



Indigenous and
Northern Affairs Canada

Affaires autochtones
et du Nord Canada

Final Report

***Evaluation of Lands and
Economic Development
Services***

Project Number: 1570-7/14088

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



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List of Acronyms

EPMRB	Evaluation, Performance Measurement and Review Branch
FNLMA	<i>First Nations Land Management Act</i>
FNOGMMMA	<i>First Nations Oil and Gas and Moneys Management Act</i>
INAC	Indigenous and Northern Affairs Canada
LEAF	Lands and Environment Action Fund
LEDSP	Lands and Economic Development Services Program
NALMA	National Aboriginal Land Managers Association
RLEMP	Reserve Land and Environmental Management Program

Executive Summary

In accordance with the Treasury Board *Policy on Evaluation* requirement to evaluate program spending every five years, the Evaluation, Performance Measurement and Review Branch (EPMRB) of Indigenous and Northern Affairs Canada (INAC) has conducted an evaluation of the *Lands and Economic Development Services*. The evaluation examined activities undertaken, and associated costs, related to the Program Alignment Architecture sub-program 3.2.1 (Lands and Economic Development Services Program) between fiscal year 2009-10 and 2013-14.

INAC

The Lands and Economic Development Services sub-program (LEDSP) contributes to the expected result of the Community Development Program by providing critical support for communities to effectively build and manage a solid land base for economic development. Through both core and targeted funding, the Land and Economic Development Services sub-program is designed to support First Nations communities who wish to take on additional land-management responsibilities under the *Indian Act*, supports an effective transition toward greater autonomy through modern land-management tools and supports training, capacity development, planning and land and environmental management. The expected result is enhanced land and environment management and economic development capacity for First Nation and Inuit communities.

The evaluation was conducted by EPMRB between September 2014 and June 2015 with the assistance of the consulting firm, Prairie Research Associates Inc. An Evaluation Working Group composed of members from several components of the LEDSP was formed in order to provide knowledge and expertise.

The evaluation examines issues related to the relevance and performance (achievement of expected outcomes and efficiency and economy). The evaluation focused on connections across the sub-program components and the Land and Economy Strategic Outcome. The evaluation's findings and conclusions were based on the analysis and triangulation of the following lines of evidence: document and program file review; literature and media review; key informant interviews (n=65) with program management, including INAC regional staff, related program staff from other areas in INAC and major LEDSP funding recipients; and eight case studies of communities representing various activities under LEDSP's suite of program continuum, which included interviews with regional staff, community members, and stakeholders, a document review, and site visits.

Key findings are as follows:

Relevance

LEDSP is a key element of a shared vision between First Nations and the federal government that aims to strengthen the capacity of First Nations communities to manage their land and economic development. Recognizing that the legislative framework provided by the *Indian Act* contains limitations, Parliament adopted the *First Nations Land Management Act* and the *First Nations Oil and Gas and Moneys Management Act*. While pursuing specific goals, these two pieces of legislation reflect a commitment to provide opportunities for First Nations that desire to assume greater autonomy in managing their land and assets. Evaluation findings confirm that, in order to give full meaning to the

various land management regimes available to First Nations, there is a need to build, enhance and sustain the institutional capacity of First Nations to plan and manage their land and economic development. Through the range of activities it covers, LEDSP contributes to this objective.

There is a direct alignment between LEDSP and the priorities of the federal government, including those of INAC. The 2009 *Federal Framework for Aboriginal Economic Development* prioritized economic development for First Nations, and that message has been echoed in successive federal budgets. During the period covered by the evaluation, INAC has also responded to this overarching priority by restructuring its land management and economic development programming in order to strengthen the linkages between these two functions.

Finally, the relevance of LEDSP must be properly contextualized, particularly as it relates to the activities of INAC in the administration of reserve land. Historically, the Department has undertaken a wide range of land management activities on behalf of First Nations. At the time of the evaluation, the Department continued to be involved in land management, particularly for those First Nations operating within the land management regime under the *Indian Act*. The Department is therefore expected to maintain dual roles, assuming land management functions for a number of First Nations, while providing the support, through LEDSP in particular, to First Nations that wish to assume greater autonomy in land and environmental management.

Performance – Effectiveness

LEDSP Core – Economic Development

The LEDSP core funding provided to First Nations for economic development purposes constitutes the largest portion of LEDSP funding and is the component that reaches the largest number of First Nations communities. Evaluation findings point to a range of key activities undertaken through this funding, most notably economic planning through the hiring of economic development officers, or through other processes. It must be emphasized that the current formula used to distribute this funding leads to significant variations among First Nations. While some First Nations receive just over \$3,000 annually, others get over \$1 million. Regardless of the amount, the evaluation found that base funding to communities for economic development was critical. While a number of factors must be taken into account when allocating funds, evaluation findings point to the need to strengthen the current funding formula in order to achieve greater results. The evaluation process also highlighted the challenge that both First Nations communities and INAC still face in adequately documenting the full impact of this funding.

LEDSP Core - Reserve Land and Environment Management Program (RLEMP)

RLEMP exemplifies the fundamental goal of LEDSP, as its primary goal is to directly enhance the ability of First Nations to undertake land management for the purpose of economic development. RLEMP also works to facilitate First Nation community's transition into more sophisticated land management regimes such as the *First Nations Land Management* regime or comprehensive self-government. This component of the program has built on previous iterations that have pursued similar goals. Throughout the period covered by the evaluation, 74 First Nation land managers were certified under the Professional Land Management Certification Program, which has led to a sustained increase in the number of First Nations becoming operational under RLEMP. Whereas 11 communities were operational under RLEMP in 2009-2010, that number grew to 59 by

2013-2014. First Nations that are operational under RLEMP continue to operate under the land management regime of the *Indian Act*, but are in a position to be more actively involved in a range of activities related to land management.

While benefits of the program have been highlighted throughout the evaluation process, findings indicate that a key challenge faced by First Nations that operate under RLEMP is to maintain the capacity they gain through the training and certification program. Also, evaluation findings indicate that the current funding formula could better reflect the needs of participating communities.

LEDSP Core- First Nations Land Management Regime

The *First Nations Land Management Act* has implications on the role of participating First Nations in land management and economic development. Evaluation findings indicate that the assistance provided through LEDSP is essential for a community to complete all developmental and transitional requirements to operate under this alternative land management regime. During the period covered by the evaluation, the number of First Nations that became operational under the *First Nations Land Management Act* grew from 29 to 38. The number of developmental First Nations grew from 13 to 27. The support provided to the Land Advisory Board, including its Resource Centre, has facilitated communities' access to the training and tools they require to operate under this land management regime. Evaluation findings also point to direct positive impacts for those communities operating under the *First Nations Land Management Act*, including the ability for participating First Nations to manage their own land code, to manage risks in accordance with their needs and economic development priorities, and to manage land transactions more effectively.

First Nations Oil and Gas and Moneys Management Act

The *First Nations Oil and Gas and Moneys Management Act* pursued goals similar in nature with those associated with the *First Nations Land Management Act*: allowing First Nations to assume greater autonomy, related in this case to either oil and gas management or moneys management. As such, LEDSP provides funding to facilitate the transition of participating First Nations into this optional legislative framework (for either one or both components). Contrary to what has been observed with the *First Nations Land Management Act*, only one First Nation has opted into the moneys management part of *First Nations Oil and Gas and Moneys Management Act*. In particular, the high level of complexity associated with oil and gas development, and the range of technical skills required, appear to have contributed to the current scenario where Indian Oil and Gas Canada remains responsible for managing these activities on behalf of First Nations. With regards to the Moneys Management component, legislative requirements for financial bonding and a community ratification process were seen as challenges to entry into the regime, potentially contributing to limited interest. Given the limited uptake on *First Nations Oil and Gas and Moneys Management Act*, the rationale for maintaining *First Nations Oil and Gas and Moneys Management Act* as a legislated options has yet to be clearly articulated.

LEDSP – Targeted Allocations

The targeted funding under LEDSP complements the core funding component, and has allowed First Nations, particularly land managers and economic development officers, to receive support and training from a number of regional and national organizations (including the Council for the Advancement of Native Development Officers, the National Land Managers Association and the

Lands Advisory Board and Resource Centre). The targeted funding has also provided support to environmental initiatives that, in many cases, are directly linked to land management and economic development planning. As structured, the targeted funding has provided latitude to accommodate regional priorities. Evaluation findings indicate that this level of flexibility is seen as particularly important in order to respond to the wide variety of priorities and needs throughout First Nations.

Newly integrated into LEDSP, the funding provided to the Inuit Art Foundation highlights the economic dimension of cultural activities, particularly when it comes to marketing Inuit art in Canada and around the world.

Performance – Efficiency and Economy

The amalgamation of land management and economic development activities under LEDSP has proven to be both beneficial and challenging. There is a strong logic that links these two areas, including environmental considerations. In practice, however, evaluation findings indicate that operational challenges remain in ensuring LEDSP can be managed as effectively as possible in order to fully achieve its expected impacts. The flexibility provided to regional offices in order to manage some of the LEDSP funding in accordance with local and regional priorities appears particularly relevant in that regard.

The ability of the Department to fully monitor and measure what is being accomplished through LEDSP is also a determining factor in ensuring efficiencies in resource allocation. At the time of the evaluation, the program had yet to collect all the information required by the revised Performance Measurement Strategy.

Finally, a number of factors, including many external to the program, will continue to impact the ability of LEDSP to fully reach its expected results. The strength of First Nations' governance structure, their institutional capacity, their geographic locations, and the overall cultural context in which they operate will all continue to have an impact on the implementation of LEDSP.

Other Evaluation Issues

The evaluation found that LEDSP complements other activities and funding in the Land and Economy Strategic Outcome. At the same time, more can be done to ensure that programs under Land and Economy maximize their efforts. The evaluation highlighted several best practices and lessons learned, including planning at a community level, effective organization of business entities, and strategic decision making about business operation and acquisition.

As a result of these findings, it is recommended that INAC:

1. Review Land and Economic Development Services core funding formulas.
2. Increase collaboration and efforts to enable planning around land that will facilitate opportunities for economic development.
3. Continue to ensure regional offices are able to utilize targeted funding in a flexible manner that meets strategic community needs while maintaining an emphasis on the environmental stream.

4. Review Data Collection Instruments and Performance Measurement Strategy to ensure they adequately inform departmental decision making around community development, with a focus on the outcomes of economic development and land management..
5. Develop a strategy for continued capacity development of communities to maximize access to the continuum of LED programs, and facilitating aspirational communities' transition to sectoral self-government.
6. Explore the continued relevance of the different components under the *First Nations Oil and Gas and Moneys Management Act*, given the limited participation of First Nations.

Management Response and Action Plan

Project Title: Evaluation of Lands and Economic Development Services

Project #: 1570-7/14088

1. Management Response

The findings from the evaluation were generally positive and demonstrated that the Lands and Economic Development Services Program elements continue to be:

- In alignment with government priorities;
- Consistent with federal roles and responsibilities;
- Achieving their expected outcomes; and
- Demonstrating efficiency and economy.

Although the majority of the evaluation was positive, there are some issues that need to be addressed by the programs. For example, the Lands and Economic Development Services Program core funding was clearly demonstrated to be integral to communities in order for them to provide land management and economic development services to their communities. Unfortunately, given the population-based formula for the economic development core funding, smaller communities often lack sufficient resources to provide effective services. For land management, the formulas need to better align with increased responsibility and liability, and should serve as an incentive to communities who want to move towards sectoral self-government. These funding formulas will be reviewed and options to address these shortfalls will be presented for consideration to senior management.

To ensure the indicators can clearly demonstrate the program outcomes, the Performance Measurement Strategy will be analysed and updated if required. At the same time, the Data Collection Instruments, will be reviewed to ensure that collected information, provides the required data.

The accompanying Action Plan provides the program with appropriate and realistic measures to address the evaluation's recommendations, and clear timelines for initiating and completing the actions. The information in the evaluation report will be used to inform program policy development, and strengthen planning and program delivery.

