



Indian and Northern  
Affairs Canada

Affaires indiennes  
et du Nord Canada

*Final Report*

*Evaluation of the Miawpukek  
First Nation Grant Agreement*

*Project Number: 10013*

Date: February 2011

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



Canada 

# Table of Contents

---

<b>LIST OF ACRONYMS</b> .....	<b>III</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>IV</b>
<b>MANAGEMENT RESPONSE AND ACTION PLAN - INAC</b> .....	<b>VII</b>
<b>RESPONSE – MIAWPUKEK FIRST NATION</b> .....	<b>IX</b>
<b>1 INTRODUCTION</b> .....	<b>1</b>
1.1 OVERVIEW .....	1
1.2 DESCRIPTION .....	1
<b>2 EVALUATION METHODOLOGY</b> .....	<b>4</b>
2.1 EVALUATION SCOPE AND TIMING .....	4
2.2 EVALUATION ISSUES AND QUESTIONS .....	4
2.3 EVALUATION METHODOLOGY .....	5
2.4 ROLES, RESPONSIBILITIES AND QUALITY ASSURANCE .....	7
<b>3 EVALUATION FINDINGS - RELEVANCE</b> .....	<b>8</b>
3.1 CONTINUING NEED FOR MFN GRANT AGREEMENT .....	8
3.2 ALIGNMENT OF THE GRANT AGREEMENT WITH MFN MISSION AND FEDERAL GOVERNMENT PRIORITIES .....	9
3.3 APPROPRIATENESS OF ROLES FOR INAC AND MFN .....	11
<b>4 EVALUATION FINDINGS – PERFORMANCE / EFFECTIVENESS AND ECONOMY</b> .....	<b>12</b>
4.1 EFFICIENCY OF THE GRANT AGREEMENT .....	12
4.2 ECONOMY OF THE GRANT AGREEMENT .....	13
4.3 ACHIEVEMENT OF RESULTS UNDER THE GRANT AGREEMENTS .....	14
<b>5 EVALUATION FINDINGS – PERFORMANCE / SUCCESS</b> .....	<b>16</b>
5.1 PLANNING .....	17
5.2 ALLOCATION OF FUNDS TO COMMUNITY PRIORITIES .....	18
5.3 QUALITY OF PROGRAMMING .....	18
5.4 DEVELOPING AND MAINTAINING ACCOUNTABILITY STANDARDS .....	30
<b>6 CONCLUSIONS &amp; RECOMMENDATIONS</b> .....	<b>32</b>
6.1 CONCLUSIONS .....	32
6.2 RECOMMENDATIONS .....	32

## ***List of Acronyms***

---

ACOA	Atlantic Canada Opportunities Agency
CMHC	Canada Mortgage and Housing Corporation
CRT	Curriculum Reference Tests
CWB	Community Well-Being (Index)
DFNFA	DIAND /First Nations Funding Agreement
DFO	Fisheries and Oceans Canada
INAC	Indian and Northern Affairs Canada
MFN	Miawpukek First Nation
NL	Newfoundland and Labrador
NLTA	Newfoundland and Labrador Teachers Association
RCMP	Royal Canadian Mounted Police

## ***Executive Summary***

---

An evaluation of the Miawpukek First Nation Grant Agreement has been undertaken by Indian and Northern Affairs Canada (INAC) in partnership with the Miawpukek First Nation (MFN). The evaluation focussed on determining if the objectives of the Grant Agreement have been met as well as examining key evaluation issues of relevance and performance.

The Miawpukek First Nation is located in Conne River, Newfoundland and Labrador and has a total membership of approximately 2,600 people with 828 members living on reserve. The Grant Agreement, first signed in 1986 between Canada and MFN, is unique among INAC funding arrangements with First Nations as it provides MFN with a high degree of control over the management, administration and operational functions of the community. This funding arrangement resulted, in part, from the historical funding of the community through federal-provincial arrangements in place prior to MFN being recognized as a band. The Grant Agreement allows MFN to identify and allocate funds to community priorities. This approach differs from other less flexible funding arrangements whereby recipients must allocate funds as per terms and conditions contained within the funding arrangement.

The Grant Agreement is supported through the Grant Authority, *Grant to the Miawpukek Indian Band to support designated programs*. The evaluation is required to support the process of seeking a renewal of the Grant Authority and the Grant Agreement, which both expire the end of March 2011.

The evaluation was conducted by a consortium of Goss Gilroy Inc. and Hollett and Sons Inc. under the direction of a Working Group with representation from both INAC and MFN. The Evaluation Terms of Reference were developed jointly by representatives of MFN and INAC and approved at the INAC Evaluation, Performance Measurement and Review Committee in June 2010. Methodology for the evaluation included a review of relevant documents, files and data as well as extensive consultation with the community, INAC and other organizations with an ongoing relationship with MFN.

The evaluation supports the following conclusions regarding the relevance and performance of the Grant Agreement, including the degree to which the objectives of the Grant Agreement were met.

### ***Relevance***

Findings from the evaluation conclude there is a continuing need for the Grant Agreement for MFN. The Grant Agreement provides the community with the flexibility to manage their own affairs, which has resulted in programs and services being developed that respond to the needs of band members. The Grant Agreement is well aligned with the priorities of MFN as well as the Government of Canada. The Grant Agreement supports the MFN mission as well as the federal Treasury Board Policy on Transfer Payments by having in place a funding agreement that is flexible and sensitive to risk. The Grant Agreement is being implemented by MFN with a high degree of accountability to both Canada and band members.

The evaluation found the roles for administering the Grant Agreement remain relevant and are well-defined and appropriate. MFN is accountable to band members for delivering programs and services, while they are accountable to INAC for presenting annual financial statements. INAC has an appropriate role in terms of fulfilling its responsibilities and ensuring funding under the Grant Agreement is being properly accounted for and is achieving intended results.

### ***Performance - Effectiveness and Economy***

The evaluation found the administration of the Grant Agreement to be very efficient, particularly around reporting requirements. Once each year MFN presents its audited financial statements to INAC. Compared to other bands, this is a much lower level of reporting. The Grant Agreement also requires far fewer resources from INAC regional office to administer.

The Grant Agreement is economic for MFN. Over the course of this agreement period, MFN garnered \$18.3 million in external funding (excluding the Grant Agreement funds and other INAC specific contribution funding). These external funds are from federal and provincial sources and most require a contribution from MFN for which they have been able to use Grant Agreement funds. In addition, having a Grant Agreement has enabled MFN to secure favourable and flexible financing arrangements for both new initiatives and to meet financial challenges.

The analysis of the Community Well-Being Index results show MFN scores well above other First Nations in Canada and this margin has grown substantially since 1991. When compared to neighbouring non-Aboriginal communities over the same time period, MFN has reached a comparative level on all indices in 2006.

### ***Performance - Success***

Findings from the evaluation conclude that MFN has strong planning processes, which involve actively consulting with the community and responding to community priorities. Planning starts with Chief and Council (for two and five year planning horizons) with community input. These plans are implemented by MFN staff through their operational planning processes. While they are still refining this as a formal process, the fundamentals are clearly in place. At this point, annual operating plans of each department are tied directly to the budget cycle. Because the community is so involved in the setting of MFN priorities and planning, it is clear the allocation of funds under the Grant Agreement is in line with their priorities. The evaluation found many examples of MFN programs and initiatives resulting directly from community input.

The evaluation found the quality of MFN programming is generally strong and several best practices have been identified. Notably, MFN has internally evaluated and improved many of its programs to better fit financial realities and the needs of the community.

In 1986/87, the original Grant Agreement included funding in the amount of \$5,524,966. The funding level was re-based in 1995/96 to \$6,577,000 and totals \$9,442,000 in 2009/10. Funding for 2010/11, the Grant Agreement extension year, totals \$9,631,000. No further adjustments have been made to the base amount of this agreement with the exception of the two percent annual growth as identified in the agreement. It should be noted that population growth on reserve for band members from 1986 to 2010 was 40 percent, increasing from 590 in 1986 to 828 in 2010.

This continued growth has created pressures on MFN financial resources and the First Nation has requested an opportunity to review the base budget with INAC regional office.

### ***Recommendations***

Due to the joint evaluative approach undertaken for this evaluation, recommendations were developed for both INAC and MFN and are as follows:

#### **It is recommended that INAC:**

- Consider moving longstanding items from the comprehensive funding agreement to the Grant Agreement to reduce reporting burden to MFN.
- Consider putting in place a mechanism for funding level review that is based on community specific factors and needs rather than the formula approach commonly used by INAC with other funding agreement approaches.
- Explore the opportunity to make a grant funding arrangement, similar to MFN Grant Agreement, available to other eligible First Nations.

#### **It is recommended that MFN:**

- Develop tools to strengthen its planning, performance measurement, and communication processes.
- Continually monitor and adjust their Job Creation Program, including conducting a review every three years on the Program starting in 2011.

# **Management Response and Action Plan - INAC**

## **Management Response**

Miawpukek First Nation (MFN) has operated under Grant Funding Authority since 1986. This unique authority provides flexibility to MFN with respect to development and management of programs and services that are designed to meet community priorities. MFN has consistently demonstrated accountability to both its members and INAC over this period of time. MFN governance mechanisms include accountability and redress mechanism that are developed with community consultation and are practiced regularly. MFN has also been able to ensure a high quality of program delivery, comparable and sometimes exceeding provincial standards. The community well being index provides strong indications of a high standard of living, with many indicators higher than those in surrounding mainstream communities. Program delivery for provincial programs such as education are comparable to provincial results and well above many other First Nations in the Atlantic Region.

The continuation of this authority supports Treasury Board Policy on Transfer Payments, which focus's on a risk based approach for transfer payments. MFN's General Assessment score was 6.8 on a scale of 75, indicating a very low level of risk. The use of this authority and funding mechanism also further supports the work being undertaken on reducing reporting burden for First Nation recipients, as the Grant agreement requires only the submission of a consolidated audited financial statement each year, considerably less reporting than other agreement types utilized by INAC.

