved quality of life and a cleaner environment.

Additionally, there is an alignment with several of INAC's strategic outcomes, most closely to the strategic outcome that relates to "Increased participation of Aboriginal People and Northerners in the Economy". It is also aligned to the "Good governance, effective institutions and cooperative relationships for FNs, Inuit and Northerners" strategic outcome, due to the focus on planning and skills.

3.2 Continuing Need of FNs for FNIF Program and Consistency with Federal Roles and Responsibilities

All lines of evidence indicate that the incapacity of most Aboriginal communities to invest in infrastructure projects with their own-source revenue, the growing need for infrastructure and the insufficiency of available funds to meet the FN needs, justify the continuing need for the FNIF and the legitimate role of the federal government to deliver the program.

3.2.1 Limited investment in infrastructure with own-source revenue

According to the literature and document review, Aboriginal communities meet several obstacles in their search to acquire own-source funding revenue to invest in infrastructure. As noted in the 2007 Report of the Standing Senate Committee on Aboriginal People³, due to often limited financing options, communities find themselves unable to invest in infrastructure improvements or participate in large scale resource development projects. This is mainly due to the fact that capital tends to flow along well-established lines to businesses, institutions, and borrowers that are already established in the economy and, to a complex “regime of legal and regulatory issues affecting taxation, availability of collateral and security, registration of assets, land and resource tenure and management”⁴. For these reasons, credit allocation becomes difficult and typically results in access to capital at a much higher cost. This reality becomes one of the biggest issues for small size and isolated Aboriginal communities as their status, and in some cases, location, limit the presence of financial institutions.

Furthermore, FN communities (taking into account the complexity and the wide range of different types of FN communities with respect to location, size of population and capacity) are not sufficiently engaged in the economy to support their own infrastructure needs. Several barriers such as high unemployment rates, lack of skills and training to take advantage of economic opportunities and remoteness, which create issues related to economies of scale, impede community economic development and limit the capacity to generate revenue that could be reinvested in the community. As mentioned by the majority of interviewees, until more FNs develop their own source of funding revenue streams, major capital infrastructure needs within their communities will go unaddressed in the absence of federal funding. This assessment was mostly shared by interviewees in remote and rural communities where infrastructure needs may go largely ignored as a result of limited or non-existent own-source funding.

3.2.2 Increased needs for infrastructure

The evaluation showed that infrastructure deficit exists among FN communities. According to the literature review, the current stock of infrastructure of FNs deteriorates at a more rapid pace than in comparable off-reserve communities. The findings also show that while, as mentioned above, economic condition is a major driver that could explain the current state of FN infrastructure, other drivers exist, like a higher rate of population growth on reserve, a backlog

³ Standing Senate Committee on Aboriginal Peoples, *Sharing Canada’s Prosperity – A Hand Up, Not A Handout*, March 2007.

⁴ Collin, Dominique, Rice, Michael. *Access to Capital Scoping for Business: Scoping out the First Nation and Inuit Challenge*, May 2009.

in housing and supportive infrastructure and premature deterioration because of remoteness, improper design and poor construction, a lack of technical resources for proper O&M, and more harsh climates on average.

Findings from the AFN First Nations Regional Longitudinal Health Survey 2002/2003 study (March 2007) are notable:

- More than 1/5 of adult respondents report that they have no access to garbage collection services;
- Nine percent of homes do not have either sewage service or a septic tank; and
- Only 2/3 of respondents considered their water safe to drink:
 - Over 60 percent of respondents obtain their *drinking* water from bottled water.

To cite a 2003 INAC study, 39 percent of water systems exceeded one or more of the risk indicator thresholds occasionally or continuously.

Among key informants, there was unanimous consensus that there is a clear infrastructure deficit on reserve and in the different categories, according to the community; investment needed in housing, school, water facilities, and roads were usually mentioned as examples.

3.2.3 FNIF is a complement to other funding mechanisms

Based on the documents reviewed, FNIF provides a source of funding for infrastructure priorities that are generally not eligible under other funding programs, and which have gone largely unfunded by CFM though such programs are required to meet the infrastructure needs of FNs.

Whereas other programs may have a focus on water and wastewater, FNIF has a very different set of objectives: it aims to address such infrastructure gaps and provides resources for projects that may not have otherwise received funding. The majority of key informants confirmed that FNIF generally provides important supplementary funding to assist FNs to meet infrastructure needs otherwise not met under the CFM; thus, this justifies the need for the federal government's participation.

As a result, FNIF is viewed by the majority of the FNs and INAC officials who were consulted as an important source of funding for major capital projects such as solid waste management, energy systems, community planning and most notably roads and bridges that would not have aligned with the CFM's National Priority Ranking Framework.

3.2.4 More projects than are funds available

The documents reviewed and the interviews conducted indicate that there are more eligible projects than can be funded from available funding. Many proposals that meet FNIF eligibility criteria have been deferred due to a lack of available funding. For the two first intakes, projects totalling \$94.2 million have been approved while the budget available for the two intakes was only \$52.9 million. As of March 31, 2009, approximately \$32.9 million in FNIF funding remains to be allocated; however, approximately 184 proposals (seeking \$178 million) from just the first two calls for proposals remain outstanding though they are eligible for funding. This aligns with

the majority of the FN interviewees who indicated that they do not consider the funding received under FNIF (or FNIF combined with CFM) as adequate to meet community needs and priorities.

4. Evaluation Findings – Design

Based on the lines of evidence, FNIF objectives, roles, responsibilities and accountabilities are clear and understood but some improvements may be needed as there are indications of some mixed understanding. The FNIF design and budget allocation align in general with program objectives and FN needs and priorities.

The finding by the evaluation is that the shortage of human resources in the regions has affected the ability to deliver the program in a much more effective manner (i.e. collect the required data). Overall, however, there is an understanding of a need for performance measurement. While the FNIF Program Guide lists potential project benefits (outcomes), and requires that FNs submitting applications identify “measureable” benefits that are expected to result from their projects, there is a recognized need that implementation with regard to the collection of data to actually measure the benefit is lacking.

The questions addressed for this evaluation issue were:

Design

- Are the FNIF performance measures, as part of the RMAF being collected? Are the measures being used to report on results and in decision making?
- To what extent are the FNIF objectives clearly articulated and understood?
- To what extent are the roles, responsibilities and accountability of key players clear and well understood? Is there a clear understanding of terminology used?
- To what extent does the FNIF planning process ensure that appropriate decision making is in line with program objectives?
- To what extent is there a good connection/link between FN needs, priorities and the FNIF budget process and operational management?