2. Action Plan

Recommendations	Actions	Responsible Manager (Title / Sector)	Planned Start and Completion Dates
<p>1. Review Land and Economic Development Services core funding formulas.</p>	<p>We do concur.</p> <ul style="list-style-type: none"> Review the funding formulas (Community Economic Development Program, RLEMP and FNLM) and develop options for consideration to senior management. 	<p>Assistant Deputy Minister, Lands and Economic Sector</p>	<p><i>Start Date:</i> June 2015</p> <p><i>Completion:</i> December 2015</p> <p>Status:</p> <ul style="list-style-type: none"> <i>FNLM and RLEMP – Underway</i> <i>Community Economic Development Program - Underway</i> <p>Update/Rationale: As of 30/06/2016:</p> <ul style="list-style-type: none"> <i>FNLM – funding formula negotiations initiated with Lands Advisory Board and Resource Centre. Negotiations are on hold at the request of Lands Advisory Board and Resource Centre pending their completion of a related research project.</i> <i>RLEMP – Terms of Reference developed to frame review and engagement on program, including identification of new funding options. Note provided to Minister; engagement initiated with INAC regions.</i> <i>The Economic Programs Management Directorate is still researching options for changes to the Community Economic Development Program funding formula, which will consider factors beyond the current population-based formula.</i> <p>AES: Good progress</p>

			<p>to date. A review of the RLEMP and FNLM funding formulas has been completed. As a result of the review, work is underway to further engage stakeholders on necessary adjustments to the formulas. Recommend to close. Closed.</p>
<p>2. Increase collaboration and efforts to enable planning around land that will facilitate opportunities for economic development.</p>	<p>We do concur.</p>	<p>Assistant Deputy Minister, Lands and Economic Sector in collaboration with Regional Operations and Policy and Strategic Direction Sectors</p>	<p><i>Start Date:</i></p> <p><i>Underway</i></p> <p><i>Completion:</i></p> <p><i>March 2016</i></p> <p>Status: <i>On track</i></p> <p>Update/Rationale: As of 30/06/2016:</p> <ul style="list-style-type: none"> Phase 2 national land use permits pilots launched in December 2015. Scope of pilots to include Emergency Management and Infrastructure considerations. Phase 3 to be launched in August 2016 to align with Budget 2016 investment in infrastructure. <p>AES: Good progress to date, recommend to close. Closed.</p>
	<ul style="list-style-type: none"> Coordinate with Emergency Management and Infrastructure on Land Use Planning Support increased joint planning between First Nations and Municipalities 		<p><i>Start Date:</i></p> <p><i>September, 2015</i></p> <p><i>Completion:</i></p> <p><i>March 2016</i></p> <p>Status: <i>Underway</i></p> <p>Update/Rationale: As of 30/06/2016:</p> <p>The Economic Programs Management Directorate continues to work with the regions to develop annual work plans as part of the annual planning</p>
<p>3. Continue to ensure regional offices are able to utilize targeted funding in a flexible manner that meets strategic community needs while maintaining an emphasis on the environmental stream.</p>	<p>We do concur.</p>	<p>Assistant Deputy Minister, Lands and Economic Sector in collaboration with Regional Operations Sectors</p>	<p><i>Start Date:</i></p> <p><i>September, 2015</i></p> <p><i>Completion:</i></p> <p><i>March 2016</i></p> <p>Status: <i>Underway</i></p> <p>Update/Rationale: As of 30/06/2016:</p> <p>The Economic Programs Management Directorate continues to work with the regions to develop annual work plans as part of the annual planning</p>
	<ul style="list-style-type: none"> Develop an interpretation bulletin to clarify the objectives of the targeted funding and the process for priority setting. We will continue to review our procedures as Regions submit their LEDSP work plans with the intent to identify opportunities and ensure efficiencies. 		<p><i>Start Date:</i></p> <p><i>September, 2015</i></p> <p><i>Completion:</i></p> <p><i>March 2016</i></p> <p>Status: <i>Underway</i></p> <p>Update/Rationale: As of 30/06/2016:</p> <p>The Economic Programs Management Directorate continues to work with the regions to develop annual work plans as part of the annual planning</p>

			<p>process. The work plans are reviewed, consolidated, and distributed to the appropriate directorates within the Lands and Environment Management Branch for their review. The consolidated plans are further distributed to the regions in order to allow them to seek efficiencies between themselves and other regions.</p> <p>AES: Good progress to date, recommend to close. Closed.</p>
4. Review Data Collection Instruments and Performance Measurement Strategy to ensure they adequately inform departmental decision making around community development, with a focus on the outcomes of economic development and land management.	We do concur.	Assistant Deputy Minister, Lands and Economic Sector in collaboration with Regional Operations and Chief Financial Sectors	<p><i>Start Date:</i></p> <p><i>September 2015</i></p> <p><i>Completion:</i></p> <p><i>March 2016</i></p> <p>Status: <i>Underway</i></p> <p>Update/Rationale: As of 30/06/2016:</p> <p>The Economic Program Management Directorate continues to review the Performance Measurement Strategy for the Economic Development portion of the LEDSP and Community Opportunity Readiness Program. It has also been working to refine the Data Collection Instrument to make them clearer for recipients while ensuring that the program is able to retrieve accurate and useful performance data from them.</p> <p>AES: Good progress to date, recommend to close. Closed.</p>
	<ul style="list-style-type: none"> Update the Performance Measurement Strategy to ensure that the indicators are effective in demonstrating the outcomes of the program elements. Revise the Data Collection Instruments to align with the data needs of the Performance Measurement Strategy, without increasing the reporting burden. 		
5. Develop a strategy for continued capacity development of communities to maximize access to the continuum of LED programs, and facilitating aspirational communities' transition to sectoral self-government.	We do concur.	Assistant Deputy Minister, Lands and Economic Sector in collaboration with Regional Operations and Treaties and Aboriginal Government Sectors	<p><i>Start Date:</i></p> <p><i>Underway</i></p> <p><i>Completion:</i></p> <p><i>September 2016</i></p> <p>Status: <i>Underway</i></p> <p>Update/Rationale:</p>
	<ul style="list-style-type: none"> Review and assess the land management training options currently offered and identify gaps and opportunities for 		

	<p>improvement.</p> <ul style="list-style-type: none"> Assess the impact of Economic Development Officers in First Nations and develop options to strengthen their capacity. 		<p>As of 30/06/2016:</p> <p>The Evidence Network, a consultancy, completed Phase 1 of a research study into the impact of Council for the Advancement of Native Development Officers training on Economic Development Officers in November 2015. Phase 2 of the study which will be released in October 2016 will look at the impact of Economic Development Officers on the economic success of the First Nation communities and the businesses they work with.</p> <p>AES: Good progress to date, recommend to close. Closed.</p>
6. Explore the continued relevance of the different components under the <i>First Nations Oil and Gas and Moneys Management Act</i> , given the limited participation of First Nations.	We do concur.	Assistant Deputy Minister, Resolution and Individual Affairs Sector and Assistant Deputy Minister, Lands and Economic Sector	<i>Start Date:</i>
	With the recent First Nation interest in both components of FNOGMMA, as well as it being a legislative option or First nation management of resources, there is a continued relevance for FNOGMMA. This relevance could be explored further to determine if modifications are recommended to the legislation or the supporting policies.		<i>Underway</i>
			<i>Completion:</i> <i>March 2017</i>

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

Original signed on July 30, 2015, by:

Michel Burrowes
Senior Director, Evaluation, Performance Measurement and Review Branch

I approve the above Management Response and Action Plan

Original signed on August 7, 2015, by:

**Andrew Saranchuk
Assistant Deputy Minister, Resolution and Individual Affairs**

1. Introduction

1.1 Overview

In accordance with the Treasury Board *Policy on Evaluation*'s requirement to evaluate program spending every five years, the Evaluation, Performance Measurement and Review Branch (EPMRB) of Indigenous and Northern Affairs Canada (INAC) has conducted an evaluation of the *Land and Economic Development Services* which is identified as sub-program 3.2.1 under the community Economic Development program area of the Program Alignment Architecture.

The overall purpose of the evaluation is to provide reliable evaluation evidence that will be used to support policy and program improvement and, where required, expenditure management, decision making and public reporting related to the Strategic Outcome, the *Land and Economy*. As per the policy, this evaluation examines the five core issues of related to relevance and performance, including:

- continuing need for the program;
- alignment with government priorities;
- consistency with federal roles and responsibilities;
- achievement of expected outcomes; and
- demonstration of efficiency and economy.

The evaluation was conducted by EPMRB between September 2014 and June 2015 with the assistance of the consulting firm, Prairie Research Associates Inc., for work associated with the drafting of the methodology report, data review, key informant interviews and case study work. EPMRB drafted the methodology report, undertook most key informant interviews, case studies, and wrote the final report.

1.2 Program Profile

This section of the report includes a brief description of the program, including the activities undertaken, their expected outcomes, their management structure, and the resources associated with the program.¹

1.2.1 Background and Description

In accordance with its 2014-2015 Program Alignment Architecture, INAC operates the following five overarching programs that relate specifically to the management of Aboriginal land and the promotion of economic growth:

¹ The information contained in this section is largely based on INAC's 2014-2015 Report on Plans and Priorities and the current performance measurement strategies applicable to the Administration of Reserve Land subprogram and the Land and Economic Development Services sub-program.

- Aboriginal Entrepreneurship;
- Community Development;
- Strategic Partnerships;
- Infrastructure and Capacity; and
- Urban Aboriginal Participation.

Lands and Economic Development Services

The Lands and Economic Development Services is a sub-program of the Community Development Program. Supporting community development leads to greater participation in the economy and improved economic prosperity for Aboriginal Canadians. This program is guided by the Federal Framework for Aboriginal Economic Development and its vision of enhancing the value of Aboriginal Assets, and supports activities that promote conditions for economic development. In playing this key support role, Community Development programming expects to promote greater self-reliance and participation in the mainstream economy, and community well-being.

The Lands and Economic Development Services sub-program (LEDSP) contributes to the expected result of the Community Development Program by providing critical support for communities to effectively build and manage a solid land base for economic development. Through both core and targeted funding, the Land and Economic Development Services sub-program is designed to support First Nations communities who wish to take on additional land-management responsibilities under the *Indian Act*, supports an effective transition toward greater autonomy through modern land-management tools and supports training, capacity development, planning and land and environmental management. The expected result is enhanced land and environment management and economic development capacity for First Nation and Inuit communities.

The Lands and Economic Development sub-program includes five distinct components, the following provides an overview of the program components as they relate to both economic development and land management:

- **LEDSP Core - Economic Development:** This component provides funding allocations to First Nation and Inuit communities and organizations with a mandate to deliver Inuit economic development services on their behalf. Allocations are intended to enable recipients to carry out community economic development planning and capacity development initiatives, develop proposals and lever financial resources, and carry out economic development activities.
- **LEDSP Core - Reserve Land and Environment Management Program (RLEMP):** This program provides funding allocations to First Nations to support communities' desire to take on additional responsibility for land management – either under the *Indian Act* or the *First Nations Land Management Act*.
- **LEDSP Core - First Nations Land Management regime:** The *First Nations Land Management Act* provides the legal mechanism for First Nations to opt out of the land management provisions of the *Indian Act*, by developing land codes that govern reserve lands and take advantage of economic development opportunities. It transfers administration of land to participating First Nations and includes the authority to enact laws with respect to land, the environment and most resources. Support provided through this program helps

First Nations progress through the stages needed to take on this land management responsibility independent of INAC.

- ***First Nations Oil and Gas and Moneys Management Act (FNOGMMA)***: There are two parts to the legislation. The first part enables First Nations to manage and regulate on-reserve oil and gas activities. The second part enables First Nations to assume control of their capital and revenue trust moneys held by Canada. First Nations can choose to opt in to one or both of these options. Funding provided through FNOGMMA is meant to help First Nations transition into these responsibilities independent of INAC.
- **LEDSP Targeted Funding Allocations**: Provides support services to First Nations to enhance the economic development, land and environmental capacity of communities. This is designed to support the establishment of the conditions for economic development to occur, increasing their participation in the economy. The three priorities under LEDSP targeted are environment prevention with a waste management focus; lands supporting additions to reserves and land capacity. Each priority receives a minimum of 20 percent of total LEDSP targeted funding; the remaining 40 percent is allocated to meet specific regional demands.

The Land and Economic Development Services sub-program supports First Nations who plan to take on increased land management, economic development and administrative activities pursuant to the *Indian Act* or under either the *First Nations Land Management Act* or the *First Nations Oil and Gas and Moneys Management Act*. Support for economic development through the Inuit Art Foundation also falls under the funding authority.