## **Action Plan**

<b>Recommendations</b>	<b>Actions</b>	<b>Responsible Manager</b>	<b>Planned Start and Completion Dates</b>
1. Consider moving longstanding items from the comprehensive funding agreement to the Grant Agreement to reduce reporting burden to the MFN.	We <u>do</u> concur.	Regional Director General, Atlantic Region	<i>Start Date:</i> February 2011
	The Department is currently reviewing the request and will be working with program sectors to determine the feasibility/possibility of including Contribution funding items into the annual Grant as a part of the base amount.		<i>Completion:</i> June 2011
2. Consider putting in place a mechanism for funding level review that is based on community specific factors and needs rather than the formula approach commonly used by INAC with other funding agreement approaches.	We <u>partially</u> concur.	Regional Director General, Atlantic Region	<i>Start Date:</i> April 1, 2011
	A review of the current processes used for determining Grant base funding amounts, and consideration of program funding calculation methodologies currently used by INAC will be required prior to further discussion with the community with respect to the acceptance of this recommendation.		<i>Completion:</i> June 2011
3. Explore the opportunity to make a grant funding arrangement, similar to the MFN Grant Agreement, available to other eligible First Nations.	We <u>do</u> concur.	Director General, Regional Operations, HQ	<i>Start Date:</i> Ongoing
	INAC is currently assessing the options of utilizing a Grant Funding approach for First Nations through the implementation of the new Policy on Transfer Payments, which comes into effect, April 1, 2011.		<i>Completion:</i> March 2012

**I recommend this Management Response and Action Plan for approval by the Evaluation, Performance Measurement and Review Committee**

*Original signed by*

**Name: Judith Moe**

**Position: A/Director, Evaluation, Performance Measurement and Review**

**I approve the above Management Response and Action Plan**

*Original signed by*

**Name: Gina Wilson**

**Position: Sr. Assistant Deputy Minister, Regional Operations Sector**

**MRAP was signed by A/Director of EPMRB and Sr. ADM/ Regional Operations Sector on Feb 3, 2011**

*The Management Response / Action Plan for the Evaluation of the Miawpukek First Nation Grant Agreement were approved by the Evaluation, Performance Measurement and Review Committee on February 22, 2011.*



# Response – Miawpukek First Nation

---



## **Miawpukek Mi'kamawey Mawi'omi**

**Council of the Conne River Micmacs**

**Government of the Conne River Micmacs**

Conne River, Micmac Territory, Nfld.  
A0H 1J0

(709) 882-2470

Fax (709) 882-2292

February 8, 2011

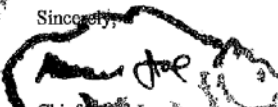
**Re: Evaluation of the Miawpukek First Nation Grant Agreement-MFN Response**

Please be advised that we have reviewed the Evaluation of the Miawpukek First Nation Grant Agreement draft report. We are extremely pleased with the draft report and its findings and recommendations.

The Evaluation confirms our strong assertion that our grant agreement has enabled us to undertake a flexible approach to delivering community programs while maintaining a high level of accountability. We are pleased that the evaluation through key stakeholder input (i.e. band members and federal departments have confirmed our assertion).

There are several recommendations in the evaluation we will be accepting and implementing over the course of 2011-2012. MFN is currently in the process developing a plan identifying ways to strengthen its strategic planning, evaluation process and reporting tools. Later this year we will begin the review of the Job Creation Program and develop ways of improving MFN's commutation strategy and tools.

In addition we look forward to working with INAC on the possible development of a funding adjustment mechanism that would allow for the use of community specific factors rather than the formula approach currently used in INAC agreements. MFN is also open to working with INAC with moving longstanding items from a comprehensive agreement to the grant agreement and in turn reducing the reporting burden.

Sincerely,  
  
Chief Noel Joe

# 1 Introduction

---

## 1.1 Overview

An evaluation of the Miawpukek First Nation Grant Agreement has been undertaken by Indian and Northern Affairs Canada (INAC) in partnership with the Miawpukek First Nation (MFN). The evaluation focussed on determining if the objectives of the Grant Agreement have been met as well as examining key evaluation issues of relevance and performance. The evaluation was conducted by a consortium of Goss Gilroy Inc. and Hollett and Sons Inc. under the direction of a Working Group with representation from both INAC and MFN.

This report is divided into six sections. The introduction provides an overview of the evaluation process, along with a description of the Miawpukek First Nation and the Grant Agreement between INAC and MFN. Section 2 describes the methodology associated with the study. It includes a description of the scope and timing of the evaluation, a summary of the evaluation issues and questions addressed in this report, along with a description of the various methods used to collect data. Section 2 also provides an overview of the roles, responsibilities and quality assurance used to support this study. Section 3, 4 and 5 include all findings that have emerged during the data collection process. Section 3 specifically explores the relevance of the Grant Agreement; Section 4 focuses on the performance of the Grant Agreement, while Section 5 focuses on the achievement of objectives. Section 6 provides conclusions and recommendations.

## 1.2 Description

### *Background and Description*

The Miawpukek First Nation is located in Conne River, Newfoundland and Labrador (NL) and has a total membership of approximately 2,600 people with 828 members living on reserve. The Grant Agreement, first signed in 1986 between Canada and the Miawpukek First Nation, is unique among INAC agreements with First Nations. When Newfoundland joined Confederation in 1949, the federal and provincial governments chose not to apply the *Indian Act* to the province but rather put in place cost-sharing arrangements with Aboriginal communities. In 1974, Conne River was included in these arrangements.

In 1984, in response to a lawsuit launched by the Indian residents of Conne River as to the question of their Indian status, the Miawpukek First Nation was recognized as a band. In 1987, a reserve was established and a grant agreement between Canada and MFN was created. The unique funding arrangement resulted, in part, from this historical funding of the community through federal-provincial arrangements in place prior to MFN being recognized as a band. The Grant Agreement not only provided MFN with control over management, administration and delivery of programs within the community, it also allowed MFN to identify community priorities and to allocate funds from the Grant to these priorities. This approach differs from other less flexible funding arrangement models whereby recipients must allocate funds as per terms and conditions contained within the funding arrangement.

A transition from the Grant Agreement to a Canada / First Nation Funding Agreement type of arrangement was contemplated in 2003, to be consistent with other INAC funding arrangements.

However, as MFN was entering into self-government negotiations at the time, the Grant Agreement was extended to support the transition to self-government.<sup>1</sup>

There have been five Grant Agreements between Canada and MFN with the current Grant Agreement being a one year extension agreement (2009/10 to 2010/11).<sup>2</sup> The Grant Agreement is supported through the Grant Authority, *Grant to the Miawpukek Indian Band to support designated programs*. This evaluation is required to support the process of seeking a renewal of the Grant Authority and the Grant Agreement, which both expire the end of March 2011.

### ***Objectives and Expected Outcomes***

The purpose of the Grant Agreement is to provide:

- a transfer grant to permit MFN flexibility to define objectives and plans for the community, and to design its own programs and to allocate funds in accordance with community priorities;
- for the amount of funding to be allocated, and the conditions upon which such funding is to be transferred, by Canada to MFN, to financially assist MFN in providing Programs and Services in accordance with its objectives and plans for the community and the terms and conditions of the Grant Agreement;
- for the primary accountability of MFN to community members for the delivery of the Programs and Services for which funding has been transferred to MFN under this Agreement and for the sound management and use of funds; and,
- for the accountability of MFN to Canada for the sound management and use of the funds transferred to the Council pursuant to the Agreement.

Under the Grant Agreement, MFN is responsible for the provision and delivery of the following Programs and Services:

- Indian Registration and Band Lists;
- Land Management;
- Elementary/Secondary Educational Services;
- Post-Secondary Education;
- Social Assistance and Support Services;
- Capital Facilities and Maintenance;
- Funding for Band Governments; and
- Economic Development.

### ***Management of the Grant Agreement***

The Grant Agreement is managed by MFN, which is accountable to band members for provision and delivery of all programs and services (listed in Schedule “B” of the Grant Agreement).

---

<sup>1</sup> Formal self-government negotiations began in 2004 and in 2005 the Miawpukek First Nation Self-Government Framework Agreement was signed. Currently, negotiations are at the Agreement-in-Principle stage with community ratification of the Final Agreement anticipated for 2014.

<sup>2</sup> The dates of the five previous Grant Agreements are: 1986/87-1991/92; 1991/92-1996/97; 1997/1998-2002/2003; 2003/2004-2004/2005; and 2005/06 to 2009/10

MFN provides an annual report, including audited financial statements, to band members and maintains accountability policies which address disclosure, transparency and redress. MFN is also responsible to Canada for the management and use of funds transferred under the Grant Agreement and is required to provide INAC with annual audited financial statements.

Within INAC, the Senior Assistant Deputy Minister of Regional Operations Sector has overall responsibility for the Grant Agreement and, with INAC's Atlantic Region, is responsible for the management of the Grant Agreement through the Funding Services Directorate.

### ***Resources***

In 1986/87, the original Grant Agreement included funding in the amount of \$5,524,966. The funding level was re-based in 1995/96 to \$6,577,000 and totals \$9,442,000 in 2009/10. Funding for 2010/11, the Grant Agreement extension year, totals \$9,631,000. No further adjustments have been made to the base amount of this agreement with the exception of the two percent annual growth as identified in the agreement. It should be noted that population growth on reserve for band members from 1986 to 2010 was 40 percent, increasing from 590 in 1986 to 828 in 2010.

The grant amount above does not represent the entire amount of funding provided to MFN by the Government of Canada. During the same period, an additional \$30,580,871 was provided as follows:

- \$12,259,464 was provided by INAC under Comprehensive Funding Arrangements to support individual projects related to Economic Development, Capital Infrastructure and other program activities; and,
- \$18,321,407 in other federal funding from departments such as Health Canada, Canada Mortgage and Housing Corporation (CMHC), Fisheries and Oceans (DFO), Natural Resources Canada, and Industry Canada, Atlantic Canada Opportunities Agency (ACOA).

### ***Previous Evaluations***

Three previous evaluations of the Grant Agreement have been conducted:

- Evaluation of the Miawpukek First Nation Grant Authority, 2005;
- Evaluation of the 1991/92 – 1996/97 Miawpukek Mi'kamaway Mawi'omi Band Fund Agreement, 1996; and
- Evaluation of Miawpukek Band Five Year Funding Agreement, 1990.

Previous evaluations reported positive results with the 2005 evaluation, conducted by Goss Gilroy Inc. for MFN and the INAC Atlantic Regional Office, concluding MFN is an effective band in terms of governance, financial and program management policies and procedures. The evaluation reported MFN continues to meet the objectives of the Grant Agreement, in particular, the primary accountability to band members for the delivery of programs and services and sound management of funds. MFN used the flexibility under the Grant Agreement to enhance programs and introduce new ones in response to community priorities.