4.1 There is no indication that outcomes or performance data are being collected.

It does not appear that performance data related to outcomes is being collected. This is based not only on data reviewed but also on the interviews and case studies. While the program results, to some degree, are reportedly collected and included in the FNIF’s annual reports and although the final page of the FNIF Program Guide includes a menu of potential project benefits, it does not seem that the regions are cognizant about the requirement to report on these matters (as mandated by the RMAF and MOU).

INAC interviewees appeared not to be familiar with the requirement to collect this type of data or report. Furthermore, there was no mention of a planned strategy for collecting and reporting on post-project benefits on which to base future program decision making. This could also be observed at the level of FN communities. None of the communities visited collected information on outcomes. Most importantly, however, interviewees at the regional offices indicated that even if FNs were to report on outcome data (as opposed to merely output data), INAC is simply not

set up to collect, collate, and interpret it. The attitude of many FNs is that INAC already does not use FN reports (typically regarding outputs). Interviews with regional officials confirm that there is no (operational) output measurement system; the evaluation team's overall observation, based on the case studies, is that regional offices are staffed only enough to focus on compliance.

Overall, however, it seems that there is an understanding of a need for performance measurement. Some regional respondents agreed with the fact that a more rigorous performance measurement system should be in place. Actually, the FNIF Program Guide lists potential project benefits (outcomes), and requires that FNs submitting applications identify "measurable" benefits that are expected to result from their projects. The next step, which is now lacking, would be to implement the collection of data to actually measure the benefit.

Interviewees at regional offices also indicated that, up to the current time, there is very little uptake of the ICMS, and that a major and consistent push for the system would be needed to integrate it into regular operations. As it currently stands, *ad hoc* inquiries would be required to understand what has been accomplished (through qualitative means). The lack of a performance measurement system will make it difficult to find quantitative support, based on data, regarding whether the program has met its intended outcomes.

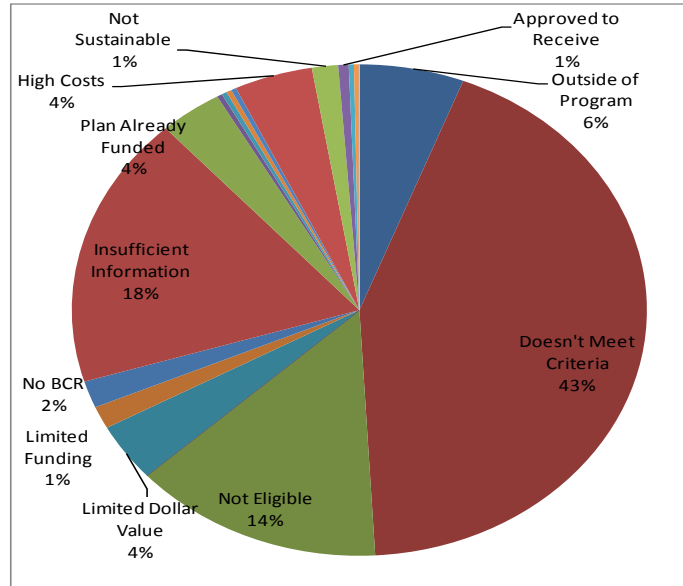
4.2 FNIF objectives and the roles, responsibilities and accountability of key players are somewhat clear and understood

Based on the lines of evidence, FNIF objectives, roles, responsibilities, and accountabilities are clear and understood but some improvements may be needed as there are indications of some mixed understanding.

Objectives of the program

Regarding objectives of the program, document reviews demonstrated that FNIF's objectives are well articulated in documentation, including in the Program Guide, which was sent to FNs and is also easily available on INAC's website. On the other hand, of the 787 proposals submitted for FNIF funding, 461 were not approved for reasons other than insufficiency of funds (see Figure 1). Of those, 43 percent didn't specifically meet the criteria. This demonstrates that there may be a need for clarification with respect to eligibility criteria and application.

Figure 1: Reasons for non-approval



This finding is supported by the interviews and case studies. The program is well understood by INAC regional officials since they have been evaluating proposals (in most cases) on the basis of the program’s objectives. According to some FN interviewees, communities that rely on tribal council to prepare applications instead of preparing them in-house have a relatively low level of familiarity with respect to the detailed understanding of FNIF. However, the interviewees, in general, indicated that FNIF’s objectives are clearly articulated and understood by the group of officials and FN recipients who are involved in its delivery. Although the objectives are generally understood, some interviewees are unsure of the specific INAC programs which are funding their specific infrastructure projects; thus, they could not confirm that they were familiar with the specific objectives of FNIF. In some interviews, FN interviewees said that they had been informed by the tribal council experts, or a consultant with regard to the details of FNIF. Some even mentioned that they had to get the details of the program from the Internet.

Roles, responsibilities, and accountabilities of the program

Generally, there is an understanding of the program roles, responsibilities and accountabilities, but there is some discrepancy with regard to the degree to which these are understood by both INAC regional and FN officials. During the course of the evaluation, some misunderstanding occurred between both groups, which was a source of frustration. For instance, there were a number of instances where FN interviewees indicated that INAC regional capital officers are not always clear on what the FN officials were expected to do or what to expect from FN recipients. It seemed that this issue was largely related to the high turnover rate that exists at many of the regional offices.

Further, during the early stages of the evaluation, confusion surrounding the meaning of being “approved for funding” turned out to be the largest obstacle of the process. From the FNs point of view, an approval of a project under FNIF was an INAC approval of the project. From

INAC's point of view, approval for funding through the FNIF process meant that a project still had to pass the approval steps required by ordinary major capital projects of the CFM Program. This is now clear for FNs and even if this situation occurred, none of the projects studied were disrupted or otherwise negatively impacted.

4.3 The FNIF design (including approval and selection process) and budget allocation align in general with program objectives and FN needs and priorities

4.3.1 FNIF's categories and flexibility are well aligned with FN needs and priorities

The project eligibility categories of FNIF are well aligned with FN priorities. In some cases, these categories may align better with FN priorities than do regional priorities. For example, in general, regions are very focused on water and wastewater projects, but on many reserves these are not the most pressing needs (because these needs may have previously been addressed); roads, however, might be. Over 60 percent of the FNIF funding has been allocated for roads and bridges projects for FNs across the country. These projects are addressing distinct needs on reserves.