1.2.2 Program Authorities

In 2014, terms and conditions for the following authorities were consolidated into one single authority, *Contributions to Support Land Management and Economic Development*:

- Contributions to the Inuit Art Foundation for the purpose of assisting Inuit artists and artisans from the Northwest Territories, Nunavut, northern Quebec and Labrador in the development of their professional skills and marketing of their art
- Contribution to implement the *First Nations Land Management Act* (Contributions to First Nations and Contributions to the Resource Centre)
- Contributions to Indian bands for land and estates management
- Contributions to Indian bands for Land Management Capacity Building
- Payments to support Indians, Inuit and Innu for the purpose of supplying public services in economic development

The evaluation examined funding through those authorities and the current authority.

1.2.3 Links to Community Development Program and related sub-programs)

The Community Development program includes four sub-programs:

- Lands and Economic Development Services
- Investment in Economic Opportunities
- Administration of Reserve Land
- Contaminated Sites On-Reserve

While not directly covered by this evaluation, the other sub-program areas constitute an important contextual component that must be fully considered as part of the Community Development Program. .

Administration of Reserve Land (3.2.3)

The Administration of Reserve Land sub-program consists of four distinct components:

- Additions to Reserve Lands: This component allows First Nations to apply for additions to their reserve lands under three distinct streams: legal obligations, community additions, and new reserves/other.
- Creation registration, review, and renewal of Rights and Interests in Reserve Lands: This component facilitates the administration of rights and interests on-reserve land, including their creation, registration, review and renewal.
- Management and Regulation for Oil and Gas Development on Reserve Lands: Operated by the special operating unit within INAC referred to as Indian Oil and Gas Canada, this program manages oil and gas resources on-reserve for First Nations.
- Land surveys and clarification of title: This component helps clarify internal and external reserve boundaries through survey work and occasionally historical research.

In support of the Administration of Reserve Land sub-program, the Department also undertakes a set of activities for the administration of band moneys. This involves the collection and overall administration of capital and revenue moneys by the crown on behalf of First Nations.

All activities undertaken as part of the Administration of Reserve Land sub-program are implemented within the legislative frameworks provided by the *Indian Act*, *Financial Administration Act*, and any other related legislation, and as such, apply to First Nations whose land and economic development activities are governed by the applicable legislation.

There are three key dynamics between Lands and Economic Development Services and the Administration of Reserve Land that are worth noting for the purpose of this evaluation:

- First, the Reserve Land Environmental Management Program, supported through the Land and Economic Development sub-program, aim to enhance the ability of First Nations to assume greater level of involvement and participation in the set of activities covered by the Administration of Land sub-program. For instance, while INAC remains ultimately responsible for land transactions, activities funded through the RLEMP allow a First Nation

community to be increasingly involved in a number of steps included in the land transactions. As such, the extent to which the program is implemented successfully can logically be expected to have a direct impact on the achievement of the expected results covered by the evaluation of the Administration of Land sub-program.

- Second, the extent to which First Nations opt-out of certain sections of the *Indian Act* through either the *First Nations Land and Management Act* or the *First Nations Oil and Gas and Moneys Management Act* will have a direct impact on the demand for services under the Administration of Reserve Land sub-program, particularly as it relates to the creation and registration of legal interests, the work of Indian Oil and Gas Canada, or other sector program areas for the administration of band moneys.
- Lastly, LEDSP - Targeted funding may be used to support additions to reserve or surveys if they contribute to economic development.

The Administration of Reserve Land sub-program was evaluated concurrently with this sub-program in fiscal year 2014-2015.

Investment in Economic Opportunities (3.2.2.)

While LEDSP provides core funding and targeted funding to support capacity in First Nations to manage lands and economic development opportunities, larger projects and planning are funded through the Investment in Economic Opportunities sub-program.

Investment in Economic Opportunities provides critical support for communities to support greater Aboriginal participation in large and complex economic opportunities. Targeted investments through the Community Opportunities Readiness Program provide funding for First Nation and Inuit communities for a range of activities to support communities' pursuit of economic opportunities. These activities provide significant support to First Nation and Inuit communities in their partnership development with the private sector and other levels of government to effectively participate in, and benefit from, such economic opportunities.

The *First Nation Commercial and Industrial Development Act* includes the adoption of regulations for complex commercial and industrial development projects. These activities provide crucial support to First Nation and Inuit communities in their partnership development with the private sector and other levels of government to effectively participate in, and benefit from, such economic opportunities.

Program components within Investment in Economic Opportunities are as follows:

- *First Nations Commercial and Industrial Development Act*
- Community Opportunity Readiness Program

The Investment in Economic Opportunities sub-program was evaluated in fiscal year 2013-2014.

1.2.4 Objectives and Expected Outcomes

A Performance Measurement Strategy for sub-program 3.2.1 *Lands and Economic Development Services* was approved in March 20, 2014, by the INAC Evaluation, Performance Measurement and Review Committee. For the purpose of this evaluation, the 2014 Performance Measurement Strategy was used as a base-line and, where available, to measure performance. It should be noted that due to recent program re-alignment and recent development of the Performance Measurement Strategy, performance indicators and data sources from previous Performance Measurement Strategies have been used, where applicable, in order to assess aspects of performance.

In 2013-2014, the Department went through an exercise to streamline reporting requirements, develop a new Program Activity Architecture and consolidate the program's terms and conditions. In the Lands and Economic Development Sector, this led to the development of *Terms and Conditions for Contributions to Support Land Management and Economic Development*, and accompanying performance measurement strategies and program risk assessments.

The Lands and Economic Development Services sub-program (3.2.1), contributes to *The Land and Economy* Strategic Outcome by providing support for activities that establish the conditions for economic development to take place. Supporting community development is expected to lead to greater participation in the economy and improved economic prosperity for Aboriginal peoples.

In playing this key support role, Community Development (3.2) programming expects to support greater self-reliance and participation in the mainstream economy and community well-being.

This sub-program contributes to the expected result of Community Development by providing critical support for communities to effectively build and manage a solid land base for economic development. The expected results of this program are the reduced risk of federal liabilities and enhanced conditions for First Nation and Inuit communities to pursue greater independence/self-sufficiency and sustainable economic development.

The three expected outcome of the sub-program are:

- Economic development activities informed by strategic planning;
- Land, environmental, oil and gas and moneys management responsibilities assumed by First Nations; and
- Prevention of contamination of reserve land.

A logic model for the program was created for the Performance Measurement Strategy and can be found in Appendix A of this report.

1.2.5 Program Management, Key Stakeholders and Beneficiaries

Both the INAC Headquarters and the regional offices play a direct role in the implementation of activities undertaken through the Lands and Economic Development Services sub-program. In addition, a number of other stakeholders support the implementation of these activities. This sub-section provides a brief description of their role.

INAC Headquarters

Within the Lands and Economic Development Sector at Headquarters, there are a number of directorates with responsibilities for the sub-program *Land and Economic Development Services*. These include: Community Economic Development, First Nations Land Management, Lands Directorate and Environment Directorate. There are also the Indian Moneys, Estates and Treaty Annuities Directorate under the Individual Affairs Branch, Resolution and Individual Affairs Sector and the Inuit Relations Directorate under the Northern Governance Branch, Policy and the Northern Affairs Sector, which support the business lines under Land and Economic Development Services.

The employees in these directorates have responsibilities for managing funding agreements, administering the budgets, developing policies and procedures, providing strategic advice and guidance, promoting the program and reporting the results.

Regional Offices

Regional offices also have responsibility for the management and support of *Land and Economic Development Services*. These responsibilities include:

- Managing funding agreements;
- Administering budgets;
- Liaising with First Nation and Inuit communities to provide advice on strategic economic development and with First Nations on land management;
- Keeping regional colleagues informed and engaged;
- Supporting the development of frameworks and partnerships to provide access to both public and private sector driven economic opportunities;
- Supporting First Nations that opt into the First Nations Land Management regime during the developmental process;
- Supporting First Nations through the process of opting into FNOGMMA regime in pursuit of managing their on-reserve oil and gas activities and/or moneys;
- Monitoring funding agreements to ensure compliance;
- Reporting results;
- Supporting regional and national priorities for land management and economic development;
- Outreach and promotion of programs; and
- Support for application and assessment processes.

Institutional Partners

There are a number of institutional partners that support First Nations and Inuit communities' capacity to participate in *Land and Economic Development Services*. These partners include but are not limited to:

- The Council for the Advancement of Native Development Officers is a national Aboriginal organization involved in community economic development. They help build community capacity by providing programs and services to Economic Development Officers;
- The National Aboriginal Land Managers Association (NALMA), is a national Aboriginal organization, provides professional development opportunities and technical expertise in the functions of Lands Management to Aboriginal individuals and communities;
- The Lands Advisory Board and Resource Centre assists First Nations interested in opting into the First Nations Land Management Regime. They are mandated with establishing curricula and training programs regarding land codes and environmental regimes, laws and systems for First Nations Land Management;
- The Canadian Executive Service Organization works with Aboriginal community organizations to develop the skills needed to support long-term economic development; and
- The Inuit Art Foundation, which is dedicated to the promotion and support of Inuit visual and performing arts and cultural heritage from across the Canadian Arctic and beyond.

1.2.6 Program Resources

The sub-program has a newly consolidated single authority: Contributions to Support Land Management and Economic Development. The Department provides funding for lands and environmental management, economic development, and opt-in legislative initiatives such as *First Nations Land Management Act* and FNOGMMA. Through these terms and conditions, INAC provides support to First Nation and Inuit Communities to assist with enhancing the economic development, land, environmental, and moneys management capacity of their communities which support the conditions for economic development to occur, increasing their participation in the economy – in line with the Land and Economy Strategic Outcome.

Table 1

Lands and Economic Development Services: Total expenditures²

3.2.1 Lands and Economic Development Services	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Salary	19,305,730	25,385,778	23,183,965	21,266,041	20,246,749	21,667,041
Operation and Maintenance	4,934,528	8,446,621	3,660,065	4,098,119	4,371,770	2,112,648
Vote 5 - Capital	50,000	23,000	43,516	43,285		-
Contributions	90,489,980	93,472,729	92,782,864	95,075,801	95,644,928	99,314,194
Statutory – Employee Benefit Plan	3,345,347	4,263,695	3,587,984	3,447,587	3,259,539	4,480,498
Total 3.2.1 Lands and Economic Development Services	118,125,585	131,591,822	123,258,395	123,930,833	123,522,987	127,574,381

² Total Expenditures includes Vote 1, Vote 5 and Vote 10 including non-budgetary expenditures such as Employee Benefit Plan based on information provided by Chief Financial Officer Sector and verified by program (June 19, 2015).

2. Evaluation Methodology

2.1 Evaluation Scope and Timing

The evaluation examined activities undertaken, and associated costs, related to the Program Alignment Architecture sub-program 3.2.1 (Lands and Economic Development Services Program) between fiscal year 2009-10 and 2013-14.

As per the Treasury Board *Policy on Evaluation*, the evaluation focussed on core issues related to relevance (i.e. continuing need for the program, alignment with government priorities, consistency with federal roles and responsibilities) and performance (i.e. achievement of expected outcomes and demonstration of efficiency and economy).

The Terms of Reference, developed during the planning phase of the evaluation, identifies the scope, proposed methodology, key issues and resources for the evaluation. Terms of Reference were approved by INAC's Evaluation, Performance Measurement and Review Committee in June 2014. Field work was conducted between September 2014 and May 2015.

2.2 Evaluation Issues and Questions

In line with the Terms of Reference, the evaluation focused the relevance and performance of the program while examining recent program changes to design and delivery. In line with the *Treasury Board Directive on the Evaluation Function*, the following evaluation issues were examined:

- **Relevance**

- *Continued Need*

1. To what extent is there a need for providing support and guidance with respect to Lands and Economic Development services?

- *Alignment with Government Priorities*

2. To what extent has the sub-program been consistent with the objectives and priorities of the federal government?
3. To what extent does the sub-program contribute to INAC's strategic outcomes and the goals associated under the Community Development program?

- *Alignment with Federal Roles and Responsibilities*

4. Is there a legitimate, appropriate and necessary role for the federal government in providing Lands and Economic Development Service to support First Nation communities?