## **2 Evaluation Methodology**

---

### **2.1 Evaluation Scope and Timing**

This evaluation examined activities undertaken between April 2005 and December 2010. Terms of Reference for the evaluation were developed jointly by a Working Group, consisting of representatives of MFN and INAC, and were approved by the INAC Evaluation, Performance Measurement and Review Committee in June 2010. The consultants were contracted in September 2010 and field work was conducted during September and October 2010.

### **2.2 Evaluation Issues and Questions**

In accordance with requirements within the Grant Agreement, as well as the federal Treasury Board Policy on Evaluation, the following evaluation issues and questions were addressed in the report.

#### ***Relevance***

The continued relevance of the Grant Agreement was addressed.

1. Is there a continuing need for the Grant Agreement?
2. Do the objectives of the Grant Agreement align with First Nation and federal government priorities?
3. Are the roles and responsibilities of INAC and MFN for administering the Grant Agreement appropriate?

#### ***Performance / Effectiveness and Economy***

The performance / effectiveness and economy issue addressed the efficiency and economic benefits associated with the Grant Agreement and included a comparison of MFN socio-economic indicators to other First Nations in Canada.

4. To what extent has the administration of the Grant Agreement been efficient?
5. To what extent has the administration of the Grant Agreement been economic?
6. How do MFN achievements under the Grant Agreement compare to other First Nations in Canada?

#### ***Performance / Success***

The performance / success issue addressed the degree to which specific objectives of the Grant Agreement have been met.

7. What has been the ability of MFN to define its community objectives and plans?
8. What has been the ability of MFN to allocate funds in accordance with community priorities?
9. Has MFN been able to design its own programs and services that are achieving results and are comparable to applicable standards?

10. Has MFN been able to develop and maintain accountability standards? Do accountability measures in effect in the community include provisions for disclosure, transparency and redress?

## **2.3 Evaluation Methodology**

An Evaluation Methodology Report was prepared by the Working Group to ensure the needs of both MFN and INAC would be met.

### *Data Sources*

The findings and conclusions of the evaluation are based on the analysis and triangulation of multiple lines of evidence as listed below.

#### *Document and file review*

The review examined various INAC documents relating to funding of First Nation communities; previous evaluations of MFN Funding Agreements; planning, administrative and accountability documents provided by MFN; and provincial community-well being profiles. Files were reviewed at MFN offices in Conne River and at the INAC regional office in Amherst, Nova Scotia.

#### *Key informant interviews*

Key informant interviews were conducted with 45 individuals.

- MFN Chief and Council (6)
- MFN Directors and Managers (27)
- INAC representatives from the Amherst regional office (5) and National Headquarters (3)
- Other individuals were interviewed who represented organizations with an ongoing working arrangement with MFN (4)

Evidence from the key informant interviews is presented using the following language and criteria:

- “All/almost all” – findings reflect the views and opinions of 90 percent or more of the respondents in the group.
- “Large majority/most” – findings reflect the views and opinions of at least 75 percent but less than 90 percent of respondents in the group.
- “Majority” - findings reflect the views and opinions of 51 percent but less than 75 percent of respondents in the group.
- “Half” – findings reflect the views and opinions of 50 percent of the respondents in the group
- “Some” - findings reflect the views and opinions of at least 25 percent but less than 50 percent of the respondents in the group.

### *Community Survey*

The Community Survey targeted 50 percent of the households in MFN, resulting in a sample of 124 households. Houses were visited door-to-door over a two week period by a locally engaged interviewer. Houses where no answer was received were re-visited on multiple occasions. When an answer was received, the interviewer asked to speak to a member of the household over the age of 18. A total of 91 interviews were completed.

### *Focus Group Sessions*

Five focus group sessions were conducted with 46 members of MFN to explore issues that arose from the community survey and key informant interviews. Focus groups were conducted with elders, youth (aged 18 – 24), Grade 12 students, and community members.

### *Comparative Analysis*

The evaluation used the Community Well-Being (CWB) Index to examine changes in socio-economic conditions on MFN over the time period 1991 – 2006 relative to

- First Nations in Canada;
- First Nations in Atlantic Canada; and
- Three neighbouring non-Aboriginal communities in NL.

For the neighbouring communities, analysis was supplemented with data from the Community Accounts website of the Government of NL.<sup>3</sup>

### *Considerations, Strengths and Limitations*

#### *Considerations*

MFN is currently participating in self-government negotiations with the Government of Canada and the Province of NL. As these negotiations are ongoing, the results of this evaluation will be used to support the renewal of the existing Grant Agreement and Grant Authority.

The Grant Agreement is a unique funding arrangement. INAC does not have any comparable funding arrangements with other First Nation. Consideration needs to be given to the applicability of this Grant Agreement to other First Nations in Canada based on a risk assessment of community capacity. This includes the compatibility of the MFN Grant Agreement to the direction of the new Policy on Transfer Payments as well as assessing the degree to which the Grant Agreement supports the governance continuum.

#### *Strengths*

The evaluation was conducted jointly guided by a Working Group with representation from both MFN and INAC. Lessons learned from this approach will be used for future evaluative work related to self-government and comprehensive land claim agreements.

---

<sup>3</sup> Government of Newfoundland and Labrador, *Community Accounts*. Retrieved from [www.communityaccounts.ca](http://www.communityaccounts.ca)

### *Limitations*

The Grant Agreement provides funding for programming in a wide variety of areas. MFN has used the flexibility provided under the Grant Agreement to design and implement programs in a number of areas not covered by the Grant Agreement (e.g. job creation, natural resources, recreation and culture, justice and policing). The evaluation has examined programs in all of these areas, however, the depth of the investigations and analysis in each program area was limited by the resources available for the evaluation. For example, the evaluation did not include a detailed review of permits and inspections in the Capital Works section. In addition, some managers in this area were not available for interviews, limiting the primary research input.

## **2.4 Roles, Responsibilities and Quality Assurance**

The Evaluation, Performance Measurement and Review Branch of INAC served as the project authority. This included working with representatives from INAC regional office and MFN on a Working Group which:

- developed the terms of reference and statement of work for the evaluation;
- developed a methodology report;
- selected consultants to conduct work acceptable to both parties; and
- reviewed the research instruments developed by the consultants for the field work stage of the evaluation.

The field work for the evaluation was conducted by a consortium of two firms: Goss Gilroy Inc., a national firm with an office in NL, and Hollett & Sons Inc., based in NL.

The involvement of MFN representatives in the management of the evaluation was beneficial as they contributed to the evaluation design and assisted extensively in logistical arrangements (receiving documents, coordinating key informant interviews, identifying a qualified survey interviewer, and recruitment of community members for focus groups).

Quality assurance has been provided through the activities of the Working Group, including the validation of findings during a session held in St. John's in December 2010 attended by representatives of MFN, INAC and both consulting firms. In addition, both representatives from INAC and MFN reviewed draft and final reports and jointly agreed on the recommendations.



## **3 Evaluation Findings - Relevance**

---

This section addresses the relevance of the Grant Agreement by examining the:

- continuing need for the Grant Agreement;
- alignment of the Grant Agreement with the priorities of MFN and the Government of Canada; and
- appropriateness of roles for INAC and MFN in administering the Grant Agreement.

Findings from the evaluation conclude that there is a continuing need for the Grant Agreement for MFN. The Grant Agreement provides the community with the flexibility to manage their own affairs which has resulted in programs and services being developed that respond to the needs of band members. The Grant Agreement is well aligned with the priorities of MFN as well as the Government of Canada. The Grant Agreement supports the MFN mission as well as the federal Treasury Board Policy on Transfer Payments by having in place a funding agreement that is flexible and sensitive to risk. The Grant Agreement is being implemented by MFN with a high degree of accountability to both Canada and band members.

The evaluation found the roles for administering the Grant Agreement remain relevant and are well-defined and appropriate. MFN is accountable to band members for delivering programs and services, while they are accountable to INAC for presenting annual financial statements. INAC has an appropriate role in terms of fulfilling its responsibilities and ensuring funding under the Grant Agreement is being properly accounted for and is achieving intended results.

### **3.1 Continuing Need for MFN Grant Agreement**

The evaluation found a high level of need for the Grant Agreement. The funds provided are used to provide essential services in the community as evidenced by audited financial statements filed with INAC each year. Moreover, the flexibility of the Grant Agreement has been used by MFN to develop and implement specific programs and services, which respond to expressed community needs. All key informants in the community viewed the Grant Agreement as the mechanism which allows MFN to respond to community priorities.

Moving to a different type of funding agreement would pose difficulties both for the community and for INAC. MFN has in place many initiatives, which are not prescribed in the Grant Agreement yet are viewed as best practices. These initiatives could not easily be accommodated under DIAND First Nations Funding Arrangement (DFNFA). Examples of initiatives that have been developed by MFN as a result of the Grant Agreement are as follows:

*Job Creation Program:* MFN is committed to the principle of full employment for adults in the community. Rather than pay passive income support to unemployed individuals, MFN has taken this “active measures” initiative to employ these individuals and provide valuable services in the community. This considerably reduces the number of people receiving income assistance.

*Natural Resources Department:* MFN has established a Natural Resources Department, which works to develop, manage and protect the natural resources on the reserve. This Department has been successful in working with other government bodies, including the federal DFO.

*Justice Department:* MFN has established a Justice Department and has established a Provincial Policing Service Agreement with the Province of NL. The Justice Department also established a Community Based Justice Program, a Police Advisory Committee, a By-Law Committee and Family Mediation Services. Additional funding has been provided by the Province of NL and the federal Department of Justice.

*Training and Economic Development Department:* MFN has elected to allocate additional resources to economic development beyond the level funded by INAC. This enables MFN to operate several businesses in the community and pursues tourism and other economic development projects in consultation through various funding sources.

### **3.2 Alignment of the Grant Agreement with MFN Mission and Federal Government Priorities**

#### ***Alignment with MFN Mission***

*[MFN] Mission Is To Preserve, Promote And Advance The Culture, Health, Economic, Educational And Social Well-Being Of Our People – Including Our Language, History And Spirituality.*

By providing the flexibility to respond to community needs and make adjustments to program and services as required, the Grant Agreement has allowed MFN to pursue their mission. Evidence from this evaluation demonstrates MFN has been able to work effectively towards achieving this end. MFN has developed the ability to implement programs and services, evaluate them and make adjustments to respond to fiscal realities and community needs.