It has also been mentioned that FNIF provides enough flexibility and eligible project categories to acknowledge the diversity of regional infrastructure needs and priorities. As mentioned by some regional officers, FNIF allows the funding of smaller projects compared to CFM projects and do not need to follow national priorities (as is the case with CFM) so local needs are in this case most easily addressed. The FNIF process of allocating funds takes into consideration the differing infrastructure needs and priorities of the regions by allowing members of the RCs with the most thorough understanding of regional priorities to decide how best to focus the available funding.

The response to the two calls for proposals under FNIF was very significant. The first project intake took place in December 2007 for the 2007/2008 year and the second in January 2008 for the 2008/2009 year. Across the country, a total of 714 project proposals were submitted by FNs in all four project categories: Energy Systems, Planning & Skills, Roads & Bridges, and Solid Waste Management. The total cost of the approved projects amounted to \$136,330,439, of which \$94,244,629 is contributed via signed agreements between INAC's regions and FNs, and/or project-based funding.

4.3.2 FNIF planning, budget process and operational management aligns in general with program objectives and FN needs and priorities

Based on the interviews and case studies conducted, the FNIF planning and budget processes ensure, for the most part, that appropriate decision making is aligned with program objectives and FN needs and priorities. In all regions, the program has been run by formal calls for proposals, and a rigorous review and approval of specific projects according to the application and evaluation criteria. While in some regions, they allowed a portion of the FNIF funding for each category, other regions prefer to focus on what is most needed. The review and assessment process is as follows:

1. Call for proposal.
2. Application intake.
3. Review of proposals for completeness and compliance with program criteria by regional officers then forwarding to the RC.
4. RC reviews the remaining proposals and ranks them according to guidelines prepared in consultation with FNs and approved by Headquarters.
5. RC comes to a consensus as to which ones to recommend for funding once the proposals are ranked.
6. Regional Director General makes the final decision as to what proposals get funded.

However, in some regions, FNs are occasionally told by INAC officials that funding for a specific project will be held while INAC awaits the submission of the proposal. While this funding is being held, other FN proposals are not being approved due to the limited funding. This mostly happens in regions that prefer to follow the regional priorities and plan. As mentioned by some regional officers, the need for infrastructure is so high that long before they receive the proposal, they already know the projects that need to be funded. FNIF is thus used to accelerate, to some extent, some CFM projects.

Differences in the proposal evaluation process existed between regions. Most regions used the template provided by the Program Guide, though at least one region did not rely formally on any discernible criteria at all. In broad terms, the template used by most of the regions employed a weighted evaluation system that assessed on one hand the likely benefits of the project, and on the other, the credibility (or likelihood of success) of the proposal. The result is that, on an operational level, proposals were apparently approved or rejected on the basis of their ability to contribute to FNIF's objectives.

4.3.3 Application system likely disadvantages some FN needs

Though opinions differ as to whether the application system disadvantages any particular type of FN (i.e. small/large, rural/urban), the case studies showed that the proposal process favours proposals, which most clearly demonstrate how they meet the evaluation criteria (the FN with better proposal-writing skills or FN affiliated with better proposal writing tribal councils). One case study interviewee acknowledged frankly that it must have been difficult for the less organized or well funded communities to get successful proposals prepared and submitted within the set deadlines. Another interviewee noted that they received no support from their tribal council, and simply did not have the expertise or personnel available to put together a convincing or detailed proposal. It is likely that many potential projects fall through the cracks. There is therefore an opportunity for the program to best meet the needs of all FNs by reaching out to those communities least able to generate proposals that qualify for FNIF's evaluation process.

4.3.4 FNIF funding

In all the interviews conducted, specific projects were considered both very valuable and aligned with program objectives; at the same time funding was seen as very critical.

Regional officials expressed frustration during interviews over the topic of the transfer of CFM funding to the FNIF Program. As mentioned earlier, FNIF funding sources were the GTF and MRIF from INFC, matched with CFM funding from INAC. The reallocation of CFM funds to FNIF was part of the agreement made with INFC when FNIF was created. While the additional FNIF funding was most welcomed and needed, the feeling expressed was that the FNIF funding should be 100 percent incremental to CFM; in other words, interviewees thought it is inappropriate to allocate funding from the very tight regional CFM budget into FNIF. In the same vein, interviewees recognized that the impact of the transfer of CFM funding to supplement FNIF increased the total amount of funding for FN infrastructure; consequently, it was quite beneficial to FNs.

Several FN officials with detailed knowledge of the GTF, commented that the FNIF design would be improved if it was run like the GTF, whereby, FNs would automatically receive the FNIF funding based on their population, without any application, and only be required to account for the money after it has been spent to ensure that only eligible projects were funded.

5. Evaluation Findings – Delivery

For the most part, overall findings show that FNIF appears to be designed in a way that will enable it to realistically attain its stated objectives and outcomes. Furthermore, all agreed that the program is well aligned with the needs of FNs as it focuses mainly on the local needs instead of the national priorities, as in the case of the CFM Program.

On the other hand, the evaluation revealed that during the approval process for the first two calls, there was some confusion between FNs and regional offices regarding terminology like “approved for funding”, though this situation seems to have been resolved. Also, the selection process that occurred due to some delivery issues seemed to have disadvantaged some FNs who do not have the capacity to submit sound proposals. There was an additional lack of knowledge of the details of the program that surfaced during the application process phase.

Overall, most FNIF activities have been implemented as planned. These include the institution of regional committees, the launch of calls for proposals, provision of information to FNs and the establishment of a review process aligned with what was initially designed. In spite of these implementations, some issues occurred with respect to some of these activities. For instance, launch of calls for proposals was not timely and not consistent; this affected the quality of the proposals as it did not allow FN members sufficient time to prepare proper, detailed planning or cost estimates.

FNIF received so many eligible proposals that they faced budget problems as a result of limited funding available.

Communication of the details of the program was also an issue. While most communities became aware of the program by virtue of invitations sent by their tribal council, others had no knowledge of it. It also became clear to the evaluation team that there was a misunderstanding of the program and the evaluation process for some of the FNs. It was also apparent that limited openness and a lack of transparency of the selection process (in terms of clear explanations of selection to FN applicants) in some regions are a significant concern for FN officials.

The evaluation issue addressed the following questions:

- Is the FNIF being implemented as planned?
- Are there other more efficient and effective alternative program delivery arrangements for supporting FNIF?
- How can FNIF become more viable and self-sustaining?