- **Performance**

- *Effectiveness (i.e. Success)*

5. In what ways does the sub-program create the conditions for First Nations to have a land base ready to support economic development? (immediate outcome)

6. To what extent does the sub-program support First Nations and Inuit developing economic development and land use planning, and conducting land and environmental management activities, regulatory compliance and environmental preventative actions? (Immediate Outcome)
7. To what extent are First Nations communities prepared for autonomous land, oil and gas and moneys management? (immediate outcome)
8. To what extent are economic development activities informed by strategic planning? (longer-term outcome)
9. To what extent are land, environmental, oil and gas and moneys management responsibilities assumed by First Nations? (longer-term outcome)
10. To what extent is there prevention of contamination of reserve land? (longer-term outcome).
11. To what extent is there enhanced Land and Environment management capacity for First Nations and Inuit Communities? (Sub-program expected result)
 - *Demonstrations of Efficiency and Economy*
12. Does the Administration of Lands and Economic Development Services Program operate efficiently and economically?
13. Are there alternate ways to achieve similar results at lower cost?
 - *Other Evaluation Issues*
14. What best practices or key factors of success can be identified for federal administration of reserve land?
15. Have there been any unintended positive or negative impacts around INAC's assessment and remediation of contaminated sites on reserve?

2.3 Evaluation Methodology

2.3.1 Planning and Development of Methodology

Subsequent to the approval of the Terms of Reference in June 2014, a Working Group was formed. Its purpose was to provide feedback on key pieces of the evaluation, including feedback on the methodology and evaluation findings.

The Working Group included members from several areas of the LEDSP program. It met to review and provide feedback on the evaluation methodology prior to data collection. Subsequent meetings and exchanges were held with some representatives on an as needed basis. The initial launch meeting was held in January 2015 to review the Methodology Report followed by meetings in April 2015 to review preliminary findings and June 2015 to review the final report.

Additionally, an Advisory Committee with members from other Lands and Economic Development programs was formed to provide input to the evaluation at the methodology report, preliminary findings, and final report stages.

2.3.2 Detailed Methodology Report

The development of the methodology for the evaluation was informed primarily by the LEDSP sub-program 3.2.1 Performance Measurement Strategy (dated March 2014), which outlines some of the key indicators and information collected and through preliminary consultations.

A Methodology Report was developed based on a preliminary document and data review and six preliminary interviews conducted with program staff. Interviews explored potential issues and challenges in conducting the evaluation, key documents, and areas where the program would like deeper assessment. Program staff, the Working Group and Advisory Group provided input into the development of the methodology report. This phase was undertaken between July 2014 and December 2014.

All internal documentations; administration, performance and financial data; list of key informant interviewees, and the selection of case studies were provided by the Working Group and program officials and validated, reviewed and approved by the evaluation team.

2.3.3 Data Collection and Analysis

The evaluation's findings and conclusions were based on the analysis and triangulation of the following lines of evidence. This phase was undertaken between January 2015 and May 2015.

- *Document and program file review*

A document and file review was conducted, which contributed to a thorough understanding of the program, development of a methodology report, particularly case studies, and addressed evaluation issues related to relevance and performance.

Evaluators read and analyzed program documents against the issues and questions identified for the evaluation. Supporting themes and insights emerged and were integrated into a findings template. The document review gathered reports from program officials at Headquarters and regional offices, as well as information available in the public domain. Key documents included policy and program documents, progress and annual reports, Speeches from the Throne, Report on Plans and Priorities, Departmental Performance Report, management and business plans, meeting minutes, etc.

- *Literature and Media Review*

A review of domestic and international literature was conducted to examine issues of relevance, lessons learned, and best practices. The literature review was led by EPMRB with initial support and guidance of the contractor with respect to setting parameters and scoping out the issues. An emphasis was placed on issues related to First Nations land and capacity development and an examination of related approaches and services, among other issues to be identified.

The literature review began with a systematic scan of reports, documents, and articles using key words and phrases related to the program. Key documents were identified for review and an index of documents was created. The list of documents was assessed to verify that there were no gaps, ensuring the literature review did not duplicate previous research. Care was taken to ensure previous research conducted for departmental evaluations or reviews was incorporated.

Documents were summarized, analyzed, and coded according to the evaluation questions. Major findings populated a literature review summary template. Common themes and insights as a result of the coding were interpreted and written in a findings summary document that was later triangulated with other lines of evidence. The consultant reviewed the literature review, identified gaps, and assisted in triangulation with other lines of evidence.

- *Administrative and Financial Data Analysis*

The evaluation included an analysis of quantitative program data and operational data. The review supports some of the other lines of evidence in the analysis of evaluation issues relating to performance and data- collection and reporting.

The data review covered key components of what is currently included in LEDSP, through both its Core Allocations and its Targeted Funding. It is important to note that the current program structure under LEDSP became effective April 1, 2014, while this evaluation technically covers the five years prior to that date (that is the period between 2009-2010 and 2013-2014). Regardless of this restructuring, the actual activities undertaken by the Department have remained largely of the same nature and, as such, the restructuring did not create a significant challenge for the context of this review.

The data review examined the Core Allocations component of LEDSP: Economic Development Activities (formerly the Community Economic Development Program, RLEMP, and First Nations Land Management - FNLM). The data review also examined LEDP Targeted funding, including what was formerly the Community Support Services Program and funding under the Lands and Environment Action Fund (LEAF). Finally, the data review examined FNOGMMA allocations.

The data analysis was a complete review of INAC performance, administrative and financial data related to Lands and Economic Development Services. The Administrative data review included an analysis of the availability of program data/databases from INAC management systems, financial systems, program databases, implementation of the Performance Measurement Strategy. Data sources were analyzed to identify trends and develop graphs and a technical report. Findings from the technical report were triangulated with other lines of evidence.

- *Key informant interviews*

Key informant interviews were conducted to gain a better understanding of perceptions and opinions of individuals who have had a significant role or experience in the management and delivery of LEDSP, as well as stakeholders who were expected to benefit from the program.

A list of interviewees was developed based on input from program management, the Working Group, and the Advisory Group. A total of 63 key informants were interviewed with program staff from each of the components of the program: LEDSP Core, LEDSP Targeted, FNOGMMA and other funding streams. Interviews were also conducted with INAC regional staff, related program staff from other areas in INAC and major LEDSP funding recipients.

- Program Management [n=10]
- Regional Staff [n=42]
- Other related INAC programs [n=6]
- Other Stakeholders and Representative Organizations [n=7]

Interview guides by interview group were designed to address all of the pertinent evaluation issues and questions. Semi-structured interviews were tailored to each respondent group, as applicable. This allowed for targeted questions that make the best use of the knowledge and experience of each key informant. As much as possible, common questions were applied across the guides to promote rigor and to strengthen the analysis. Interviews were conducted by phone and in person.

Key informant interview responses were organized, analyzed and coded according to the evaluation questions. A technical report was drafted, and findings were supplemented with additional interviews. In some cases, interviewees with knowledge of both LEDSP and Administration of Reserve Lands (3.2.3) had extended interviews that covered both areas. The technical report with integrated findings from other interviews was triangulated with other lines of evidence.

- *Case Studies*

A total of eight case studies were conducted between March and May 2015. As part of the evaluation, case studies focused on community-level information at a regional level examining implementation and performance of the program. Case studies also included interviews with regional staff regarding the program and context of case study results. The case studies were conducted by EPMRB with support from PRA.

Evaluators worked with program officials, Working Group members, and Advisory Group members to select eight communities for case studies. Cases were selected based on the following criteria: population, remoteness, land management regime, funding received from LEDSP program components, and other relevant factors. One additional case study gathered perspectives from representatives of the Land, Environment and Economic Development Committee members, which included a representative sample of communities throughout Ontario. Four case studies were conducted in British Columbia as a region of focus. Case studies were also conducted in communities in Alberta, Saskatchewan, and the Atlantic region. The case studies were as follows:

- Adams Lake First Nation (British Columbia)
- Cowichan Tribes (British Columbia)
- Kwantlen First Nation (British Columbia)
- St. Mary's First Nation (Aq'am) (British Columbia)
- Tsuu T'ina First Nation (Alberta)
- Kahkewistahaw First Nation (Saskatchewan)

- Miawpukek First Nation (Newfoundland)
- Land, Environment and Economic Development Committee Meeting – April 2015 – Nipissing First Nation

Case studies included 30 interviews, document review, and community site visits. Evaluators worked to draft case study interview and focus group tools that would be used with regional staff, community members, and stakeholders. The tools were reviewed by the Working Group and sent to interviewees in advance of the visit.

An observational case study approach was used to test the logic model and the LEDSP's theory of change. The goal was to observe and identify the factors that have hindered or led to the communities' ability to achieve economic development, conduct land and environmental management activities and their level of preparedness for land management. The case studies also provided a method to test how the activities under LEDSP fit with the Land and Economy suit of program continuum under the Program Alignment Architecture. Particular attention was given to observing the extent to which the programs are tools to enhance the First Nations' capacity to assume greater level of involvement and participation in land management. The case studies examined best practices and lessons learned from front-line representatives and community members.

2.3.4 Reporting

Findings from all lines of evidence were analyzed and identified against evaluation issues. Findings were then cross-identified and triangulated in order to identify emerging themes and key findings. Several documents and supporting technical-based reports were created to reflect the evidence collected from the evaluation based on evaluation issues as per the evaluation matrix.

2.3.5 Considerations, Strengths and Limitations

Strengths

Case Study Approach

The evaluation utilized a comprehensive approach to selecting eight to ten case studies that represented the full spectrum of communities that are supported through the LEDSP program. The working group and regional offices were consulted to select communities that included a variety of land management regimes under the *Indian Act*, Reserve Land and Environmental Management Program, and *First Nations Land Management Act*. Case study selection included geographic dispersion, remoteness, community size, funding received, and factors that would illustrate the program. In examining various land management regimes, the evaluation sought to draw out lessons for communities interested in pursuing sectoral or complete self-government.

Alignment with Evaluation of 3.2.3 – Administration of Reserve Land

This evaluation was undertaken concurrently with an evaluation of the *Administration of Reserve Land*. As such, evaluators had the opportunity to draw upon evidence from the concurrent evaluation to inform the evaluation of *Lands and Economic Development Services Program (3.2.1)*. Interviews for the evaluation of Administration of Reserve Land also discussed issues pertaining to Lands and Economic Development Services. The concurrent evaluations allowed for efficiency during site visits and a wider breadth of interviews conducted.

Interviewees

Key informant interviews as well as interviews included in the case studies have contributed significantly to the evaluation's findings. The range and diversity of opinions and experience among the respondents added to the strength and breadth of the evaluation. Further, many of the interviewees were helpful in supplying the evaluation team with additional documents and literature.

Multiple lines of evidence

The evaluation relied on the use of multiple lines of evidence in order to address the issues and questions identified for the evaluation. This not only helped to increase the rigor and strength of the findings but helped to compensate for any limitations affecting a particular line of evidence; for example, where interviewees declined to participate.

Limitations

Limited Data

Since LEDSP underwent a program amalgamation in 2014, the sub-program performance measurement strategy has only been recently finalized and implemented, and available data is thus far limited. The evaluation has therefore, focused on program data from previous iterations of the funding streams (Community Economic Development Program, Regional Lands Administration Program, Community Support Services Program, and LEAF) and used data from the first year of collection under the new performance measurement strategy.

Limited Timelines

As a result of external pressures, the evaluation timelines were condensed. The evaluation team adjusted to the new reality by conducting efficiently timed case studies, condensing analysis time, and hiring an external consultant to assist in report writing. The rigour of data collection was maintained by conducting case studies concurrently with report writing.

2.4 Roles, Responsibilities and Quality Assurance

The EPMRB was the project authority for this evaluation and managed the evaluation in line with EPMRB's Engagement Policy and Quality Control Process. The majority of the evaluation work was completed in house, with the assistance of Prairie Research Associates Inc., who assisted with the Methodology Report, key informant interviews, data analysis and some case studies. The EPMRB evaluation team identified key documents, provided a list of the communities selected for case

studies, and names and contact information of First Nations and Inuit representatives as required. The team further expeditiously reviewed, commented on and approved the products delivered by the contractor.

An evaluation Working Group was formed in order to provide advice, as needed, to the evaluation team. The evaluation Terms of Reference, Methodology, Preliminary Findings and Draft Report were reviewed by the Working Group. Program staff saw various iterations of all evaluation documentation.

EPMRB evaluators who were not directly involved in the evaluation project conducted internal peer reviews for the methodology report and draft final report. This guide includes questions that reflect Treasury Board standards for evaluation quality and guidelines for final reports.

3. Evaluation Findings - Relevance

3.1 Continuing Need

There is a demonstrated need for economic development on-reserve through key indicators of economic development.