#### ***Alignment with Federal Government Priorities***

The implementation of the Treasury Board Policy on Transfer Payments (2008) affects all recipients of federal grants and contributions, including First Nations and tribal council funding recipients. It is meant to ensure transfer payment programs are managed with integrity, transparency and accountability. Section 3.7 of the Policy states:

*Supporting strengthened accountability for public monies and better results for Canadians, this policy requires that transfer payments be managed in a manner that is sensitive to risks, that strikes an appropriate balance between control and flexibility, and that establishes the right combination of good management practices, streamlined administration and clear requirements for performance.*

The flexible nature of the Grant Agreement supports the Policy on Transfer Payments by having in place a funding agreement that is sensitive to risk and which is implemented without loss of accountability. MFN has a history of strong management, community accountability and fiscal responsibility.

The Grant Agreement, and the results being achieved by MFN as a result of the Agreement, is also in line with key INAC 2011-2014 Departmental Planning Priorities as illustrated in Table 1 below.

**Table 1: Linkages between INAC Priorities and the Grant Agreement**

INAC Priorities (2011 – 2014)	Linkage with the Grant Agreement
<b>Transforming for Improved Results</b>	
Strengthening and Reforming Education	MFN scores higher on the education component of the CWB Index than three neighbouring non-Aboriginal communities as well as the average score for First Nation in Atlantic Canada and for First Nations across Canada. The Grant Agreement has allowed MFN to make education a priority and deliver on this priority in their community.
Empowering Citizens	MFN has demonstrated a high level of accountability to its community. This is a key component of governance at MFN.
Improving Economic Development and Sustainability	MFN has committed considerable additional resources to economic development. They actively plan, implement initiatives, partner with external sources and evaluate their progress.
<b>Improving Partnerships and Relationships</b>	
Facilitating Community Development and Capacity	The Grant Agreement has led to significant capacity development and community accountability.
Increasing Partnering to Ensure Programs Are More Responsive	The flexibility of the Grant Agreement has made it possible for MFN to use their funding to more strategically partner with other government bodies.
Negotiating and Implementing Claims and Self-Government Agreements	MFN is currently in self-government negotiations with Canada and the Province of NL. The Grant Agreement has provided the capacity to move MFN along the governance continuum in order to support a comprehensive self-government arrangement.
<b>Managing Resources Effectively</b>	
Implementing the New Policy on Transfer Payments to Improve the Management of Funding Relationships	The Grant Agreement has demonstrated that considerable reduction of reporting burden can be achieved without loss of accountability or results achievement. Continuation of the Grant authority further supports the Policy on Transfer Payment's focus of risk based management. <sup>4</sup>

The Grant Agreement, its objectives and the results being achieved, is associated with the *Governance and Institutions of Government* program activity within the Government Strategic Outcome as outlined in the departmental Program Activity Architecture. The program activity supports capable and accountable First Nation governments and institutions.

---

<sup>4</sup> The General Assessment (GA) is a new tool that has been developed by INAC to support the management of funding agreements. The GA tool works by taking an annual “snapshot” of the funding recipient's past performance and identifies strengths and emerging risks that may have an impact on its future performance. The results of MFN General Assessment indicates a very low risk (risk score of 6.75 of a possible 75).

### **3.3 Appropriateness of Roles for INAC and MFN**

Under the Grant Agreement, MFN is accountable to the community for services delivered and quality of governance and administration. MFN remains accountable to INAC for the quality of its financial administration. Findings from the evaluation conclude the current role of MFN is appropriate with a high level of community accountability demonstrated.

The evaluation concludes INAC is able to properly execute its roles and responsibilities under the Grant Agreement. The submission of annual audited financial statements allows INAC to verify the funds provided by the Government of Canada are properly spent with appropriate accounting. One ramification is INAC having less information about MFN than bands with greater reporting requirements. However, if additional information is required by INAC, MFN has demonstrated they will provide the Department with the required documentation.

Moreover, evaluations are requirement under the Grant Agreement and by the federal Treasury Board Policy on Evaluation ensuring periodic review of relevance and performance.<sup>5</sup>

---

<sup>5</sup> See Section 1.2 of this report for description of previous evaluative work.

## 4 Evaluation Findings – Performance / Effectiveness and Economy

This section addresses the performance / effectiveness and economy of the Grant Agreement. As such, it examines the:

- extent to which the administration of the Grant Agreement is efficient;
- extent to which the administration of the Grant Agreement is economic; and,
- MFN socio-economic performance under the Grant Agreement.

The evaluation found the administration of the Grant Agreement to be very efficient, particularly around reporting requirements. Once each year MFN presents its audited financial statements to INAC. Compared to other bands, this is a much lower level of reporting. The Grant Agreement also requires far fewer resources from INAC regional office to administer.

The Grant Agreement is economic for MFN. Over the course of this agreement period, MFN garnered \$18.3 million in external funding (excluding the Grant Agreement funds and other INAC specific contribution funding). These external funds are from federal and provincial sources and most require a contribution from MFN for which they have been able to use Grant Agreement funds. In addition, having a Grant Agreement has enabled MFN to secure favourable and flexible financing arrangements for both new initiatives and to meet financial challenges.

The analysis of the CWB Index results show MFN scores well above other First Nations in Canada and this margin has grown substantially since 1991. When compared to neighbouring non-Aboriginal communities over the same time period, MFN has reached a comparative level on all indices in 2006.

### 4.1 Efficiency of the Grant Agreement

#### *Reporting Requirements*

Reporting requirements associated with the Grant Agreement are much less demanding than other federal funding arrangements. MFN is required to report once each year with an audited financial statement. Typically under a DFNFA, 15 reports are required each year, as illustrated in Table 2.

**Table 2: Reporting Requirement under a typical DFNFA**

Reporting Area	# of Annual Reports Required
Education	4
Social	2
Capital	5
Economic Development	2
Governance & Institutions	2
<b>Total</b>	<b>15</b>

Administration of the Grant Agreement is also efficient from an INAC perspective. INAC estimates the amount of time a funding services officer is required to administer the Grant Agreement amounts to two to four days per year. By contrast, it is estimated 20 days of effort are required to administer a DFNFA and 40 days of effort are required to administer a Comprehensive Funding Arrangement.

## 4.2 Economy of the Grant Agreement

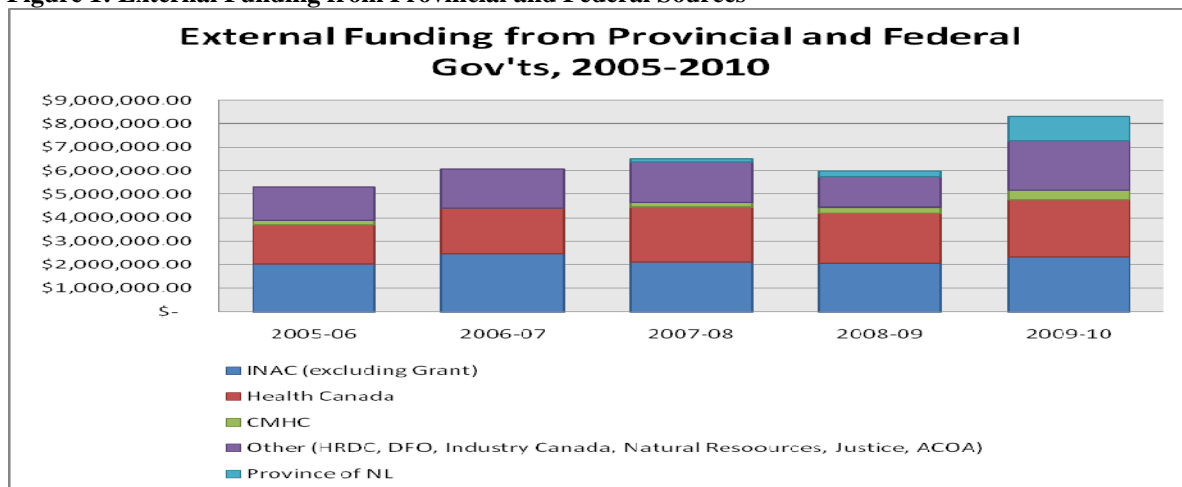
### *Leveraging Additional Funding*

The Grant Agreement has allowed MFN to leverage additional federal and provincial government funding. Having the flexibility and independence to make equity contributions when other government programs require such investments allows for leveraging to occur. Federal government regulations against program stacking, which prohibit the use of funds received under one federal government program to be used as an equity contribution when applying for another program, do not apply under the Grant Agreement. Examples where MFN has leveraged additional resources for programming include the following:

- Justice Canada: Community Justice Program;
- Human Resources and Skills and Development Canada: New Horizons Program;
- INAC: various education and economic development programs;
- ACOA: support for economic development planning;
- Natural Resources Canada: First Nations Forestry;
- DFO: Aboriginal fisheries programming; and
- Provincial government programming: various programs within departments of Innovation, Trade and Rural Development, Forestry and Agriculture, and Health and Community Development.

Figure 1 illustrates the degree to which MFN has leveraged funds over the period 2005 to 2010. Over the course of this Grant Agreement period, MFN has garnered \$18.3 million in external funding (excluding the Grant Agreement funds and other INAC specific contribution funding).

**Figure 1: External Funding from Provincial and Federal Sources**



### *Ability to Secure Financial Options against the Grant*

The Grant Agreement has provided a steady guaranteed funding allotment without the risk of halted funds by INAC due to outstanding reporting requirements. This has enabled MFN to secure favourable financial options against the Grant. This is in contrast to a DFNFA where funding can be halted due to outstanding reports, which raises risk with financial institutions for borrowing. A band with a DFNFA can apply for bank funding, but may not receive as good funding terms as they would under a Grant Agreement. An example of how MFN was able to secure financial options against the Grant Agreement was demonstrated in relation to the aquaculture financial crisis which MFN faced in 2001.<sup>6</sup> The flexibility of the Grant Agreement was a key element of the debt management plan, which MFN successfully negotiated with a financial institution and INAC.