5.1 FNIF is being implemented as planned but encountered some challenges

FN and INAC officials who were interviewed indicated that, in many respects, FNIF is being implemented as intended with regards to general design, funding allocation and careful management of funds through the reporting and accountability requirements. As described in

Section 4.3.2, the review and assessment process, and the implementation of RCs have been delivered as planned. However, in some regions, the RC didn't include FN representatives as required.

The implementation also encountered some challenges. As mentioned in the design section, measurement of performance is lacking as the focus is more on the outputs than the outcomes. The delivery of the program along expected timelines with regard to submission of proposals also failed, due to delays with the launch of the first call up as well as to the high quantity of submissions that came from FNs. There was also, as noted earlier, an issue with communication and a lack of capacity, which affected the delivery of the program. This was because some FNs were not been informed properly.

5.1.1 Timing of calls for proposals and estimated cost

Interviews and case studies indicate that in all regions across Canada, FNIF has not been implemented as planned in terms of the timing and frequency of official calls for proposals. The original plan was to issue a call for proposals each year, approximately every September. Instead, the calls for proposals have been inconsistent in terms of their timing. The invitation to participate in the FNIF for fiscal year 2007-2008 and 2008-2009 has been issued at the same and in the same letter sent to communities in December 2007.

Regional officials mentioned that these calls were not implemented in the expected manner and a large number of proposals were accepted during the two initial calls for proposals. As a result, little funding remained for future calls. Furthermore, FNIF's first call required FNs to complete their projects before fiscal year end, giving them approximately four months from the proposal due date to project completion. This reduced the kind of projects that could be approved and fast tracked projects that were recognized as having qualified. For instance, B.C. decided to put more focus on planning and skills projects in the first years because of the limited time available and the rapidity with which those projects could be completed.

A common frustration has been expressed by FN interviewees regarding the short submission deadlines required from the date of the initial call for proposals. Many FNs and FN organizations who were interviewed felt that the quality of their proposals suffered as a result, especially in communities where the capacity to draft proposals had to be contracted outside the community. Furthermore, the short time frames for proposals reportedly limited even those FNs with the appropriate in-house capacity to prepare the submissions and also generate accurate cost estimations for proposed projects. Consequently, as the interviews highlighted, the funding proposed and subsequently allocated was not (or is not expected to be), in many cases, sufficient enough to deliver the capital projects; thus, this may have resulted in significant project delivery delays in FN communities where there was a lack of adequate own-source revenue.

According to the interviews conducted, INAC regional officials recognize that some of the initial cost estimates were preliminary, and as is the case with preliminary estimates, the costs of a project may increase as a FNIF project is advanced, and more detailed planning and design work is completed. Regional officials have explained that they foresaw this eventuality, hence, part of the available regional FNIF allocation is being retained (i.e. not awarded to a specific project in

the region) in order to fund anticipated increases in costs from preliminary estimates. This is an example of prudent risk management by regional officials to ensure that funding is available to implement the approved projects as planned.

FN officials interviewed stated that for future calls for proposals, they hope that they would have six months lapsed time in order to prepare their proposal under the FNIF Program.

5.1.2 Access to the program was not consistent as a result of communication issues

Though the communities selected for the case studies certainly made use of the program, data collection in other evaluation modules (for this and the CFM summative evaluation) confirms the notion that the program was not consistently understood among FNs. In one case, the long-time band manager of a relatively large FN (interviewed for the CFM evaluation), knew neither what the FNIF Program was, nor the types of projects it might be able to fund. That FN had a severely deteriorated main road, and arguably would have represented a strong case to INAC since several thousand residents need to travel that road to enter or exit the community.

Another major theme encountered (particularly in the Atlantic region) was the extent to which affiliations with tribal councils most likely affected the quality of proposals submitted and thereby, the distribution of funding. Some FNs are very well supported by experienced and capable proposal writing tribal councils; and many of these were successful in securing FNIF projects. Of the FNs who are not well supported, several either did not make a FNIF application or were not approved for funding. From the perspective of INAC's FNIF application committees, it is understandable why the better assembled proposals receive the funding.

In conclusion, with regard to program delivery, there is no question that the implementation of FNIF has gone well. A rigorous approval process is in place, albeit, some regions demonstrated more clarity with respect to the review process. The area that needs improvement is with respect to communications. The initial communication of the program during the "call for proposal" phase is critical to ensure that each FN has equal access to the funding.

5.1.3 Lack of capacity at the regional level

During the interviews with FNs and regional offices, capacity at the regional level was mentioned as a factor that affected both the implementation and the performance of the program. Some FNs mentioned that the turnover and availability of INAC officers at the regional level did not make it easy. One FN official even preferred to take the initiative and contact the financial officer at the regional level to find out what was going on with his project. Overwhelmed with CFM and other initiatives, regional officials agreed that they could not allocate the required time to those files. A big concern was also raised regarding regional officials who were on the verge of retirement; the training of new officers will require time and that was a limitation to capacity.

According to the financial information, total operating expenditures for the FNIF are almost three percent of the budget, which is the same percentage as other federal departments received through the MRIF (part of the FNIF fund came from MRIF). It must also be noted that the capacity issue at the regional level was mentioned in the RMAF and the Risk-based Audit

Framework as a risk that could hinder the performance of the program. According to some INAC officials, no additional resources or funds has been put in place to mitigate that risk.

5.2 Suggestions and alternatives to program delivery arrangements for supporting FNIF and improving the viability and self-sustainability of FNIF

During interviews, some suggestions and alternatives to the program were proposed to improve its delivery as well as its viability and self-sustainability. Comments regarding the burden associated with reporting were made. While some suggested that the reporting requirements and paperwork were excessive and should be streamlined (with a view to reducing requirements), others suggested that FNIF approval should mean that the project is ready to be implemented without any additional INAC approvals required under the CFM approval steps and process.

On the issue of funding, opinion diverged regarding reallocation from the CFM to FNIF. Some respondents mentioned that it was inappropriate to reallocate much needed CFM funding to FNIF while some other respondents were of the view that it was better to allocate a greater amount of CFM funding to FNIF; the rationale was that this could then be managed through the FNIF process in order to obtain additional eligible projects, which are more closely tied to FN priorities. The FNIF process was considered attractive since it was not restricted in the same way as the CFM National Priority grid.

Regarding self-sustainability, suggestions were made to allocate more evaluation points to proposals where FNs provide greater amounts of own-source funding. A second suggestion for making FNIF more viable and self-sustaining was to allocate more evaluation points for proposals, which include funding from other sources to support a needed project. Some respondents made suggestions to allow “design build” or “design, build, operate” proposals in order to create incentives to right-size a project so that it is designed to operate at capacity and with lower O&M requirements.