Along many dimensions of economic development, such as employment rate, labour force participation and income, Aboriginal communities, and in particular First Nations individuals living on-reserve, lag behind the rest of Canadians.³ Canada's Aboriginal population growth continues to outpace the population growth of the general public. Furthermore, the Aboriginal population is relatively young compared to the non-Aboriginal population.⁴ Access to wealth for First Nations is viewed as one of the conditions for effectively dealing with a number of social challenges on-reserve. Supporting Aboriginal communities to pursue land management and economic opportunities has the potential to create future employment and strengthen the economic foundation for future generations.⁵

There is a need for land management and economic development to overcome some of the barriers to doing business on-reserve and to enable economic development opportunities.

The literature review, case studies, and key informant interviews found there are numerous barriers to economic development on-reserve, stemming from the *Indian Act*. For example, if First Nations wish to attract the same business opportunities to their communities as elsewhere in Canada, leasing land to outside parties requires undertaking a designation process, including a survey and community vote. Case studies found that the process can be lengthy and expensive for communities. Reserves are federal land, and as such, underlying title remains vested in the Crown. Key informants and case studies noted that because the Crown is the holder of title, a high level of legal scrutiny is often applied to instruments, requiring significant capacity on the part of First Nations to navigate the instrument creation process.

INAC's administrative processes have been cited as a limiting factor to economic development⁶ by key informants and the literature review. Given that departmental staff are mandated to ensure liabilities of the Crown are minimalized, the approval process includes multiple steps and sometimes consultation with the Department of Justice on legal instruments. First Nations noted this prevents them from moving at 'the pace of business.'⁷ The evaluation found that some of these barriers can be diminished through LEDSP. For example, supporting core capacities of First Nations' economic development officers and Land managers work to overcome some of these *Indian Act* complexities. Land management and economic development activity within the legal context of the *Indian Act*

³ The National Aboriginal Economic Development Board, *The Aboriginal Economic Benchmarking Report*, 2013 Indigenous and Northern Affairs Canada; *Highlights on Aboriginal Educational Attainment and Labour Market - Outcomes from the 2011 National Household Survey*, 2013; Indigenous and Northern Affairs Canada – Statistics and Measurement, *2011 National Household Survey Aboriginal Identity Population – Labour Market Outcomes*, 2014;

⁴ Ibid, 5

⁵ Report of the Auditor General of Canada to the House of Commons. Chapter 6: Land Management and Environmental Protection on Reserves, Fall 2009.

⁶ The National Aboriginal Economic Development Board 2013.

⁷ Indigenous and Northern Affairs Canada. (2013). "Creating the conditions for economic success on reserve lands: A report on the experiences of 25 First Nation communities." 13.

supports the empowerment of First Nations governments to manage their lands, resources, and environment. By taking on land management activities, First Nations have the opportunity to engage in the development of their roles and responsibilities and ensure responsible, accountable, and transparent government practices.

Aboriginal communities have a variety of economic opportunities within and around their communities. At the time of the evaluation, the demand for economic development funding regularly surpassed the supply of funds for both base and project-based funding. Even when funding is being provided, case studies found that core allocations often do not cover all costs associated with an economic development office position, including salary, office space, supplies, travel or training. This issue will be further discussed in Section 5.2 (LEDSP – Core Funding Formula). Key informant interviews and the literature review pointed to a need to support core funding for economic development rather than short-term, project-based funding.⁸

There is a need to support sectoral self-government through alternative land management regimes.

There are a variety of land management regimes for First Nations, including certain provisions under the *Indian Act*, the *First Nations Land Management Act*, and self-government. The distribution of authority and responsibility vary for both INAC and First Nations depending on the land management regime. Figure 1 (below) outlines the land management regimes and varying distribution of authority and responsibilities.

Figure 1⁹

Options for First Nations land management after the Framework Agreement

Option:	Land Administration by INAC	Regional Land Administration Program	Delegation of s53 & s60 authorities under the <i>Indian Act</i>	Framework Agreement (Sectoral Self-Government)	Full Self-Government
Statutory Regime:	<i>Indian Act</i>	<i>Indian Act</i>	<i>Indian Act</i>	<ul style="list-style-type: none"> ➤ FN Land Code ➤ FNLMA 	Other (e.g., treaty, self-government legislation, etc.)
Distribution of Authority and Responsibility:	Minister of Indian Affairs				
			First Nation		

⁸ Senate Standing Committee 2007, pg.16

⁹ Land Advisory Board, Annual Report 2009-2010, Exhibit 1 – Options for First Nations After the Framework Agreement. Note: In 2011, Indian and Northern Affairs Canada (INAC) changed its name to Indigenous and Northern Affairs Canada (INAC)

There is a wide recognition that allowing First Nations to increase their control over land management is a key driver to greater economic development. According to all lines of evidence, First Nations' control over land management improves some of the limitations of the *Indian Act* by both providing participating First Nations with measure of control over reserve lands and resources, and by ending ministerial discretion under the *Indian Act* over land management decisions on-reserves.¹⁰ Opt-in legislation such as the *First Nations Land Management Act* is seen as recognizing the autonomy of participating First Nations to govern and manage their own lands in a manner consistent with their economic development objectives. Secondly, opt-in legislation removes the delays that come with having to obtain ministerial approval for leases.¹¹ Several reports have recommended expanding the FNLM regime and funding.¹² FNLM communities experience economic development success¹³ and are found to be in a position to address many of the barriers to doing business on-reserve.

***The First Nations Oil and Gas and Moneys Management Act* is consistent with a need to support First Nations sectoral self-government.**

FNOGMMA) is consistent with the identified need for First Nation sectoral self-government. FNOGMMA addresses numerous broader departmental initiatives, namely INAC's strategic objectives, sustainable development, economic development, and self-government. This legislation enables First Nations to manage and regulate on-reserve oil and gas activities and/or assume control of their capital and revenue trust moneys held by Canada by placing the decision-making authority in the hands of First Nations. FNOGMMA can help unlock the potential for economic development opportunities and for First Nations and provides the flexibility required to respond more rapidly to community needs. First Nation control over land and resources will enable First Nations communities to seize economic opportunities with the speed and flexibility of the private sector, making them more attractive to investors and financial institutions.¹⁴ Furthermore, it is designed to address numerous barriers to economic development identified above, including inability to access capital, legislative and regulatory barriers, limited access to land and resources, and lack of governance capacity (amongst others).¹⁵

There is a need to support a variety of technical, business and land management expertise.

Capacity in the areas of governance, leadership, business, management and technical skills were identified as important for communities to take advantage of economic opportunities. However, several literature sources noted that some Aboriginal leaders require capacity building in the areas of management, administration, and governance.¹⁶ Aboriginal entrepreneurs also face greater obstacles than non-Aboriginal entrepreneurs when starting businesses. Aboriginal-owned businesses tend to have less access to capital and established business networks, incur higher costs of business due to

¹⁰ Senate Standing Committee 2007, pg.35, The National Aboriginal Economic Development Board 2013

¹¹ Senate Standing Committee 2007, pg.35

¹² The National Aboriginal Economic Development Board 2013 pg 35 , KPMG 2014, pg5

¹³ KPMG 2014

¹⁴ Indigenous and Northern Affairs Canada, Summative Evaluation Report of FNOGMMA 2010, ppg.11&12

¹⁵ Summative Evaluation Report of FNOGMMA 2010, p 11

¹⁶ Cynthia Wesley-Esquimaux, and Brian Calliou, "Best Practices in Aboriginal Community Development: A Literature Review and Wise Practices Approach." *The Banff Centre*. 1., (2010), S. Corneland J.P. Kalt "Sovereignty and Nation-Building: The Development Challenge in Indian Country Today," of the *American Indian Culture and Research Journal*, 22(3): 187-214. 1998

their often remote locations and do not always have access to the necessary skills or training.¹⁷ Those challenges necessitate community support for individuals and businesses.

Community representatives noted an extensive and diverse need for technical and management expertise. Economic development officers and land management officers play a variety of roles that often include other files. Given the complexities of managing land and environmental issues on-reserves, as well as the pursuit of economic opportunities, the requirements for increased capacity of lands and economic development officers are increasing. A survey of Ontario land and economic development officers conducted in 2015 examined skills required for their sectors. While economic development officers identified business development, project management and planning, land managers identified a need for capacity building in land use planning, land instruments, Geographic Information System, and surveys. Multiple lines of evidence identified a need to support different types of planning, particularly land use planning, economic development planning, and Comprehensive Community Planning.

Furthermore, some key informants noted that the reduction in funding to Aboriginal Representative Organizations and tribal councils had increased the demand for land and economic development expertise. While those organizations had provided support and guidance directly to communities, key informants noted the organization's capacity to continue to do so have been significantly reduced. As a result, economic development officers and land managers at the community level have been forced to seek expertise and capacity development elsewhere.

Evaluation findings indicate that, for those communities that receive adequate funding under LEDSP, they are able to address their capacity shortfall, by hiring experts as consultants or full-time staff to undertake capacity development, land and economic development, and planning. The nature of the sub-program LEDSP suggests that at a minimum, the sub-program can address some of the issues around the structure of land management on reserve and some of the capacity challenges around economic development.

3.2 Alignment with government and departmental priorities

There is a direct alignment between LEDSP and the priorities of the federal government, including those of INAC.

3.2.1 Government Priorities

The sub-program 3.2.1 *Land and Economic Development Services* is aligned with the Government of Canada Outcome Area "Strong Economic Growth" according to the *Whole of Government Framework*. The outcome area is described as: "Program activities aim to create an environment conducive to economic growth and to promote the development of all sectors of the economy and in all regions of Canada."¹⁸

¹⁷ The National Aboriginal Economic Development Board, 2013

¹⁸ Internal program documentation

Various Government of Canada commitments have supported Aboriginal economic development as a government priority. The 2012 Crown-First Nations Gathering committed to unlocking the economic potential of First Nations as a priority. The federal budgets of 2012, 2013, 2014 and the 2013 Speech from the Throne have each renewed the Government of Canada's commitment to Aboriginal economic development. Budget 2014 stated that economic opportunities for Aboriginal communities in the natural resources sector, specifically West Coast energy, can lead to significant profit opportunities and job creation.¹⁹ Finally, Budget 2015 committed an additional \$30 million over five years to add additional First Nations to the FNLMA Regime. All key informants indicated that collaborating with First Nations in order to facilitate economic opportunities is a central priority of the federal government.

The 2009 *Federal Framework for Aboriginal Economic Development* notes that Aboriginal peoples play an important role in the economy, specifically "leveraging investment and promoting partnerships with private sector to produce sustainable growth for Aboriginal peoples,"²⁰ among other goals. It states, "that building new opportunities for Aboriginal Canadians to participate in the economy is the most effective way to bridge the socio-economic gap with other Canadians."²¹

The framework also highlights an emerging consensus around the idea that the *Indian Act* places barriers on economic development and investment on-reserves. Under this strategic priority, addressing the legislative barriers imposed by the *Indian Act* is one among four key government activities. First Nation management of land under the FNLMA addresses barriers imposed by the *Indian Act*.

3.2.2 Departmental Priorities

Guided by the *Federal Framework for Aboriginal Economic Development*, INAC Community Development (3.2) programming contributes to The Land and Economy Strategic Outcome by providing support for activities that establish the conditions for economic development to take place. In playing a support role, Community Development programming expects to influence greater self-reliance, and participation in the mainstream economy and community well-being.

The sub-program also addresses INAC's priority of improving partnerships and relationships. It aims to meet the priority by facilitating community development and capacity. For example, it continues to further integrate community planning and support for community economic development, including strengthening planning for lands and environmental management with linkages to community infrastructure planning and investments.²²

The Land and Economic Development Services sub-program (3.2.1) contributes to the expected result of Community Development by supporting activities that establish conditions for economic development to take place. In playing this key support role, Community Development programming expects to influence greater self-reliance and participation in the mainstream economy and community well-being.

¹⁹ Budget Plan 2014 – The Road to Balance: Creating Jobs and Opportunities, February 11, 2014

²⁰ Indian and Northern Affairs Canada. (2009). *Federal Framework for Aboriginal Economic Development*. Ottawa: Govt. of Canada. Retrieved from http://epe.lac-bac.gc.ca/100/200/301/inac-ainc/fed_aboriginal_economic_development-e/R3-75-2009E.pdf

²¹ Ibid

²² Report on Plans and Priorities, 2014-15 pg.10

3.3 Alignment with federal roles and responsibilities:

The Department has a clear role, assuming land management functions for a number of First Nations while also providing the support to First Nations that wish to assume greater autonomy in land management and economic development.