### **4.3 Achievement of Results under the Grant Agreements**

Progress towards achieving the objectives of the Grant Agreement is discussed in detail in Section 5 of this report. Using the results of the CWB Index, this section will examine the high level socio-economic results that are being achieved by MFN as compared to other First Nation and non-Aboriginal communities in Canada.

The CWB Index looks at the well-being of individual Canadian communities using indicators of socio-economic well-being, including education, labour force activity, income and housing as derived from the Statistics Canada Population Census. The indicators are then combined to give each community a well-being score.<sup>7</sup> It should be noted that the CWB analysis does not assess if the improvements of well-being is associated with the Grant Agreement itself. This is not to say that such association does not exist, but rather that these CWB measures do not demonstrate a direct relationship and that other factors may be more influential.

Results from an analysis of the CWB data show MFN scores well above both First Nations in Atlantic Canada as well as First Nations in Canada as a whole and the margin has grown substantially since 1991. As can be seen from Figure 2, MFN in 1991 has similar results to other First Nations and then improved significantly. The improvement is concentrated in the 1991 to 1996 period and has been maintained, with a slight decline, in 2001 and 2006.

---

<sup>6</sup> Readers may refer to section 5.3 for more details on this financial crisis.

<sup>7</sup> For further information on the Community Well-being Index, refer to <http://www.ainc-inac.gc.ca/ai/rs/pubs/cwb/index-eng.asp>

Figure 2 CWB Index for MFN and other First Nations

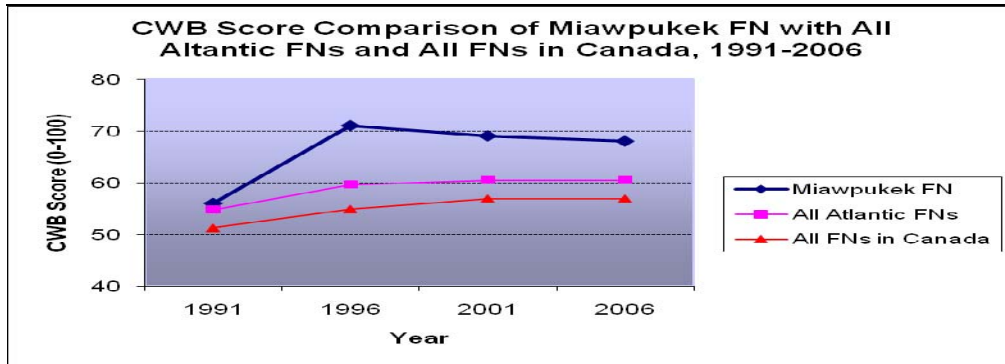
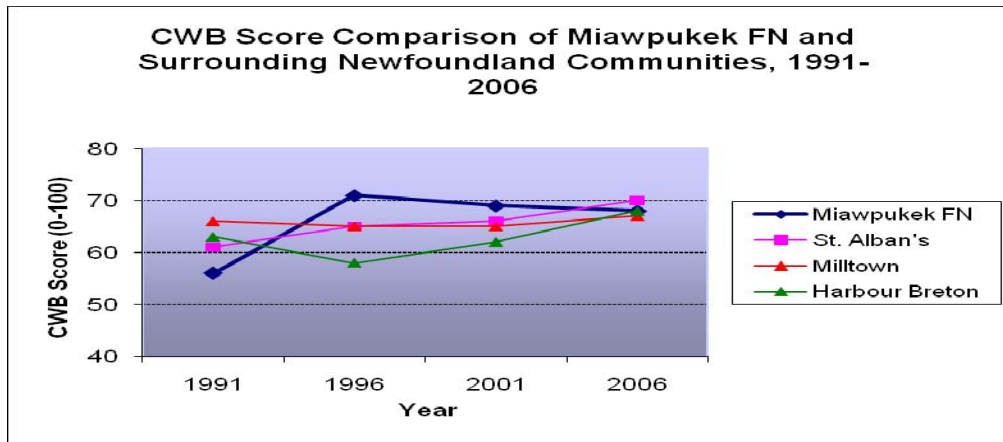


Figure 3 compares MFN to neighbouring non-Aboriginal communities. In 1991, MFN scored well below the communities of Milltown, Harbour Breton and St. Alban's. However by 1996, MFN had moved well ahead. Since that time it has not mirrored the advances in the other communities, but remains at a comparable level of community well-being and well above levels for most First Nations in Canada.

Figure 3 CWB of Neighbouring Communities and MFN





## ***5 Evaluation Findings – Performance / Success***

---

This section addresses the performance / success of the Grant Agreement. As such, it looked for evidence the stated objectives of the Grant Agreement were achieved in the areas of:

- planning;
- allocation of funds to community priorities;
- quality of programming; and
- developing and maintaining accountability standards.

Findings from the evaluation conclude MFN has strong planning processes, which involve actively consulting with the community and responding to community priorities. Planning starts with Chief and Council (for two and five year planning horizons) with community input. These plans are implemented by MFN staff through their operational planning processes. While they are still refining this as a formal process, the fundamentals are clearly in place. At this point, annual operating plans of each department are tied directly to the budget cycle. Because the community is so involved in the setting of MFN priorities and planning, it is clear the allocation of funds under the Grant Agreement is in line with their priorities. The evaluation found many examples of MFN programs and initiatives resulting directly from community input.

The evaluation found the quality of MFN programming is generally strong and several best practices have been identified. Notably, MFN has internally evaluated and improved many of its programs to better fit financial realities and the needs of the community. MFN does, however, face some challenges with regards to the costs of administering its programs and services and has requested an opportunity to review the base budget with INAC regional office.

Some highlights on the quality of programming include:

- There is no backlog of registrations either at INAC or at MFN for Indian Registration and, whereas many bands have trouble with recruitment and retention of registrars, the MFN registrar has been in the position for 20 years.
- The full scope of land management processes are in place and MFN is currently embarking upon a land designation process. They are behind in surveys and they have not identified a source of funding to support this work, which is holding up some developments.
- MFN has a K-12 school with the full suite of educational programs and a strong cultural component. Provincial curriculum and testing is used at the school and teachers are registered members of the provincial teachers association. The retention and academic achievements of students at Set A'nwey Kina'matino'kuom (St. Anne's School) is comparable to non-First Nation schools in NL, and almost all teachers and administrators are band members.
- There is a well-administered program of post-secondary education counseling, funding and support at MFN. While there are always more demands than funding, a criterion based system has been developed and implemented. MFN encourages students to pursue

post-secondary opportunities and particularly to find training that will support MFN's succession planning needs.

- The Training division is structurally incorporated with the Economic Development Department to develop the human resources required to pursue potential economic development opportunities.
- The Job Creation Program is a strong example of how MFN has been able to develop programs based upon community needs. From the inception of MFN, band members did not want passive social assistance and linked all social assistance with work. This program is considered highly successful and supports MFN initiatives and programs.
- The MFN Housing Program is based upon rent-to-own arrangements for almost all housing in the community. This has resulted in better overall maintenance and care of houses because the residents are owners of the houses.
- Governance is strong at MFN. There is clear separation of political and administrative arms, even when senior band managers are elected as councilors. There is clear accountability among staff to the General Manager and the General Manager to Chief and Council. MFN staff, managers and directors are all well trained and qualified with a considerable number of them having professional designations and graduate level university degrees. There is a strong focus at MFN on training band members for employment within the band structure.
- Economic Development is very active at MFN. There are seven band-owned businesses and many other economic development initiatives in Conne River. MFN proactively works with external partners, including the private sector, on economic development opportunities and test potential opportunities with feasibility studies. They are currently completing a tourism development strategy, bringing all tourism initiatives within a broader framework to ensure they are meeting their goals. When things do go wrong, such as the Aquaculture initiative, MFN has shown it can deal with the resultant financial issues in a timely and appropriate manner.
- MFN maintains a high level of accountability to INAC through its timely submission of audited financial statements and by participating in periodic evaluations. There is also a high level of accountability and transparency demonstrated between MFN and band members.

## **5.1 Planning**

MFN has a well-developed planning process, which reflects community input and culminates in operational plans which are communicated to the community. Chief and Council conduct planning on two and five year horizons and departments lead the shorter term, operational planning, with oversight from Chief and Council.

Annual operational planning is tied to the budget cycle. Chief and Council initiate this process by identifying strategic priorities for the year and communicating this to the General Manager. The Director of each department prepares a budget responding to these priorities that is consistent with expected demand for services. Individual department budget requests are then reviewed by

the Director of Finance and the Audit Committee.<sup>8</sup> The MFN management team then prepares an integrated budget, which addresses plans and priorities and fiscal realities. Chief and Council review the integrated budget and provide feedback. The Budget is revised and re-submitted to Chief and Council for approval. Three iterations are typical in this process. The community is welcome to attend the annual budget process with Chief and Council for information purposes and is also welcome to review the actual budget information at the band office with the Director of Finance on an appointment basis.

## **5.2 Allocation of Funds to Community Priorities**

As a consequence of the involvement of the community in the planning process and the flexibility inherent in the MFN Grant Agreement, funds are not only allocated to the core programs such as Education, Infrastructure, Operations and Maintenance, Governance and Social, but also allocated to other community priorities. The following is a list of several examples where MFN has allocated funds to community priorities which are not mandated under the Grant Agreement.

- Job Creation Program
- Policing Contract with Province of NL
- Recreation and Culture Programs
- Homecare program
- Community Social Work Program
- Tourism Development Strategy

## **5.3 Quality of Programming**

Overall, the quality of MFN programming is high and comparable to provincial and federal standards where applicable. Of particular note is that MFN identifies and reacts to problems and is committed to making improvements in its programming. The remainder of this section identifies the quality of programming in several specific areas. However, it was beyond the scope of the evaluation to fully evaluate each area of programming.

### ***Indian Registration and Band Lists***

MFN has created an effective and comprehensive service for the maintenance of the Indian registration and MFN Band List. The Indian Registry Administrator at MFN maintains the Indian Registration for MFN as well as the Band List. The Band List is kept under secure processes and is being implemented as per the policies of the Indian Registry Reporting Manual. There is no backlog either with INAC or at MFN for Indian Registration applications. According to INAC background information, this is not the typical situation with other First Nations. There are approximately 30,000 unprocessed applications or updates by INAC Headquarters, which have created a bottleneck in the registration process. Some applications may be in the system for 10 years.