6. Evaluation Findings – Effectiveness (Performance/Success)

Overall, findings show that even if the evaluation was unable to assess the degree to which the program's expected results are being achieved due to the weakness in performance measurement at the early stage of the program, FNIF appears to be targeting its objectives. All the evidence uncovered shows that the flexibility and ability of FNIF to meet local needs contributed to the success of the program, and had real impact on communities. Projects that were undertaken have improved and contributed to the health and safety of residents; it also points to a cleaner and healthier environment as well as better public/government service delivery in FN communities.

This evaluation issue addressed the following questions:

- What progress has been made toward achievement of FNIF's intended results at the immediate, intermediate and final outcome levels, and do these results contribute to the overall objectives of the FNIF?
- What are the major (internal, external) forces and factors impacting on FNIF's performance? What lessons can be learned here?
- How important is government support for the FNIF to achieve its objectives?
- To what extent would FNIF's activities have been conducted in the absence of federal funding?

It should be noted that program success, performance and efficiency will be fully addressed in the summative evaluation. For this section, qualitative evidences and some quantitative data were used to provide some preliminary information on progress towards success in order to have some indications of the likelihood of the FNIF projects' success in various categories. As mentioned in the section on limitations to this evaluation and in the design section, there is no outcomes data; there is, thus, a lack of quantitative evidence to support the notion that FNIF is making a positive difference in FN communities. Also, considering that two calls have been completed in one month and the connectivity category wasn't part of these calls, some outcomes may not be covered with approved projects. This is why, regarding outcomes, this section should be considered as preliminary findings.

6.1 Key findings

6.1.1 FNIF outputs

A significant number of projects have been approved for funding through the two call ups. As of March 2008, a total of 262 proposals (out of the 714 submitted) have been approved for FNIF funding. Nationally, \$94.3 million of FNIF funding has been dispersed. As shown in Table 1, of the 262 approved projects, 103 (39 percent) are attributed to the B.C. region, which represents the higher number of approved projects (i.e. 39 percent); followed by Ontario with 56 projects (21 percent); Quebec with 30 projects (11 percent); and Manitoba with 26 projects (10 percent). All other regions allowed less than 10 percent at the national level, meaning Alberta (24 projects,

nine percent); Saskatchewan (16 projects – six percent); and Atlantic (seven projects, four percent).

Planning and Skills

As shown in Table 2 and Table 3, nationally, the Planning and Skills project category had a 72 percent rate of project approval and with a total of 118 funded projects. It represents the category that had the highest number of projects, even if it received the least approval. By itself, B.C. funded 72 projects (61 percent of projects) on Planning and Skills only. About 9.9 million has been directed towards Planning and Skills development, as this priority has been identified by the regions as a critical element to sustaining long term infrastructure goals. As per the B.C. Planning and Skills survey, Planning and Skills projects are very important for communities:

- Approximately 73 percent of survey respondents believed that the goals of the planning process could not be accomplished without INAC funding;
- Approximately 80 percent of survey respondents indicated that the project/initiative could not have been undertaken if INAC/FNIF did not provide funding for it; and
- Approximately 80 percent of survey respondents noted that additional funds from INAC were, or will be, required to support the initiation/completion of the project/initiative.

Roads and Bridges

The Roads and Bridges project category had the highest rate of project approval. A total of 79 projects were approved. More funding was sought by FNs for projects in this category than any other. Nationally, FNs in all regions sought funding for this project, which amounted to about \$95 million; 65 percent of project proposals were approved for a total of \$62 million. This represented 66 percent of all FNIF funding and is particularly due to the fact that those projects are the most expensive.

Solid Waste Management

The Solid Waste Management project category had a project approval rate of 81 percent. This category accounted for 14 percent of the total approved funding, making it the project category with the second highest number of approved projects, next to the Roads and Bridges category.

Energy Systems

The Energy Systems project category had the lowest rate of approvals. Overall, \$9,039,922 (83 percent) of the \$10,908,022 funding sought by FNs was approved. This represents 10 percent of the national amount contributed for both intakes. A total of 19 projects were approved. Only Quebec, Ontario and B.C. gave funds for this kind of projects.

Table 1: Distribution of project per region

Region	Total Requested Projects		Approved Projects		Percentage of Approved from Total Requested by Region
	#	%	#	%	%
Atlantic	30	4	7	3	23
Quebec	52	7	30	11	58
Ontario	174	24	56	21	32
Manitoba	91	9	26	10	29
Saskatchewan	37	5	16	6	43
Alberta	91	13	24	9	26
B.C.	244	34	103	39	42
Total	714	100%	262	100%	37%

Table 2: Distribution of project per region and per category

Region	Total of projects for the two intakes	Category							
		Planning and Skills		Solid Waste Management		Roads and Bridges		Energy Systems	
		#	%	#	%	#	%	#	%
Atlantic	7	3	3%	-	-	4	5%	-	-
Quebec	30	-		15	33%	13	16%	2	11%
Ontario	56	17	14%	12	26%	20	25%	7	37%
Manitoba	26	8	7%	4	9%	14	18%	-	-
Saskatchewan	16	-		6	13%	10	13%	-	-
Alberta	24	18	15%	2	4%	4	5%	-	-
B.C.	103	72	61%	7	15%	14	18%	10	53%
Total	262	118	100%	46	100%	79	100%	19	100%

Table 3: Fund allocation per category

Project Category	Amount Requested per Project Category	Amount Contributed per Project Category	Percentage Approved Category of Total Approved Amount	Average Amount Contributed per Project Category	Average Percentage of Approved Funding	Number of Projects Approved	Average Number of Projects per Region †
Planning & Skills	\$13,893,804	\$9,949,044	11%	\$84,314	72%	118	12 ‡
Solid Waste Management	\$16,396,629	\$13,250,988	14%	\$288,065	81%	46	8
Roads & Bridges	\$94,973,170	\$62,069,014	66%	\$785,684	65%	79	11
Energy Systems	\$10,906,022	\$9,039,922	10%	\$475,785	83%	19	6
Grand Total	\$136,169,625	\$94,308,968	100%	\$408,462	69%	262	35

6.1.2 FNIF is on target to achieve its intended results

This section presents the progress to date on each of the FNIF's strategic outcomes, based on the qualitative data. Overall, the program is making progress toward intended outcomes and overall objectives. The majority of interviewees regard the program as an overall success. Many of the projects from FNIF's categories are having an immediate and positive impact in these communities.