Sub-program 3.2.1 Land and Economic Development Services is directly aligned with the mandate for the Department. INAC offers support to Aboriginal people and Northerners in order to:

- improve social well-being and economic prosperity;
- develop healthier, more self-sufficient communities; and
- participate more fully in Canada's political, social and economic development — to the benefit of all Canadians

LEDSP's activities to facilitate land management and economic development activity on-reserve appear to align well with a number of the federal government's roles in relation to Canada's Aboriginal peoples.

Specifically, the administration of the land management component of the *Indian Act*, the administration of land under the FNLMA, and the management of moneys under the FNOGMMA aligns with legislated government roles and responsibilities related to land management and monies management.

Support for LEDSP-core aligns with the federal roles and responsibilities as determined by historical policy decisions. While the federal government does not have an explicit statutory obligation to invest funds toward Aboriginal economic development (except in the case of land claims or self-governments agreements), a series of policy decisions and policy papers have strongly supported the role for the federal government in supporting Aboriginal economic development.

Various policy papers, notably the Royal Commission on Aboriginal Peoples have noted that a strategy grounded in economic development and land management is key to the future of Aboriginal people. Policy commitments were recently made to economic development during the 2012 Crown-First Nations Gathering. Key informant interviews have noted the role the federal government plays in enabling First Nations to take advantage of economic development opportunities.

Furthermore, key informant interviews noted the growing role of the federal government to support economic development in light of statutory obligations related to land, the expanding land base, and devolution of land responsibilities to First Nations. The management of reserve lands has a significant impact on economic development opportunities. In some cases, INAC has devolved responsibilities in *the Indian Act* related to land management to First Nations. First Nations can 'opt-in' to legislation like the FNLMA and FNOGMMA, allowing First Nations to play a greater role related to land and resource management and by extension, economic development. First Nation control over those elements contributes to greater self-sufficiency and prosperity. In 2012, the *Jobs and Economic Growth Act*, introduced amendments to the land designation provisions of the *Indian Act* allowing First Nations to speed up the process for leasing portions of reserve land to a third party for the purposes of economic development while retaining ownership of their lands.

LEDSP Targeted funding for the environment (formerly the Land and Environment Action Fund - LEAF) directly supports government roles and responsibilities as they pertain to environment and economic development. LEAF works to support environmental compliance and reduce the environmental risks to land that may be used for economic development or other reasons. Furthermore, LEAF activities reduce the likelihood of contaminated sites, contributing to the *Federal Sustainability Strategy*.

4. Evaluation Findings – Performance (Effectiveness / Success)

4.1 Achievement of Outcomes

The Lands and Economic Development Services sub-program enables First Nations to be better positioned to invest funds into building and/or enhancing on-reserve infrastructure in a timelier manner and create stability and predictability in future council decisions for investment and spending. The sub-program also enables the provision of lands, environmental and economic development support services to communities, (to assist in achieving LEDSP's objectives). This also includes services that prevent the contamination of reserve lands and other lands under INAC's responsibilities.²³

First Nations communities are increasing their land base and land transactions, resulting in additional benefit potential and increased revenue.

Economic development and land management officers in communities play an indispensable role in land transactions. They are involved in land purchases, participate in negotiations, draft leases and agreements, serve and consult community members, and plan land management activities. Compared to other communities, First Nations representatives in the RLEMP and FNLM regimes often play an even greater role in active land instruments and land transactions. Their roles will be discussed in detail later in the report.

While land size is a measure that needs to be properly contextualized, Additions to Reserve data indicates that more than 350,000 acres of land were added to reserve during the period covered by the evaluation. Most of the land was added in Saskatchewan (112 Additions to Reserve) and a significant number of Additions to Reserve took place in British Columbia (34) and Manitoba (25). The majority of the Additions to Reserve that took place over the evaluation period pertain to specific legislation that facilitates the process for Additions to Reserve stemming from Treaty Land Entitlement Agreements.

Data indicates that the number of active instruments in First Nations communities has increased during the period covered by the evaluation (see Figure 2). Just over 48,000 land transactions were registered on-reserve during the period covered by the evaluation, 71 percent of which are related to transactions occurring in First Nations under the *Indian Act* land regime. Data indicates that a significant number of those transactions were completed by First Nations administered land such as RLEMP, FNLM, and self-government communities.

²³ Performance Measurement Strategy : 3.2 Community Development 2014

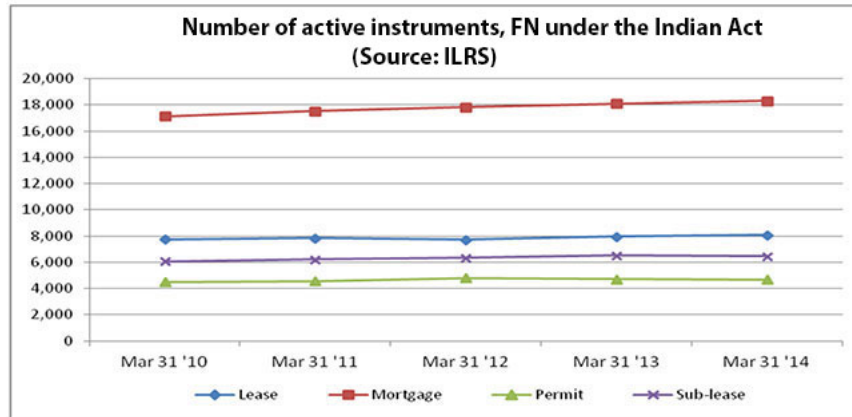


Figure 2

All lines of evidence found that leases, mortgages, permits and sub-leases are generating revenue for communities. For example, a profile of the British Columbia regional office showed that over \$8 million in lease revenue had been collected in 2014-2015 for First Nations Bands and \$3 million had been collected for First Nations members. The Brantford Business Centre of the Ontario Regional Office found that nearly \$9 million in lease revenue will be generated for communities in 2015-2016. Band offices may reinvest lease revenue into community activities or other income generating activities. Case studies found that communities with land in marketable locations are able to generate long-term revenue through leases and permits, contributing to a predictable income stream for the community.

4.1.1 LEDSP- Core Economic Development (formerly Community Economic Development Program)

LEDSP- Core Economic Development supports First Nations and Inuit recipients to hire or contract individuals that contribute to economic development activities to the benefit of the community.

LEDSP- Core Economic Development (formerly Community Economic Development Program) has been a significant component of the funding provided by the Lands and Economic Development Services sub-program. The investment in this component has fluctuated over time, increasing from \$48 million in 2009-2010 to \$52 million in 2011-2012, before decreasing to \$48 million in 2013-2014. The data indicates the actual number of First Nations communities that received Community Economic Development Program funding over the period covered by the evaluation has decreased, from 480 communities in 2009-2010 to 458 communities in 2013-2014.

All lines of evidence found that stable, multi-year funding enables First Nations and Inuit recipients to hire or contract the services of an economic development officer, who can undertake community economic development planning, develop proposals, leverage financial resources, and deliver economic development services.

All case studies found that the economic development funding allowed communities to undertake important projects that resulted in land and economic development. Funding was used for a variety of examples, most frequently hiring economic development officers. For smaller communities, the

Chief and band manager assume the economic development role in the community. According to a survey of communities from a previous evaluation, just under half (48 percent) of respondents said that funding from the Community Economic Development Program allowed them to hire a full-time economic development officer. Other uses for the funding include launching new business ventures, training and capacity development, strategic planning, investment promotion, resource development potential, economic development planning, feasibility studies, and community meetings to discussion planning.

Case studies demonstrated how economic development organizations supported by LEDSP facilitate an improved environment for economic development. Based on a community's specific social and economic circumstances, an officer's roles vary greatly. For example, an economic development officer may be involved in writing proposals, seeking and developing economic opportunities, operating both non-profit and for-profit corporations, or negotiating with resource companies. An economic development officer's role may also involve other portfolios, specifically land management, training and employment development, and environment. Some economic development officers in small communities also administered housing programs or infrastructure programs. There was extensive anecdotal evidence from case studies and key informants regarding the socio-economic benefits to communities.

There is limited quantitative information on the specific results and outcomes of its investment through the LEDSP's economic development core allocations.

The reporting gathered by INAC on Community Economic Development Program funding provides limited quantitative information on the activities undertaken by each community, and none of the information provides a systematic measurement of the impact of these activities on communities receiving funding. The evaluation confirmed findings from a previous evaluation in 2009 that found annual reports and operational plans provided by communities receiving Community Economic Development Program support do not provide sufficient information to assess economic development within communities.²⁴ The availability of performance information and data collection will be examined in Section 5.3.

Economic development activities create jobs, businesses, and growth for communities.

While there is limited systematic data on outcome of LEDSP- Core Economic Development, all lines of evidence highlighted LEDSP Core Economic funding as being crucial to exploring, developing, and managing economic opportunities. Economic development officers are able to leverage funds from federal, provincial, and private sources to undertake additional initiatives. Community case studies demonstrated that LEDSP funded activities were resulting in better economic outcomes on-reserve. Several case studies found that successful businesses overseen by economic development officers were prospering on and off-reserve. Case studies found that LEDSP funded economic development officers were creating opportunities for employment, often in remote communities with limited job options. Two case studies noted extremely low unemployment rates as a result of job creation by the economic development offices. Economic development officers were found to play an indispensable role in First Nations communities.

²⁴ Indian and Northern Affairs Canada, Summative Evaluation of INAC's Economic Development Programs, 2009
INAC

Capacity development and support continues to be an issue affecting the performance of LEDSP.

As highlighted in Section 3.1, capacity development and support of community economic development officers continue to be a challenge. Case studies found many economic development officers struggled with the capacity to serve the variety of roles required of an economic development officer in their community. Particularly in small and remote communities, economic development officers also serve roles in lands, environment, housing, and training. In June 2009, the Audit and Assurance Services Branch completed an Audit of Capacity Development which concluded that, while a number of programs have been developed to support capacity development, INAC lacked a coordinated, risk-based, strategic approach to the design, delivery and implementation of capacity development programming.²⁵ While INAC has responded to the audit and various organizations supported through targeted programming provide capacity development, the evaluation found that more support is needed for capacity development.

4.1.2 Reserve Land and Environment Management Program

The RLEMP has been introduced to support First Nations that wish to exercise increased responsibility over their reserve land, resources and environment. It provides First Nations with the opportunity to hire or contract the services of a land manager so that they can exercise increased responsibility over their reserve land, resources and environment under the *Indian Act*. By enabling First Nations to take responsibility for *Indian Act* land management activities on behalf of INAC, communities are able to build their internal capacity and seize opportunities²⁶.

During the 1980s, INAC implemented the Regional Lands Administration Program, which has been providing funding to First Nations to participate in land management activities under the *Indian Act* land management regime. While RLEMP is largely seen as a replacement of the Regional Lands Administration Program, the fact remains that many communities still received Regional Lands Administration Program funding during the period covered by the evaluation. The number of First Nations receiving Regional Lands Administration Program funding has decreased from 93 communities in 2009-2010 to 50 communities in 2012-2013. More than half of the communities receiving Regional Lands Administration Program funding are located in British Columbia. The contribution that each community received under Regional Lands Administration Program during the period covered by the evaluation varied between \$6,000 and \$100,000, with an average of \$27,978. While the total funding in 2009-2010 stood at \$2.6 million, it had decreased to just over \$1 million in 2013-2014.

During the evaluation period, RLEMP provided approximately \$2.6 million annually for training and development. That amount declined in 2013-2014 to \$1.8 million for training and development of land officers. Operational RLEMP communities are required to have a land manager or officer certified within two years of joining RLEMP.

The funding that RLEMP provides to Operational RLEMP communities to support land management activities in selected communities increased over the evaluation period. INAC contributions to RLEMP communities increased from \$2.3 million in 2009-2010 to \$5.6 million in

²⁵ Indigenous and Northern Affairs Canada, Internal Audit Report: Follow-Up Audit Of Capacity Development, 2013, Pg.1

²⁶ Ibid, pg 13

2013-2014. INAC has also provided, during the period covered by the evaluation, funding to approximately 11 First Nations that have received Delegated Authority under RLEMP. This has represented an investment of approximately \$1.9 million annually.

First Nations land managers are being trained as certified land managers and supported by land management associations, including NALMA, their associated regional land associations and First Nations Alliance 4 Land Management in British Columbia. First Nation land managers suggested that training should be more practical and supported by local organizations.