---

<sup>8</sup> The Audit Committee is made up of middle managers throughout the Band and acts as a review committee before plans move forward.

At MFN, the registrar is managing the list as per the INAC policies and procedures, whereas INAC is managing 58 percent of Band Lists across Canada. For those bands that do have a registrar, recruitment and retention of the registrar can be an issue, with many lasting only a year. In the case of MFN, the same registrar has been in place for 20 years.

### ***Land Management***

The full scope of land management activities are in place.

- MFN has a needs assessment approach to lands management and they work to develop sustainable land management plans.
- Land transactions are being carried out in accordance with the INAC Land Management Manual.
- Environmental considerations are a formal part of land management decisions.
- Zoning bylaws are in place.

Overall, it appears results are being achieved in lands management, but there are some barriers caused by lack of funding. The Lands Department investigates and issues certificates of possession, land transfers and handles requests for additions to Samiajij Miawpukek Indian Reserve and estates. Completing land surveys in a timely fashion is proving to be a challenge due to lack of an identified source of funds. Some older surveys are required to be re-done and all new activities must be surveyed. There is currently a backlog of 160 surveys with an average cost of \$2,200 each for a total of \$335,000 in required funds to eliminate this backlog. Environmental site assessments were completed for all new construction projects.

Land management is part of the community planning process at MFN. MFN departments, such as the Department of Economic Development, work actively with the Lands Department on their initiatives.

MFN is currently developing a land designation process in response to concerns among some community members.<sup>9</sup> Specifically, several economic development initiatives (Canadian Helicopter base, Small Craft Harbour, and Aquaculture) make use of reserve land. While all three initiatives have provided benefits to the community, some individuals have expressed concern about the process where use of reserve land was made available. MFN is working to address these concerns by developing a clearly defined process for approval for future development opportunities. In 2008, MFN applied for a First Nations Land Management Agreement under the *First Nation Land Management Act* and has started the land designation process.

---

<sup>9</sup> In the Community Survey of 91 individuals, 36 were “satisfied” with Environment and Land Management while 24 were “dissatisfied”.

## *Elementary and Secondary Education*

Kindergarten, elementary and secondary level education programs and services are provided at Set A'nwey Kina'matino'kuom (St. Anne's School) and these services aim to be comparable to or exceed that of provincial public schools. The school follows the NL provincial curriculum with the same tests and guidelines, including public exams and Criteria Referenced Tests (CRTs).

All teachers are members of the Newfoundland and Labrador Teachers Association (NLTA) and avail of professional development and support from the NLTA. The only program-based difference from provincial schools is the inclusion of Mi'kmaq language components (grades K-9) and courses (levels 1-3). Extracurricular activities include the typical school sports and music, as well as cultural activities (drumming and dancing). The Education Director meets regularly with education administrative officials both in the province and other Mi'kmaq Reserves. The MFN two year plans (2010-2012), includes plans to develop a Memorandum of Understand with the province in order to formalize current education partnership practices.

There is a strong cultural component incorporated into the curriculum. Based upon direction from Chief and Council, the school recruits as many qualified MFN members as possible for staff. Currently, 20 of the 23 teachers (92 percent) are band members. Future plans include the revitalization of the Mi'kmaq language. The focus group with Grade 12 students reflected a strong desire for additional language training and a concern that MFN falls short of other Mi'kmaq communities in its language capacity. There are emerging budget challenges at the school. Due to budget restrictions, 2010 is the first year teachers salaries are not at parity with NLTA salaries.

The following table captures some key performance points.

**Table 3: Education Performance**

<b>Performance Point</b>	<b>Set A'nwey Kina'matino'kuom</b>
<b>Enrolment</b>	In the 2008/09 school year, had a student population of 172, including 87 female and 85 male students <sup>10</sup> . This enrolment rate has remained consistent over the past 10 years <sup>11</sup> .
<b>Curriculum</b>	Set A'nwey Kina'matino'kuom curriculum is comparable to the programs and services required by the provincial government. K-9 students receive all courses required under the provincial curriculum and high school students have a large selection, with 44 level I-III courses offered. The school offers courses such as music and physical education, which are not offered in all rural NL schools.
<b>Public Exams (Level III)</b>	Performed slightly below provincial average on public examinations for the past four years. <sup>12</sup> For example, in the 2008/09 school year, the provincial average was 2.1 percent higher in Biology; 2.3 percent higher in World Geography; similar in Mathematics; and 10.1 percent higher in English in comparison to Set A'nwey Kina'matino'kuom. <sup>13</sup>

<sup>10</sup> Department of Education (2010), Education Statistics 2009-2010, Government of NL

<sup>11</sup> Department of Education (2000), Education Statistics 1999-2000, Government of NL

<sup>12</sup> Department of Education (2010), Education Statistics 2009-2010, Government of NL

<sup>13</sup> Department of Education (2009), K-12 School Profile System, Public Exams Results, Government of NL

<b>Performance Point</b>	<b>Set A'nwey Kina'matino'kuom</b>
<b>Curriculum Referenced Tests</b>	Fluctuates depending on grade, year and course area. <sup>14</sup> <i>Language Arts:</i> Over the past four years has scored lower than provincial average on the Primary Language Arts (Grade 3) and Intermediate Language Arts (Grade 9) Elementary Language Arts CRT. <i>Math:</i> Conversely, on average, school has had comparable marks to the province in the Primary (Grade 3), Elementary (Grade 6) and Intermediate (Grade 9) Math CRTs. The trend data also shows that in the past four years, the school has scored well above provincial average on the CRTs.
<b>Class size &amp; Teacher: Student ratio</b>	23 full time equivalent teachers. <sup>15</sup> This number is high in comparison to the number of full time equivalent teachers in surrounding communities such as Harbour Breton (Kings Academy: 13; St. Josephs Elementary: 11.5) and Milltown: 22.8. School has a lower than average teacher per student ratio with 1 teacher for every 7.3 students. The average teacher per student ratio for the province is 12.3. <sup>16</sup>
<b>Graduation Rates</b>	The graduation rate fluctuates from year to year, due to the small number of students in each class. However, in 2008 the school had a comparable graduation rate to the rest of the province at 90.9 percent. <sup>17</sup>
<b>Dropout rates</b>	In the 2007/08 school year Set A'nwey Kina'matino'kuom had a 5.7 percent dropout rate. This is relatively low compared to the provincial average which was 8.1 percent and the surrounding community of Harbour Breton; 8.7 percent. Milltown had no drop outs in the 2007/08 school year.
<b>Special Education Services</b>	In 2007/08, 19 percent of students received special education services. This is slightly higher than special education services availed of by the province; 17.2 percent and in Harbour Breton (King's Academy; 10 percent and St. Joseph's Elementary; 8 percent) and equivalent to the school in Milltown (20 percent).  The policy at the school is that 100 percent of children are tested for learning disabilities.

### ***Post-Secondary Education***

MFN has a long standing program of supporting its membership through post-secondary education. The priorities for access to the Post-Secondary Education Program are clearly defined and there is an appeal process in place (first to the Director, then to Chief and Council, and then to INAC). MFN would like to support more individuals but budget restrictions prevent them from meeting the full demand.

The evaluation found no problems in the administration of this program.

- List of priority groups for post-secondary education are defined in writing.
- Community Survey shows more than twice as many “satisfied” (43) as “dissatisfied” (20) with the program even though funding levels result in rejections.
- No concerns about the program were identified in any focus groups.
- No complaints have been received by the INAC regional office.

<sup>14</sup> Department of Education (2010), Education Statistics 2009-2010, Government of NL

<sup>15</sup> Department of Education (2009), Indicators Report 2008, Government of NL

<sup>16</sup> Department of Education (2009), Education Statistics 2008-2009, Government of NL

<sup>17</sup> Department of Education (2009), Indicators Report 2008, Government of NL

Post-secondary education has been used effectively in the past to fill gaps in the community labour force, however, limited staff turnover and low employment growth limits the practicality of this. The recent decision to re-organize Training and Economic Development divisions into the one department has been taken to ensure a greater focus on community needs in the post-secondary education programs.

MFN takes an active interest in its membership becoming educated and employed. They have sought positions for graduates both on and off-reserve and recognize the huge asset these individuals bring to the community. They have developed a database of retiring employees and are currently planning to work on succession planning so members can be trained for future positions.

It is important to note the Training and Economic Development Department incorporates the Post-Secondary Education Program for both on- and off-reserve MFN members. The evaluation did not include consultation with the off-reserve population.

### *Social Assistance and Support Services*

MFN has created a community-based social development program (“Job Creation Program”) which is a key component to the communities’ collective self-esteem. The community strongly supports this approach.

- Sixty-seven percent of the band members are either “satisfied” or “very satisfied” with social assistance and support services, based upon the community survey.
- Focus group participants referred positively to the Job Creation Program citing that it instilled pride in their community.

The Job Creation Program is a continuation of a longstanding practice. From the 1996 evaluation report:

*MFN Job Creation Program has minimized dependency on passive income support. Without the flexibility accorded in the Grant Agreement, the level of employment and linkages of education with opportunities on reserve would not have been achieved.*

Currently, there are approximately 180 individuals working 14 weeks per year for various MFN initiatives and departments. The type of work ranges from administrative and manual labour to research and analysis. To be eligible for the program, you must be an MFN member and over the age of 20 (thereby, encouraging young people to pursue post-secondary education after graduating high school). Once 14 weeks of work are concluded, the participants are then eligible to collect Employment Insurance for the remainder of the year.

Some people go back to the same work each year; some are taken on as employees because of their performance and some have a variety of positions from year to year. Some participants do go on to full-time work based upon their Job Creation experiences. Over 85 percent of the adults in the community collected Employment Insurance in 2009 (compared to the provinces rate of 34.9 percent in the same year.) However, the self-reliance ratio of the community is on par with

the provincial average. The 2006 self-reliance ratio for MFN was 79.7 percent,<sup>18</sup> while the provincial self-reliance ratio for 2006 was 78.5 percent.<sup>19</sup>

There are many benefits of the Job Creation Program for MFN. First and foremost, it provides a high level of community self-esteem. In the focus groups conducted for the evaluation, from youth to elders, all participants pointed to the Job Creation Program and not accepting passive welfare as one of the reasons for the high community achievement levels. Second, it provides training and valuable work experience for individuals in the program, while providing them with a relatively high standard of living. Third, it provides extra human resources to MFN to carry out initiatives. Finally, it provides a sense of security for band members because they know they do not have to leave the community for work as do other people in other communities in NL.