Improve health and safety of FN communities

To date, the program has assisted FNs to further improve the health and safety of community infrastructure, mostly through the improvement of roads and bridges. Through the repair and resurfacing of roads, and the maintenance of bridges, some case studies demonstrated that FNs will have safer access to their communities in all seasons.

For instance, regarding health issues, a remote FN community received FNIF funding to pave and drain its principal road. This community was facing a big issue with this road due to flooding problem and very high dust levels, which created breathing or asthma problems for many residents. Now that the road paving and drainage is almost complete, interviewees mentioned that the drainage ditches are clean and free of debris but also the dust levels have dropped considerably making the air cleaner than before and easier to breathe.

Regarding safety, one community visited during the case studies used funding through the planning and skills category to identify material defects and conditions of its bridge, which was the only access between the community and the mainland. The visual inspection, done by engineers, identified whether elements were present that could impact the current condition, and

the cost estimates of any needed repairs required based on problems detected with the bridge. The inspection demonstrated that the bridge had several structural component that required immediate repairs, which posed a major safety hazard to those who used it. The damage was so important that after the inspection, if repairs were not made, the bridge would have weight restrictions (lower than standard highway loadings), which would have potentially caused a number of issues as trucks and school bus would be unable to cross it. Repairs happened through another INAC fund but FNIF fund contributed to the safety of the residents as the inspection allowed to identify the risks.

Contribute to a cleaner and healthier environment

The objective of a cleaner and healthier environment for FN communities is supported by FNIF's focus on cleaner energy, reduction of gas emissions, and sustainability. Case studies demonstrated that FNIF has successfully contributed to this objective with solid waste and energy system projects.

Many projects across Canada were undertaken to reduce solid waste and increase recycling. Some were undertaken to meet the federal government's One-Tonne Challenge (e.g. Manitoba) or meet provincial initiatives. In Quebec, for example, many projects undertaken by FN communities were related to solid waste management (33 percent). This could be explained with the implementation of a Policy on Residual Materials by the Government of Quebec, which the goal is to reduce the quantity of residual materials sent for disposal and increase recycling. With this policy, all municipalities and FN communities have to develop a residual material management plan, including recycling initiatives with the target to recycle 65 percent of residual material. Many interviewees mentioned that without FNIF and its objective that aligned with the Quebec policy, it would be hard to comply with this regulation, especially for small and remote communities.

A solid waste management project in particular had real impacts on a FN community. As a result of FNIF, a significant portion of this community's solid waste is being recycled, contributing to a cleaner and healthier environment. Before this recycling project, approximately seven tons of garbage was collected on the reserve on a weekly basis. As a result of this recycling project, this amount has been reduced to approximately three tons per week as of July 2009, and it estimates that this amount will be reduced to two tons in six to twelve months. In addition to contributing to a cleaner environment, having the capacity to recycle has also resulted in reduced solid waste management costs from \$150/ton to ship solid waste to the landfill to \$70/ton to ship recyclable materials to the recycling plant.

Energy system projects funded through FNIF also contributed to a cleaner and healthier environment by reducing greenhouse gases. FNIF provided a funding contribution for an important electrification initiative, a hydro plant, which has enabled a FN community to cease the operation of a diesel generator that burned almost 1.5 million litres of fuel, which created 4,500 tonnes of greenhouse gases. It is estimated that the new run-of-river hydro plant will reduce the community carbon footprint, the equivalent of removing 1,600 cars off city streets. It should be noted that this case is also a good example of leveraging other sources of funding for infrastructure projects in FN communities, and a way of enhancing municipal, provincial, or

private sector partnerships, another objective of FNIF. For this project, the FNs successfully attracted two investors/lenders to finance this major project, located outside the reserve, and fully owned by one of the FNs' economic development companies. Furthermore, an arrangement has been made with the provincial hydro company whereby this company purchases the electricity generated from the community and then provides service to community buildings and homes.

Enhance collaboration among FN communities, municipalities and provinces

Case studies demonstrated that the objective of enhanced collaboration among FN communities, municipal and provincial governments, and the private sector is being realized by bringing together interested parties to identify priorities, build projects, and form partnerships on some projects. As shown earlier, FNIF fund contributed to bring together different partners and lenders for a successful electrification project. The planning and skills survey also showed that several FNs successfully established partnership as a result of FNIF funding for planning and skills development initiative.

For instance, in B.C., most of the planning and skills funds were used to support comprehensive planning initiative, capital/infrastructure plans, and plans related to economic development and land use. From those, successful projects show that a community-driven approach, meaning community engagement and consensus among different organizations inside the community, were necessary. Some communities engaged their entire residents in workshops to identify the long term goals or the strength and weakness of the community through this process. Like mentioned by one FN representative, the comprehensive community planning process has helped the community to build on past planning work to become more organized; and this in turn has facilitated the development of partnerships and economic development initiatives.

Collaboration with external organizations also derived from those comprehensive community plans. By identifying their needs, some communities benefited from partnerships with surrounding municipalities and airports as well as in one case with a college to get some dental services that was lacking in the community.

Leverage other sources of funding for infrastructure projects in FN communities, by way of enhancing municipal, provincial, or private sector partnerships.

FNIF projects enabled to a lesser extent many FN communities to leverage other sources of funding for their infrastructure projects. Data shown to date, of the \$94.3 million of FNIF funding that has been allocated to supporting FN infrastructure projects (262 projects), an additional \$129 million has been leveraged through these projects in FN communities, municipal, provincial or private partners or providers of financing.

Some FN communities visited mentioned that they were able to leverage other source of funding, especially with provincial government. One interviewee that received fund through the planning and skills category noted that FNIF funding enabled the band to seek out additional funding from more diverse sources, which would have otherwise not been available. As a result, this FN was able to leverage funding from other sources to achieve more during the planning process.

Improve the delivery of public/government services, including education and e-health to FN communities

This outcome was mostly achieved with the planning and skills category. Several FNs have noted that one of the biggest benefits and successes of the planning process is the more holistic perspective that it has given community members, enabling them to see the ‘bigger picture.’ This more holistic perspective can facilitate improved decision making and ensure a coordinated approach to future development to, in turn, improve the delivery of public/government services.

One survey respondent noted that the planning process enhanced collaboration among FN-operated departments. This collaboration can lead to increased program and administrative efficiencies, and a more cost-effective use of resources.

As FNs progress further in the planning process, the increased integration between FN administrative departments is expected to enable them to be more strategic, and less reactive to public/government services, to ensure that these services are effectively addressing their community needs.