The RLEMP includes a professional land management training and certification program that prepares selected First Nations for their new roles and responsibilities under a broader scope of land, resources and environmental management. NALMA has formed a partnership with the University of Saskatchewan for the delivery of the Professional Lands Management Certification Program, which is a two-year program providing post-secondary and technical training to lands managers/officers. The University of Saskatchewan received funding from INAC for the delivery of the program until 2011. After that date, tuition was funded directly to First Nations.

A total of 113 lands managers/officers have been certified under the program since its inception with another 14 to be certified by the end of the fiscal year 2014-15. Throughout the evaluation period, a total of 74 individuals were certified. A large number of the communities that received support for land management training over the evaluation period were in Saskatchewan. While most respondents noted that the training was very informative, some noted that the training was not as useful as they had hoped. First Nations land managers suggested that the NALMA portion of the training was more relevant to their day to day activities than the University of Saskatchewan portion. Echoing the findings of a 2009 Implementation Evaluation of RLEMP,²⁷ key informants noted that the training would be more practical if it were tailored to their specific regions and communities. Some key informants noted the Professional Lands Management Certification Program could play a larger role in supporting land management training for FNLM communities.

NALMA also provides networking opportunities, tools, and technical support. According to key informants, they provide over 400 referrals each year and have developed toolkits such as the one used for the Additions to Reserve Policy. In 2012-2013, NALMA assumed partial responsibility for managing the grants and contributions of the Survey Program on behalf of INAC. The Department selects the survey project priorities within the regions and funds those projects through NALMA.

The Regional Lands Associations operate as NALMA's technical lands management bodies and play a role in supporting capacity development in First Nations communities to address their needs as they relate to lands, resources and environment management. The Regional Lands Associations assist newly appointed lands managers/officers in First Nations communities with their day-to-day operations, administer regional training sessions. However, case studies found that some communities, particularly in British Columbia, felt that the Regional Lands Associations provided little to no support to their needs. Instead, some communities in British Columbia sought support from other organizations such as the First Nations Alliance 4 Land Management in British Columbia. The Regional Lands Associations were noted by some other case studies and key informants for their invaluable support, particularly for their contributions to FNLM readiness. The

²⁷ Indigenous and Northern Affairs Canada, Implementation Evaluation of the Reserve Land and Environmental Management Program, June 2009

Regional Land Associations would benefit from reviewing their engagement with all communities in their region, ensuring their services are useful and accessible.

The number of operational RLEMP communities is increasing.

Figure illustrates the funding received by First Nations through each of the three phases of the program, which include Training and Development (RLEMP T&D), Operational (RLEMP OP), and those communities with Delegated Authority (RLEMP DA).

The data indicates that the number of First Nations that received operational funding increased steadily during the period covered by the evaluation, whereas the funding provided for training and development has fluctuated.

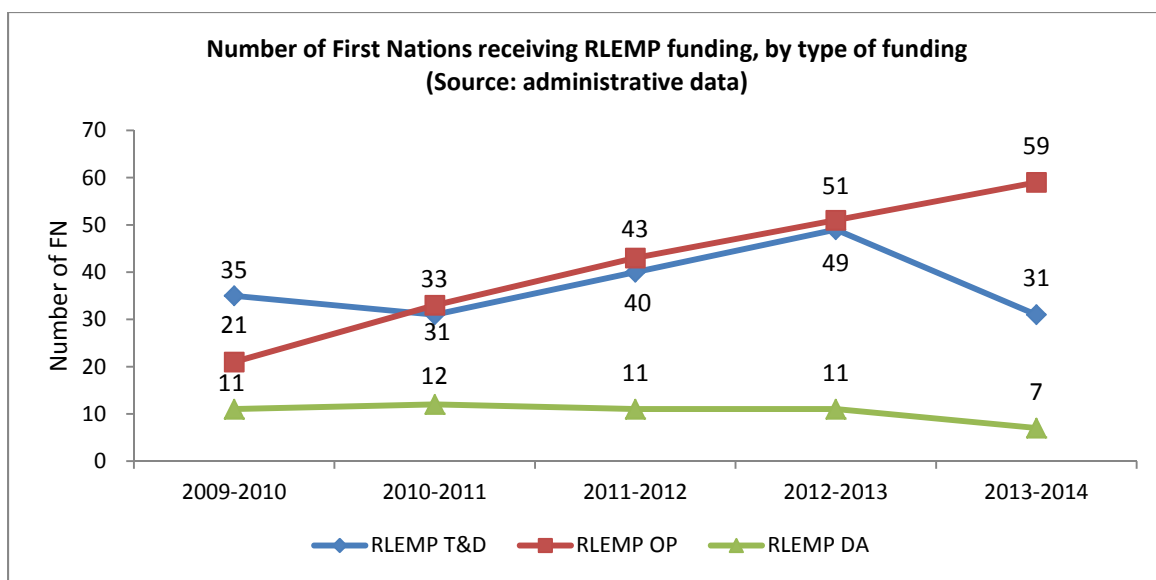


Figure 3

Regarding the training and development phase of RLEMP, the data indicates that while all regions have received funding during the period covered by the evaluation, Saskatchewan is where the largest number of funding recipients is located. When it comes to operational RLEMP communities, British Columbia is where the largest number of communities is found, followed respectively by Saskatchewan and Ontario.

RLEMP communities are building their capacity and taking on additional responsibility, contributing to self-sufficiency and independence.

LEDSP supports the need to build capacity of many First Nations and Inuit communities so they can provide economic development services. This also recognizes the need to build capacity in First Nation communities to perform land and environment management activities under the *Indian Act*. A variety of promotional products, resources and land management tools are developed by the Department and NALMA to assist with this. Workshops and presentations promoting the importance of economic development and sound land and environmental management under the *Indian Act* are conducted by both the Department and supporting partners such as the National

Aboriginal Lands Managers Association and their Regional Land Associations, and the Council for the Advancement of Native Development Officers. These associations promote and support interest in performing *Indian Act* land and environment management functions, and economic development. They also support the Department by providing workshops to address capacity gaps.

Case studies and key informant interviews noted that operational RLEMP First Nations are undertaking more land management responsibilities. Key informants in regional offices noted that certified land managers in RLEMP communities were undertaking tasks that would have otherwise been performed by INAC regional staff. Although there is regional variation as to the level of participation from RLEMP Operational First Nations, First Nations noted that the number of permits and leases they processed was increasing. According to the some regional offices, by RLEMP First Nations undertaking some activities, time and resources were freed up for their staff to focus on more complex transactions. By contrast, other regional office staff noted they spent more time working with Operational First Nations to support their capacity to undertake land management activities, particularly with legal instruments. This demonstrates the complexity of land management under the *Indian Act* and indicates a need for INAC land officers to support those in RLEMP First Nations as they build their capacity.

RLEMP First Nations are conducting community consultations and raising awareness of land management systems.

RLEMP First Nations and their land managers are engaging with their communities to make decisions about land management. Case study community representatives noted that their largest task is educating the community on land management and for communities that are FNLM development, how FNLM would impact it. They noted that land was not traditionally managed under a formal regime, and that community members and leadership were resistant to change their perspectives on land management. As a result, much work has been done to inform community members on land management and future land planning. Land managers hold community meetings, visit homes, publish materials, mail out information and send out Facebook updates. Case studies found that community members are becoming more knowledgeable as a result of the consultation and awareness-raising sessions.

Some communities are transitioning from RLEMP to the FNLM regime.

It was regularly noted during interviews that the investment in RLEMP is largely based on the premise that these communities would eventually transition into the FNLM regime. Evaluation findings indicate that the Department's priority is on promoting and improving, as required, the FNLM regime to facilitate the transition of the largest number of communities possible. Findings from the key informant interviews and the data review suggest that First Nations are transitioning to the FNLM regime. Nearly all FNLM Development First Nations were involved in the RLEMP program or previous iterations of it such as Regional Lands Administration Program. NALMA works to enable transitions through each stage of RLEMP and from RLEMP into FNLM. The Land Advisory Board is the primary support organization for First Nations pursuing FNLM.

Key informants and case studies identified a number of challenges, which may limit First Nations decision to opt into the FNLM regime. It was mentioned that there is a lack of funding to support First Nations in the FNLM process. Also, according to some key informants, a lack of knowledge among communities about how the FMLNA process affects the number of entrants. Therefore efforts should be made by the Department to better inform First Nations of the requirements and procedures. Key informant interviews and case studies noted that communities may not have the community support to transfer power and responsibility to Chief and Council. Some key informants noted that communities may not have the capacity to manage their land and environment. Some key informants noted that some First Nations may be unwilling to accept responsibility for land management, citing fiduciary obligation as the reason INAC should manage lands. Case studies found that communities were concerned about the liability transferred to the First Nation under FNLM, particularly environmental and emergency management liabilities. If First Nations are to transition to the FNLM regime, findings from the key informant interviews suggest that First Nations “readiness” is key – some key informants reported that a clearer understanding and definition of “readiness” is necessary. It was also noted that increased support in developing capacity in terms of governance is important if First Nations are to successfully transition to the FNLM regime. Specifically, informant interviews and the literature review mentioned that greater capacity and a stronger governance structure will improve the decision-making process as well as community buy-in and engagement.

4.1.3 LEDSP Core- First Nations Land Management Act

This act provides the legal mechanism for First Nations to opt out of the land management provisions of the *Indian Act* by developing land codes that govern reserve lands and take advantage of economic development opportunities. It transfers administration of land to participating First Nations and includes the authority to enact laws with respect to land, the environment and most resources. Support provided through this program helps First Nations transition through the stages needed to take on this land management responsibility independent of INAC.

The number of First Nations participating in the FNLM regime is increasing.

The number of First Nations that have participated in the *First Nations Land Management Act* has steadily increased during the period covered by the evaluation (see Figure 4). The number of operational First Nations under the FNLM regime has increased from 29 communities in 2009-2010 to 38 communities in 2013-2014. It was noted by key informants that by April 1, 2015, a total of 50 First Nations will be operating under the FNLM and that another 50 are expected to be operational by 2017.

Also, the number of First Nations at the developmental stage of FNLM has increased, particularly during the fiscal year 2012-2013 and 2013-2014. More specifically, the developmental stage involves First Nations who have been selected for entry in the FNLM Regime, who have adhered to the Framework Agreement, and who have been added to the schedule of the *First Nations Land Management Act*. The funding provides assistance for the development of land management systems, the negotiation of the individual agreement with Canada and the ratification vote in the community. The federal government added 18 new entrants in 2012-2013 and eight new entrants in 2013-2014.

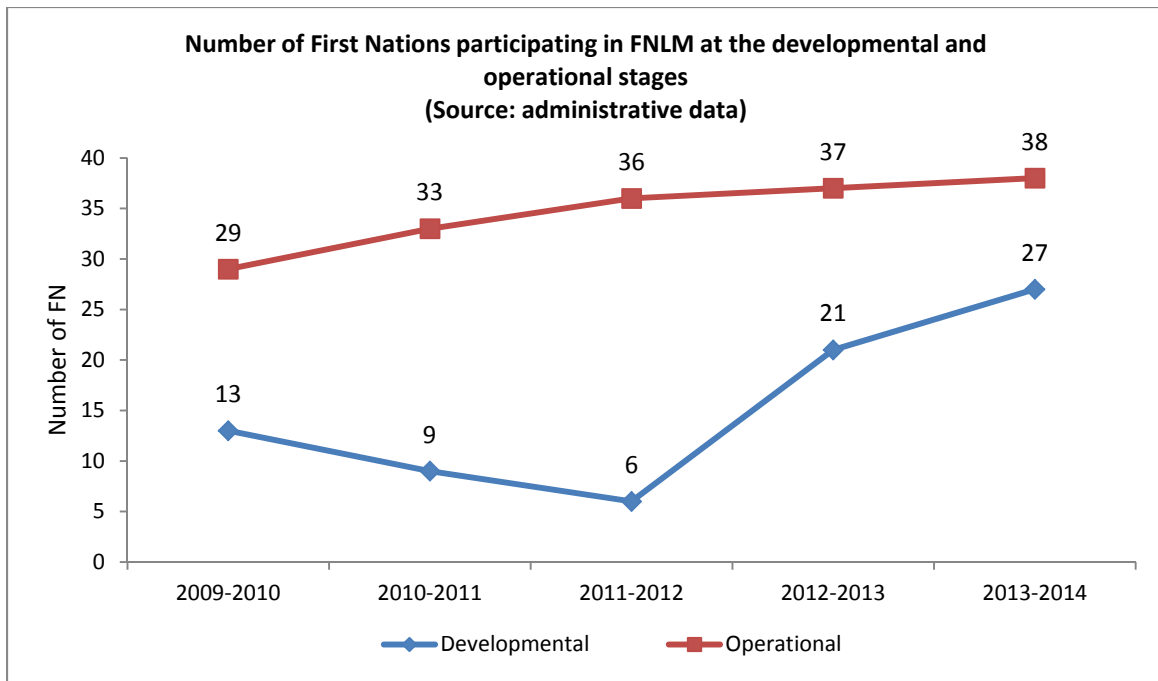


Figure 4

In terms of regional distribution, the vast majority of operational First Nations under the FNLN regime are located in British Columbia (60 percent). The only other regions where we find operational First Nations under the FNLN regime are Ontario, Manitoba, and Saskatchewan. It should be noted, however, that there are First Nations at the developmental stage in all regions of the country.