There are also challenges to the Job Creation Program, including the cost of administering the program when facing a growing population and a local economy that is not growing at the same rate. Some key informants expressed concern the program caused dependence by the band members on MFN to provide for them and diminishes their individual independence. Also, as the provincial minimum wage has increased dramatically over the last few years, this has placed further strain on the Job Creation budget, and wage rates generally at MFN.

There is a social assistance program at MFN that supports those that are not able to work and those below the age of 20 receive the traditional social assistance based upon the provincial rates. At the time of the evaluation, there were seven people in the community who are not able to work and a further 13 to 23 people per year who collect social assistance (they are either students out of school, waiting to go to work or those waiting to qualify for the Job Creation Program). According to interviews with staff, the Social Development Program is based upon the provincial social development program. One key informant noted, "*We took the best of the provincial model and improved it to meet the needs of our community and our values*".

**Miawpukek First Nation Job Creation Program (Oral history as relayed from the Deputy Chief)** In the 1970's, before MFN obtained Reserve or Indian status, they were dependent upon the provincial welfare system as the need arose. At the time, the traditional hunting, trapping and fishing way of life was diminishing economically and more and more families found themselves destitute and would have to make their way "across the bay" by boat or foot to Milltown to collect their welfare cheques. At the same time, the economy across the bay was thriving as they were constructing a new hydro electric dam and all hands were employed. The welfare officer(s) at the time were said to have treated the Indians from Conne River quite poorly, insinuating they were lazy and "welfare bums".

When the band obtained reserve and Indian status in 1984, they then had the ability to design and administer their own welfare program as part of the Grant Agreement. The community was determined they would not be dependent upon passive hand-outs. Instead, they said people who couldn't find jobs and were able bodied would have to work for any social assistance. This was the genesis of the Job Creation Program at MFN. Because the band has a Grant Agreement with INAC, they were able to design a social assistance program that was flexible and met the needs and demands of the community.

---

<sup>18</sup> This is a measure of the community's dependency on government transfers such as: Canada Pension, Old Age Security, Employment Insurance, Income Support Assistance, etc. The higher the percentage of income that comes from transfers the lower the self-reliance ratio.

<sup>19</sup> Government of Newfoundland and Labrador. *Community Accounts* Retrieved from [www.communityaccounts.ca](http://www.communityaccounts.ca)



## *Capital Facilities and Maintenance and Public Works*

Capital Facilities and Public Works conform to all standards and require mandatory inspections and permits. There were concerns identified relating to roads and water quality.

- In terms of roads, officials from INAC confirmed that funding in the Grant Agreement is not sufficient to deal with roads and that road quality is a concern in most First Nation communities. In the case of MFN, the community is fortunate to have a high quality main road provided by the province but secondary roads are highly variable.
- In terms of water, documentation and officials from INAC confirm the current water supply problems were not due to negligence and have been handled well by MFN but will take time to be fully resolved. INAC is providing additional funding to address this issue but limits in available funding necessitate a staged approach. This is supported by documentation from engineers that reviewed the water treatment facility.

## *Housing*

Since 1984, MFN has developed its housing program to serve its members with differing income levels, targeting low, middle, and high income households. A key part of the program is all band members are eligible for a rent-to-own arrangement, resulting in high home ownership rates in the community, on par with the provincial rate and above the national rate.<sup>20</sup>

The Grant Agreement has enabled MFN to fund housing programs through its annual budgeting process and through combining Grant Agreement funding with funding for on-reserve housing under Canada's Economic Action Plan (2009-2011), and CMHC's Residential Rehabilitation Assistance Program. This funding flexibility and focus on community needs enables MFN to offer more housing options than are typically funded by INAC.

All housing programs have a well-defined schedule of eligibility that is open and transparent. The needs of a family are carefully evaluated according to a published schedule to establish what housing benefits for which they would be eligible. The following are examples of the different programs.

- *Low Income:* Subsidized Housing Program provides a rental unit to low income families on a rent-to-own basis. Once the mortgage is paid in full, MFN transfers the unit to the tenant through a Certificate of Possession.
- *Residential Rehabilitation Assistance Program:* Funding received from CMHC to assist low-income homeowners with mandatory home repairs to preserve the quality of affordable housing. The program helps people who live in substandard dwellings and cannot afford to pay for necessary repairs to their home.
- *Middle Income:* Section 95 units are provided to middle income members and are offered with a rent-to-own option. A tenant resides in the unit and pays rent, enabling MFN to pay the mortgage on the unit. Once the mortgage is paid in full, MFN transfers the unit to

---

<sup>20</sup> According to the 2006 Census, in Samiajij Miawpukek 70.2 percent of homes were owned versus rented compared to 78.7 percent for the province and 68.4 percent for Canada (Government of Newfoundland and Labrador. *Community Accounts*. [www.communityaccounts.ca](http://www.communityaccounts.ca) )

the tenant through a Certificate of Possession. This approach helps in tenant up keep and repair of the unit.

- *High Income:* Section 10 Ministerial Guarantee is a mechanism through which high income households can get a mortgage for housing unit construction based upon their own ownership.
- *Elders Program:* Provides assistance in the form of a grant to elders to assist with repairs and renovations to residential units.

Home owners and renters of all income levels are eligible for the following programs, some of which are supported by the communities Job Creation Program.

- *Carpentry & Electrical Assistance:* Provides skilled carpenters and electricians to assist with minor housing repairs and renovations and electrical repairs and installation.
- *New Home Builders Grant:* Provides a grant of \$6,000 to new home builders for start-up.

These programs help increase yearly housing starts built by the Housing Department. The programs also encourage individual band members to build their own houses. Moreover, the programs offering members the option of owning the unit on a rent-to-own basis fosters greater maintenance and repair of the homes. In many First Nation communities, there is a problem with overcrowding housing, relative to non-First Nations communities in Canada. At MFN, there are 315 households with ten containing more than one family, resulting in an overcrowding rate of three percent. According to INAC statistics, the average Aboriginal on-reserve rate for over-crowding in 2006 is above 12 percent.

The Housing Well Being index for MFN was 89 in 2006. This is significantly higher than other First Nations in Atlantic Canada (78) and throughout Canada (71). The MFN index is closer to surrounding non-First Nation communities (96) or all other Atlantic Communities (93) as shown in the table below.<sup>21</sup>

**Table 4 Comparative CWB Housing Scores**

<b>Group</b>	<b>CWB Housing Score 2006</b>	<b>Score relative to MFN</b>
Nearby Newfoundland Communities	96	+7
All Other Canadian Communities	93	+4
All Other Atlantic Communities	93	+4
Miawpukek First Nation	89	
All Atlantic First Nations	78	-15
All First Nations in Canada	71	-22

Limited resources have meant MFN cannot address all housing issues, leading to some dissatisfaction in the community. The community survey identified significant dissatisfaction with housing despite the many strengths of the housing programs noted above. Thirty-nine

---

<sup>21</sup> Indian and Northern Affairs Canada. *Community Well Being Index*. Retrieved from <http://www.ainc-inac.gc.ca/ai/rs/pubs/cwb/index-eng.asp>.

individuals were “dissatisfied” (and 18 of these were “very dissatisfied”) relative to 40 who were “satisfied”.

Further investigation in the focus groups identified the concern related primarily to lack of maintenance services and there were also allegations of preferential access to maintenance. The evaluators were unable to assess whether these allegations were justified. It might be useful to clearly define and communicate what MFN can and cannot do in terms of housing maintenance and the process for priority setting when demand for eligible services exceeds the capacity of MFN and resources.

## *Governance*

MFN has strong practices in place for governance, including separation of political and administrative arms and fair and appropriate treatment of staff. Election codes are in place and a high degree of transparency exists concerning MFN operations, salaries, honorariums, etc. as a result of the many initiatives to communicate with community members and the MFN “open door” policy. Nevertheless, a sizable number of community members surveyed (one third) were “dissatisfied” with communications.

While no major complaints or problems were identified from key informant interviews, the community survey or focus groups, some issues did emerge,

- Some MFN key informants were ambiguous about how staff are expected to raise concerns and ideas about community issues outside of their own working area. There was a perception that raising concerns at public meetings would possibly result in disciplinary action or other repercussions.
- Similarly, a sizable number of community members surveyed (30 percent) indicated they would not do anything if they had a concern. Some of these identified they would be worried about repercussions. This concern was not, however, raised in focus group discussions.
- Some MFN key informants were in favour of having a Human Resources Director to deal with staff concerns and complaints. Chief and Council have indicated the feasibility of hiring a Human Resources Director will be examined in the next five years.

## *Economic Development*

MFN successfully operates several of its own enterprises. These businesses create employment and breakeven or supply modest net revenues. At present, these include: Conne River Garage, Conne River Gas Bar, Conne River Outfitters, Micmac Air Service, Conne River Cable Vision, Conne River Building Supplies, and Netukulimk Fishery Ltd.

MFN is also involved in several economic development initiatives: Aquaculture Skills Development, Language Centre, Grey’s Aquaculture, MFN Tourism Strategy, MFN Commercial & Industrial Zoning & Surveys (includes draft Business License Bi-Law), Apartment Complex, Economic Development Strategy, Aboriginal Skills Training Strategic Investment Fund (ASTSIF, Service Canada), Commercial Fisheries Mentoring Program, and Micmac Discovery Centre.

The community survey indicates some dissatisfaction with economic development. Of 91 people surveyed, 32 were “dissatisfied” (19 of these “very dissatisfied”) compared to 34 who were “satisfied” (only seven of these were “very satisfied”). Investigation of this issue in the focus groups did not identify any significant issues. The following comments were received:

- Not enough is being done to develop tourism;
- Dissatisfaction identified amongst band members trainees placed on aquaculture farms owned by outside farm growers; and
- MFN faces the same challenging issues as the rest of rural Newfoundland

Aquaculture has been a mainstay of the MFN economic development strategy over the years. As reported previously, MFN faced significant challenges in this area in 2001. Despite this crisis, MFN has successfully emerged from the ensuing financial difficulties and aquaculture employment remains important to the community. INAC officials emphasized the high degree of professionalism and persistence of MFN in addressing this crisis. It was also their assessment that the Grant Agreement contributed in two ways to MFN's ability to deal with this crisis: first, the flexibility of the Grant Agreement made it possible for MFN to make arrangements to satisfy creditors and second, due to operating under a Grant Agreement since 1986, MFN has a high level of planning and management skills, which allowed them to handle the crisis. It was the assessment of INAC officials that under a different funding agreement, the crisis would have likely ended with a Remedial Management Plan at MFN and aquaculture jobs would have been lost.