As there was no connectivity project during the period covered by this evaluation, evaluators haven’t been able to assess whether FNIF improved the delivery of public/government services through the e-health and education component.

Increase FNs capacity

Case studies and the B.C. planning and skills survey identified that planning and skills projects were very beneficial in increasing the FNs management capacity and community capacity overall.

Approximately 87 percent of survey respondents mentioned that the planning or skills development initiative has improved or is expected to improve the management/planning practices of the community, as they relate to community infrastructure or other community programs. Case studies undertaken showed that capacity increased in a number of areas, such as legal and democratic requirements of a government by studying different governance options and to create a government organizational chart; communication, project management, and financial management; management of natural resources, mapping, archaeology; and the adherence to existing laws.

By participating in the planning process, the capacity among community members has increased as well. They are more aware of how to plan and the importance of planning. Even in communities that are currently in the early planning stages, community involvement has contributed to increased knowledge in the areas of governance, infrastructure development, health, culture, social issues, economic development, and land use. As FN communities progress further in the planning process, the capacity for planning is expected to increase further.

6.1.3 Major internal and external forces and factors impacting on FNIF's performance

Many factors had an impact on FNIF's performance. Among the internal factors, the major one was, as describe in a previous section, disruption in the delivery of the program. FNIF Program delivery framework was not designed to address, in a timely fashion, the high quantity of submissions that were submitted by FNs. As a result, the delivery of the program along expected timelines for submission, review and approval in particular has not been possible. Therefore, while FNIF has been successful in meeting its objectives, there have been a large number of unfunded proposals; in this sense, the delivery of the program has been adversely affected by the limited funding.

However, all lines of evidences show that the flexibility and ability to meet local needs and reality of FNs contributed to its success. FNIF was able to do what other programs couldn't do, especially CFM because of its national priorities.

Many external factors impacted the program performance. The distance of a FN from an urban centre was a key factor in terms of FN capacity, material costs, availability of skilled labour, transport costs, transportation logistics to obtain materials, and skilled people. Compared with urban reserves, the costs and lack of capacity are higher, and increase significantly for semi-urban, rural and remote reserves.

Another factor, which impacts on performance is the own-source revenue of the FN. Where a FN has own-source revenue from user fees or economic development, the FN has more capacity in terms of meeting its infrastructure needs.

6.1.4 Federal government support for FNIF is necessary to achieve program objectives

According to the case studies, interviews and document review, generally, most of the projects examined would not have been funded in the absence of FNIF. Key informants indicated that government support for the FNIF is essential to achieving the program's objectives. Without federal support, FNIF's objectives would not be met as the majority of FNs interviewed does not have adequate own-source funding to support major capital infrastructure ventures. This majority also indicated that until more FNs develop their own-source funding revenue streams, major capital infrastructure needs within FN communities will go unaddressed in the absence of federal funding.

It should be noted that some projects may eventually be feasible. For example, according to a few interviewees, road projects may eventually be undertaken even in the absence of FNIF, though this would only have been possible in the medium to long term. Conversely, another FN would likely never have been able to finance a new clean generator, for example, without federal funding if it does not have the own-source revenue for such a purchase.

6.1.5 FNIF competitiveness creates effectiveness

From another perspective, FNIF is a proposal-driven program, which was quite competitive in all regions. A factor in this competitive process is the extent to which a given proposed project is more cost-effective than the competing proposals. It can be concluded that the nature of the selection process for FNIF, and the comparison and ranking of proposals received, favours the selection of a cost-effective set of proposals. In addition, procurement policies, which favour competition seem to be followed. Once a proposal is approved for funding assistance from FNIF, the project is subject to the steps of approval of the major capital of the CFM Program, and this provides an additional measure of assurance that the project is being implemented in an appropriate manner.

7. Conclusions and Recommendations

7.1 Conclusions

The general, overall message about FNIF is that the program is being run and functioned well, and is effective in addressing strategic infrastructure needs, which is consistent with the objectives of the program and the priorities of both INAC and the Government of Canada. However, areas for improvement identified in this report and recommendations made will further enhance the program, including the management capacity in administering FNIF.

Relevance

The FNIF Program remains relevant and there is a continued expressed need for the program. FNIF has been found to be aligned and consistent with the mandate and priorities of the Government of Canada and INAC. Evidence collected indicates that there is a continued need for the federal government to deliver the program. Evaluation findings indicate that the relevance of the FNIF Program to the needs of FN communities is also clear. There is a strong need for FNs to obtain funds to address their infrastructure needs as own-source revenue and capacity to leverage private funds is limited. FNs are satisfied with the services that they receive from FNIF and expressed a high level of need for all services provided by FNIF.

All the lines of evidence used show that a lack of own-source revenue has incapacitated most Aboriginal communities with regard to investing in infrastructure projects. As mentioned by the majority of interviewees, until more FNs develop their own source of funding revenue streams, major capital infrastructure needs within their communities will go unaddressed in the absence of federal funding. The growing need for infrastructure and the insufficiency of available funds to meet the FN needs justify the continued relevance of FNIF; this legitimizes the role of the federal government in the delivery of the FNIF Program while meeting FN priorities.

Design

Overall, there is an understanding of a need for performance measurement. While the FNIF Program Guide lists potential project benefits (outcomes), and requires that FNs submitting applications identify “measureable” benefits that are expected to result from their projects, there is a recognized need that implementation with regard to the collection of data to actually measure the benefit is lacking

The lines of evidence demonstrated that FNIF objectives are well articulated in documentation, including in the Program Guide though some improvements may be needed as there were instances of some mixed understanding. Though, and for the most part, overall findings show that FNIF appears to be designed in a way that will enable it to realistically attain its stated objectives and outcomes, on the other hand, the evaluation revealed that during the approval process for the first two calls for proposals, there was some confusion between FNs and regional offices regarding terminology like “approved for funding”, though this situation seems to have been resolved. Also, the selection process that occurred due to some delivery issues seemed to

have disadvantaged some FNs who do not have the capacity to submit sound proposals. There was an additional lack of knowledge of the details of the program that surfaced during the application process phase.