**Miawpukek First Nation – Response to a Financial Crisis (Aquaculture)** In 2001, the Miawpukek First Nation had a financial crisis. It was caused by a major price decline for their fish products in international markets. The band met with its creditors and financial advisors and developed mechanisms to address the debt. This was put together into a plan and presented to INAC several months before the submission of the audited financial statements. According to INAC key informants, this demonstrates strong stewardship and responsibility on behalf of MFN. The following is a timeline of actions in the debt crisis.

- Late 1980s – Miawpukek Aquaculture Inc. established as an economic development initiative.
- 1996 - SCB Fisheries was a local company (off-reserve in a nearby community) mainly involved in Aquaculture with Steelhead and Salmon species. It had a Hatchery, Farm and Processing Plant and it was looking for investors. MFN had an Aquaculture farm with salmon and steelhead as well. One of the major problems with MFN's operation was poor access to the hatchery and plant. A share in SCB was anticipated to put them in a better position for this. The community then invested \$600,000 into SCB fisheries.
- January 2001 – MFN sold SCB shares for \$300,000. SCB had had several huge losses since 1996 and MFN decided to cut its losses.
- March 31, 2001 – MFN was extremely cash short (\$5,762,645). Nearly one third of their funds were tied up in Receivables and Inventory. The band decided to use part of its Grant Agreement funding to make payments on the interest and principal to two financial institutions and worked with their auditing firm to develop a plan to address the debt and maintain their fiscal independence.
- April 2001 – Because Miawpukek Aquaculture Inc. was struggling financially and was becoming a drain rather than a contributor to the local economy. Therefore, the band decided to sell it.
- September 2001 – Letters sent to creditors explaining they were facing a difficult financial situation, but they were not facing bankruptcy and were negotiating a solution with other financiers.
- October 2001 – A press release sent out explaining there was a cash crunch at MFN, and there had been layoffs (24). However, MFN was not in Intervention with INAC, and it had a plan to recover financially.
- January 2002 – MFN took the initiative to develop a plan to address this issue prior to INAC receiving the audited financial statements. MFN then made a presentation of a Self-directed Remedial Management Plan to INAC, which outlines how MFN would be able to handle the debt, that the General Manager and Financial Director would oversee all operations and that Chief and Council were fully supportive of the remedial plan.
- February 2002 – Correspondence between MFN and the INAC regional office concerning the line of credit. Intent was for information only and to keep their lines of communication open and transparent.
- March 2002 – INAC approves the Self-directed Remedial Plan.
- May 2002 – Community (in Assembly) approved the five year plan.

Economic Development is an important area for the future. The on-reserve population continues to grow and the ability of MFN to employ individuals either directly or through the Job Creation Program is capped by its financial resources. MFN has taken two recent initiatives to attempt to address this:

- preparation of a Tourism Development Strategy; and
- creation of the Training and Economic Development Decision in order to strengthen the links between the investments of MFN in training and education and their economic development initiatives.<sup>22</sup>

### *Other Program Areas*

MFN has used the flexibility of the Grant Agreement to put in place programming which responds to community needs:

- Policing contract with the Province of NL
- Natural Resources Director and staff
- Recreation and culture programs
- Homecare Program
- Community Social Work Program
- Tourism Development Strategy

The Community Survey indicates a high level of satisfaction with Recreation and Culture programs and also with Social Assistance, Support Services and Health Services which incorporate the Homecare Program and the Community Social Work Program. While recreation programs were identified as an area requiring improvement by 70 percent of community members in the survey conducted for the 2006 evaluation, only 31 percent of those surveyed for this evaluation were “dissatisfied” with recreation programs.

The Natural Resources Department is staffed largely with individuals from the Job Creation Program. Interviews with DFO officials identified significant value from the capacity of MFN in Resource Development.

Policing is a more challenging area for MFN. It is not one of the services which INAC funds. However, without the involvement of MFN, the community would have more limited policing from the RCMP detachment in Milltown approximately 30 km away. For many years, MFN had a Tribal Police Force. Several years ago, after an extensive feasibility study, the force was disbanded and policing services were contracted to the province. At present, the RCMP detachment is staffed by one constable. The Community Survey identified a high level of dissatisfaction with policing (47 “dissatisfied” compared to 20 “satisfied”). Investigation of this in the focus groups identified two issues:

- With only one constable who works a day shift, the police presence in the community is considered minimal.<sup>23</sup> In particular, the lack of visibility of the police at night when offences such as impaired driving are more common was seen as an issue.

---

<sup>22</sup> Utilizing the Post-Secondary Education Program and various Service Canada programs.

- Lingering discontent with the loss of employment provided in the past by the Tribal Police Force.

MFN is examining the feasibility of an expanded police service.

## **5.4 Developing and Maintaining Accountability Standards**

MFN prides itself on its ability to develop programs and policies based upon their accountability to band members. There is a very high level of communication and transparency between MFN and community members. This is demonstrated by:

- all band meeting minutes (as adopted and approved) are circulated to all band members;
- frequent newsletters from individual departments and from MFN;
- two assemblies per year where all community members may listen and discuss reports from Chief and Council and Program Directors (there were some questions raised in the evaluation about MFN staff not being as free to participate in assemblies);
- all council meetings are open to the public and any questions from the public are dealt with first;
- an “open door” policy whereby all community members can meet with MFN staff to ask questions (privacy is protected through an Access to Information process);
- whenever there are new policies and programs or changes to existing ones, the community is consulted, either through information bulletin, survey or a focus group;
- all pay raises and salaries are approved by Chief and Council and the salary ranges are available to the public. Only the Chief receives a salary. Council members are considered volunteer and receive a minimum per diem for meetings; and
- accountability to community is written in several band managerial job descriptions. For example, the General Manager must evaluate the accountability standing of the government to the membership and provide recommendation to enhance accountability.

Directors and other key staff prepare annual reports, which detail accomplishments and challenges of the past year and plans for the coming year. These reports are presented to the community at Annual Assemblies. At present, the nature of these presentations does not follow any consistent format. Moving to a standardized format has been identified as a priority by MFN for the coming year.

MFN has a Policy and Procedures manual which addresses disclosure, transparency, redress and conflict of interest and the evidence suggests MFN consistently applies these policies. It is noteworthy that all MFN key informants identified the manual and identified it as containing policies and useful approaches to dealing with these matters. Many departments within MFN have their own, more detailed policy and procedure manuals. These are all built upon, and defer to in cases of conflict, the foundation of MFN overarching manual.

One area of concern relates to expectations about employee rights and responsibilities to speak up about problems. This is not understood the same way by all MFN key informants. Some MFN

---

<sup>23</sup> Although it would be substantially greater than that available in other communities of similar size in Newfoundland and Labrador.

managers noted staff may consider themselves at risk for disciplinary action if they ask challenging questions at assemblies or other public meetings. No specific examples of disciplinary action were cited and other managers noted staff has other (internal) mechanisms to raise their concerns and ideas and should not do so in public meetings. As well, MFN senior staff indicated they have never disciplined any staff members for speaking out against MFN in assembly or for voicing concerns.

There is an opportunity for MFN to provide clearer guidance to staff as to what they should and should not do in raising their concerns and ideas about MFN operations in public forums.

Band members are aware of their rights to complain to INAC regional office. In both the community survey and focus groups, people identified contacting INAC as one of the steps they would take if they were unhappy with a decision. INAC regional officials indicated they never receive complaints from the community. By contrast, 46 complaints were received from other First Nations in Atlantic Canada in 2009/10.

The roles and separation of the political and administrative arms of MFN are well-defined and consistently applied in practice. There are clearly defined roles for directors and managers in preparing plans and strategies for decision by Chief and Council and implementing Council decisions. Some MFN directors have been elected to Council. In those instances, the individual does not take lead responsibility (as identified in the two year plan) for the department where they work.

MFN has a strong track record of preparing and submitting annual audited financial statements on a timely basis to INAC and participating in periodic evaluations.



## **6 Conclusions & Recommendations**

---

### **6.1 Conclusions**

The evaluation supports the following conclusions.

- MFN has benefited from receiving much of its funding from INAC via the Grant Agreement and has developed a strong governance and operational capacity.
- Transparency practices are firmly in place with no loss of accountability to the Government of Canada as a result of the Grant Agreement funding and accountability to the community is very strong.
- The overall quality of programs and services in place within MFN is strong and are comparable in many instances to provincial standards. MFN does however face some challenges with regards to the costs of administering its programs and services.
- Socio-economic indicators as measured by the CWB Index show MFN to have a higher than average score in comparison to First Nations in Canada and a comparable score to neighbouring non-Aboriginal communities. CWB Index score for MFN reached its peak in 1996 and has shown a slight decline in 2001 and then again in 2006, but is still comparable to neighbouring communities.
- There is applicability of this type of grant agreement for other First Nations in Canada based on a risk assessment of community capacity. This type of funding arrangement supports the intended results of the Treasury Board Policy on Transfer Payments which requires that transfer payments be managed in a manner that is sensitive to risks, that strikes an appropriate balance between control and flexibility, and that establishes the right combination of good management practices, streamlined administration and clear requirements for performance.

### **6.2 Recommendations**

Due to the joint evaluative approach undertaken for this evaluation, recommendations were developed for both INAC and MFN and are as follows:

#### **It is recommended that INAC:**

- Consider moving longstanding items from the comprehensive funding agreement to the Grant Agreement to reduce reporting burden to MFN.
- Consider putting in place a mechanism for funding level review that is based on community specific factors and needs rather than the formula approach commonly used by INAC with other funding agreement approaches.

- Explore the opportunity to make a grant funding arrangement, similar to MFN Grant Agreement, available to other eligible First Nations.

**It is recommended that MFN:**

- Develop tools to strengthen its planning, performance measurement, and communications processes.
- Continually monitor and adjust their Job Creation Program, including conducting a review every three years on the Program, starting in 2011.