Delivery

Interviews with FNs highlighted the difficulty some FNs had with distinguishing FNIF as a program separate and apart from CFM. Hence, an interviewee may, for example, have been thinking about CFM while making some comments about FNIF. It was apparent that a lack of familiarity with the details of both programs, coupled with a turnover of FN community officials who were responsible for the implementation of the program created this situation. There were also a number of instances where FN interviewees indicated that INAC regional capital officers are not always clear on what the FN officials were expected to do or what to expect from FN recipients. It seemed that this issue was largely related to the high turnover rate that exists at many regional offices. As mentioned by some FN respondents, INAC is the body delivering the fund but they could not necessarily indicate which program the fund came from. This is an issue that is tied into the design of the program; there is, however, room for improvement of FNIF in such areas as communications between FNs and regional officials, as well as in the description of the nature and name of the program. High staff turnover and weak knowledge transfer were blamed for communication breakdowns.

All the evidences collected also demonstrate that FNIF encountered some budget shortages due to the high demand of projects. The budget allowed, for the two calls for proposals, had been exceeded by 78 percent and everyone agreed that this will have an effect on the next calls. Some alternatives have been suggested regarding the funding and some frustrations have been noticed regarding the fact that a part of the CFM fund has been transferred to FNIF. Finally, a major lack of the program is that outcomes and performance data were not collected after the project's completion. Intended outcomes were collected only at the proposal stage of the project. This is part due to the shortage of human resources in the regions , which has affected the ability to deliver the program in a much more effective manner (i.e. collect the required data).

Effectiveness [Performance/Success]

Overall, findings show that even if the evaluation was unable to assess the degree to which the program's expected results are being achieved due to the weakness in performance measurement at the early stage of the program, FNIF appears to be targeting its objectives. All the evidence uncovered show that the flexibility and ability of FNIF to meet local needs contributed to the success of the program and had real impact on communities. Projects that were undertaken have improved and contributed to the health and safety of residents; it also points to a cleaner and healthier environment as well as better public/government service delivery in FN communities.

As some FNs have a limited capacity to generate revenue and are limited in their contribution to infrastructure projects, FNIF helped with an improvement in the collaboration among and between FN communities, municipalities and provinces; it also leveraged other sources of funding. It should also be noted that planning and skills projects have helped to improve FN capacity in these areas. Evidence demonstrates that those objectives would not have happened

without the federal support; especially since, such factors as remoteness of communities hinder the capacity of some communities to obtain resources for their infrastructure projects compared to urban and rural communities. Overall, the FNIF seems to be efficient due to the competitive process it engendered.

7.2 Recommendations

It is recommended that INAC:

1. a) Ensure that when there is a call-up for proposals, enough time is provided in order to create an atmosphere where the particular FN have an equal opportunity to access the program and submit proposal; and
b) Ensure that INAC regional officers are equipped with the required time and resources in order for the selection processes to perform efficiently and in a transparent manner.
2. Put in place a mechanism or process, due to the high staff turnover, to ensure that knowledge and corporate memory are duly passed on to successors so that key information would be communicated in a timely fashion to FNs.
3. Put in place a performance measurement process to comply with the MOU and report to Infrastructure Canada (INFC).
4. Negotiate with INFC in order to be more strategic in the use of FNIF funds, taking into consideration local/regional priorities especially since the demand from FNs is higher than the funding capacity.

Appendix A – Evaluation Matrix

First Nations Infrastructure Fund Formative Evaluation Questions										
Evaluation Question	Methodology									
	Document review	Literature review	Administrative data	Financial data	KI Interviews - HQ	KI Interviews – Regional Offices	KI Interviews – First Nation	Expert Panel	KI Interviews - Other	Case Studies (focus group)
(1) Program Rationale and Relevance:										
1.1 To what extent is the FNIF consistent with the objectives and priorities of the federal government and INAC?	✓				✓	✓				✓
1.2 To what extent does the FNIF respond to the needs and priorities of its targeted beneficiaries/clients (i.e. FN)?	✓						✓		✓	✓
1.3 Is there a legitimate, appropriate and necessary role for the federal government in supporting the FNIF?	✓				✓	✓	✓	✓	✓	
(2) Program Design: Is the FNIF well designed?										
2.1 Are the FNIF Performance Measures, as part of the RMAF being collected? <ul style="list-style-type: none"> • Are the measures being used to report on results and in decision making? 	✓		✓	✓	✓	✓	✓			✓
2.2 To what extent are the FNIF objectives clearly articulated and understood?	✓				✓	✓	✓		✓	✓
2.3 To what extent are the roles, responsibilities and	✓				✓	✓	✓			✓

First Nations Infrastructure Fund Formative Evaluation Questions										
Evaluation Question	Methodology									
	Document review	Literature review	Administrative data	Financial data	KI Interviews - HQ	KI Interviews – Regional Offices	KI Interviews – First Nation	Expert Panel	KI Interviews - Other	Case Studies (focus group)
accountability of key players clear and well understood? Is there a clear understanding of terminology used?										
2.4 To what extent does the FNIF planning process ensure that appropriate decision making is in line with program objectives?	✓				✓	✓	✓			
2.5 To what extent is there a good connection/link between FN needs, priorities and the FNIF budget process and operational management?	✓			✓	✓	✓	✓		✓	✓
(3) Program Delivery: Is the FNIF being delivered effectively?										
3.1 Is the FNIF being implemented as planned?	✓				✓	✓	✓			✓
3.2 Are there other more efficient and effective alternative program delivery arrangements for supporting FNIF?		✓			✓	✓	✓	✓	✓	
3.3 How can FNIF become more viable and self-sustaining?		✓			✓	✓	✓	✓	✓	
(4) Program Success/Performance: Is the FNIF achieving intended outcomes?										
4.1 What progress has been made toward achievement of FNIF’s intended results at the immediate, intermediate and final outcome levels?	✓		✓		✓	✓	✓		✓	✓
4.2 Do these results contribute to the overall objectives of						✓	✓			✓

First Nations Infrastructure Fund Formative Evaluation Questions										
Evaluation Question	Methodology									
	Document review	Literature review	Administrative data	Financial data	KI Interviews - HQ	KI Interviews – Regional Offices	KI Interviews – First Nation	Expert Panel	KI Interviews - Other	Case Studies (focus group)
the FNIF?										
4.3 What are the major (internal, external) forces and factors impacting on FNIF’s performance? What lessons can be learned here?	✓		✓		✓	✓	✓		✓	✓
(5) Cost-effectiveness/Alternatives: Is the FNIF cost-effective?										
5.1 How important is government support for the FNIF to achieve its objectives?		✓			✓	✓	✓	✓	✓	
5.2 To what extent would FNIF’s activities have been conducted in the absence of federal funding?		✓			✓	✓	✓	✓	✓	✓

Appendix B – Logic Model

Basic Results Logic for the FNIF Program