Table 2: Number of First Nations participating in FNLN, per stage, region, and fiscal year

Region	2009-2010		2010-2011		2011-2012		2012-2013		2013-2014	
	Dev.	Oper.	Dev.	Oper.	Dev.	Oper.	Dev.	Oper.	Dev.	Oper.
ATL	0	0	0	0	0	0	2	0	2	0
QC	0	0	0	0	0	0	1	0	1	0
ON	2	5	2	5	1	6	3	6	5	6
MB	2	1	0	3	0	3	0	3	1	3
SK	2	4	1	5	1	5	2	5	2	6
AB	0	0	0	0	0	0	2	0	2	0
BC	7	19	6	20	4	22	11	23	14	23
TOTAL	13	29	9	33	6	36	21	37	27	38

Source: Administrative data

INAC provides financial assistance to participating First Nations. The level of funding has increased over the period covered by the evaluation, reflecting the increased participation of First Nations in this program. For operational communities, the funding provides a contribution toward the overall cost of land and environmental management responsibilities under the FNLN regime. For communities at the developmental stage, the funding assists the community through the various stages before becoming operational.

The Land Advisory Board, including its Resource Centre, is supporting First Nations that are FNLM developmental. However, operational FNLM communities feel they have little support.

The Department is also funding the Land Advisory Board, including its Resource Center, for the support they provide to First Nations during both the developmental and operational stages. As indicated in Table , the Department provided between \$3.4 million and \$5.3 million annually for this purpose during the period covered by the evaluation.

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Developmental	\$1,310,394	\$407,300	\$401,271	\$1,208,000	\$1,741,049
Operational	\$4,023,187	\$4,518,482	\$5,050,750	\$10,599,502	\$10,953,036
Land Advisory Board-Resource Centre Funding	\$5,264,000	\$4,179,305	\$3,411,254	\$3,560,337	\$4,049,320
Total	\$10,597,581	\$9,105,087	\$8,863,275	\$15,367,839	\$16,743,405
Source: Administrative data					

Case studies in Saskatchewan and British Columbia noted that the Land Advisory Board was particularly helpful in supporting communities in developing their land code and ensuring information was communicated to members in preparation for the vote.

However, operational FNLM communities noted that once they were no longer development, they felt there was little support from the Land Advisory Board or INAC. Communities noted that the Land Advisory Board and INAC spend most of their resources supporting communities during their ratification process but not enough time supporting First Nations after they became operational

There are clear benefits to communities under the FNLM regime, including ability to process transactions quicker, increased ability to do businesses, and increased control over land management affairs.

The literature and document reviews, key informant interviews and case studies identified benefits of transitioning to the FNLM regime from the *Indian Act*. By having greater autonomy and control over their lands and resources, First Nations have greater freedom in economic development decision making. Participating FNLM First Nations operate their own land code, which offers significant benefits in pursuing economic development activities. Land management activities are completed at a significantly faster pace by participating FNLM communities when compared to those under the *Indian Act*. Key informants noted the FNLM enables communities to ‘move at the pace of business’. FNLM communities benefit from a greater flexibility related to the terms and conditions for land related transactions. They report being better able to protect and promote community legal interests and community values for development. Increased collaboration with external investors leads to an increase in the number of businesses established on-reserve that are owned by external partners. There is continued community investment in both the hard and soft infrastructures required for economic development. Finally, according to the document review and case studies, FNLM communities experience an increase in the number of jobs created on-reserve.

RLEMP serves as a small incremental step toward autonomous land management. The FNLM process is a direct step to self-government.

A review of relevant literature suggests that processes that strengthen local institutions and facilitate sustainable economic development lead to self-governance. FNLM has been referenced specifically as a tool for governing based on local needs, culture and knowledge²⁸ and as such, facilitates the factors the literature deems necessary for sustainable Aboriginal economic development practices.²⁹ Broadly speaking, the literature also suggests that asserting control over community governance and building strong local institutions (such as a land code) are key steps toward the goal of nation-building.³⁰

Case studies and key informant interviews corroborated the concept that RLEMP and FNLM are aligned with this approach. More specifically, RLEMP is a critical step toward a holistic approach to land management and an incremental step toward achieving FNLM, and the evaluation found that FNLM was an important opportunity to practice self-government. For communities aspiring to complete self-government agreements, the FNLM Regime was seen as a stepping stone to a self-government agreement. Practically, FNLM community engagement activities, including community surveys, meetings, and votes raise awareness and discussion about self-government. In addition, the evaluation found that self-government activities supported LEDSP and FNLM activities. The process of writing a constitution, community visioning, and community planning, establishes a solid foundation of governance for land management and economic development activities.

4.1.4 LEDSP Targeted Funding Allocations

LEDSP targeted funding continues to support key initiatives in capacity development, environmental management, and regional priorities that contribute to land management and economic development.

The sub-program also provides proposal-based, *targeted funding* for a variety of projects related to the core funding components above. Also amalgamated from Lands and Economic Development, as well as other INAC programming components, these fall under the umbrella of LEDSP-Targeted programming, and these targeted funding initiatives relate to:

- land management, resources management, economic development, and FNLM readiness;
- environmental management;
- support for First Nations undertaking the Additions to Reserves process; and
- regional priorities.

²⁸ Christopher Alcantara, “Reduce transaction costs? Yes. Strengthen property rights?, Maybe: the *First Nations Land Management Act* and economic development on Canadian Indian reserves.” *Public Choice* 132, 2007 pg. 423.

²⁹ Anderson Robert, et al.) “Indigenous Land Claims and Economic Development: The Canadian Experience.” *American Indian Quarterly*; 28:3/4 (Summer) .pgs. 635-636. 2004

³⁰ Stephen Cornell and Joseph Kalt “Two Approaches to Economic Development on American Indian Reservations: One Works, the Other Doesn’t,” *Harvard Project on American Indian Economic Development and the Native Nations Institute for Leadership, Management, and Policy*, 2006 pg. 19.

In principle, 20 percent of the total regional funding for targeted initiatives is meant to be allocated to each of the first three categories immediately above. The remaining 40 percent of the regional funding for targeted initiatives is allocated to regional priorities.

Over the period covered by the evaluation, what is now included in LEDSP Targeted funding supported a range of activities that were expected to enhance the ability of First Nations to pursue economic development activities.

Community Support Services Program

With the exception of 2012-2013 (where it stood at \$2.5 million), funding under the former Community Support Services Program provided between \$4.4 million and \$5.7 million annually to various organizations offering a range of capacity building training and other professional development activities related to economic development.

One of the most significant investments during the evaluation period was the allocation of \$3.2 million to the Aboriginal Tourism Association of British Columbia in relation to the 2010 Olympic Games in Vancouver. Activities delivered by these organizations include economic development officer training, community economic development workshops, marketplace initiatives, leadership development, tourism blueprint (as part of the 2010 Olympic Games in Vancouver), tourism forums, and capacity building sessions.

A number of national organizations such as NALMA and the Council for the Advancement of Native Development Officers receive funding through the targeted funding envelope. NALMA's outcomes that include supporting regional associations, training through the Professional Land Management Certification Program, and resource development are discussed above.

Previously funded through the Community Support Services Program, LEDSP targeted continues to support the Council for the Advancement of Native Development Officers. Key informants at INAC noted that support for the Council for the Advancement of Native Development Officers has contributed to training of economic development officers over the evaluation period. To date, the Council for the Advancement of Native Development Officers has certified 365 Aboriginal Economic Development Officers, which include six Technical Aboriginal Economic Developers and three Professional Aboriginal Economic Developers. Case studies highlighted the need for formal training of economic development officers given the need for business and analytical skills and the limited number of economic development officers that are formally trained. However, case studies in British Columbia and Ontario found that the Council for the Advancement of Native Development Officers may not be fully effective in supporting First Nations. Communities noted there is often limited funds for transportation to training sessions and conferences. Key informants in Quebec noted that the Council for the Advancement of Native Development Officers has limited staff that speak French. The evaluation found that organizations with a regional focus are suited to provide support and that the Council for the Advancement of Native Development Officers should focus on regional representation to deliver services.

Lands Environment Action Fund

The LEAF has been providing proposal-based financial assistance in support of environmental projects. The Department has invested approximately \$1 million annually to support this type of projects during the period covered by the evaluation.

While communities in all regions of the country have received LEAF funding, it is in communities located in Manitoba that the greatest level of funding has been provided (close to \$1 million during the period covered by the evaluation). LEAF funded a variety of initiatives related to environmental management. As the data indicates, conferences and workshops on environmental issues were the activities most funded during the period covered by the evaluation. Projects relating to waste management were also predominant, along with capacity-building, training, and education initiatives, as well as projects related to environmental planning and management.

Findings from the key informant interviews indicate that LEAF funding to support environmental management facilitates economic development for communities, specifically by reducing liabilities (particularly associated with contaminated sites) and increasing the economic potential of the land. It should be noted that many projects funded through the LEAF program have also benefited from funding provided by other federal departments, provincial ministries, or other organizations. During the period covered by the evaluation, just over \$4 million have supplemented the funding provided through LEAF. Case studies found that LEAF projects are effective in leveraging funds, particularly if projects have a revenue-generating opportunity.

Key Projects Supported with LEDSP Targeted Funding

As a result of the funding formula, INAC Headquarters and regional offices undertake a variety of activities with the targeted funding. Case studies found the targeted funding enabled a tailored funding approach, allowing regional staff to ensure projects were meeting the needs of communities. The evaluation found the following exemplary uses of funding.

Between fiscal year 2012-13 and 2015-16, INAC Headquarters undertook a pilot project on Land Use Planning for the purposes of economic development. INAC supported seven communities that developed Land Use Planning. Communities conducted extensive community consultations and a mapping process to identify areas of potential development and plan community developments around land use, infrastructure and resources. The process enabled long-term planning within communities, but also built relationships and strategic vision with neighboring municipalities. While LEDSP primarily supports Land Use Planning for the purpose of economic development, the process also has benefits for planning social and cultural development opportunities. For more details on the benefits of Land Use Planning, see Section 7.2 (Best Practices).

The Ontario region has used targeted funding to support a regionally-specific Lands, Environment, Economic Development Advisory Committee. The committee is a partnership between INAC Ontario Region and First Nations communities, which provides advice and recommendations on lands, environment, and economic development issues that may affect INAC programs. Membership is composed of lands, economic development and environmental managers from communities throughout Ontario. Representatives from lands and economic development associations also sit on the board. The board was noted for its engagement of both lands and economic development officers from a variety of communities and areas, resulting in inclusive decision making. In addition, the Ontario region has also used targeted funding to support a capacity

assessment of land, economic, and environmental managers to ensure capacity development supports community needs.

The British Columbia region has used targeted funding to directly support communities land management, use, and planning through LEDSP Targeted. The region has prioritized surveys and long-term planning, particularly Comprehensive Community Plans. Comprehensive Community Planning is a community-driven process whereby a community establishes a vision for its future, considering all key planning areas through a unified process that focuses on sustainable development. Comprehensive Community Plans were highlighted in community case studies as the impetus for land management, economic development, and decisions to transition to FNLM. They were highlighted for their role in ensuring band administration was undertaking activities that were driven by the community as a whole. Communities also noted that because of the high costs associated with surveying, they often have to prioritize other community needs. Support for surveys enabled them to undertake community and economic development activities.

4.1.1 Inuit Art Foundation

Contributions to the Inuit Art Foundation, particularly through their activities producing the Inuit Art Quarterly and administering the Igloo Tag Program, raise awareness of Inuit art.

INAC provides funding to the Inuit Art Foundation to specifically promote and support Inuit visual and performing artists and cultural heritage. INAC provides the Inuit Art Foundation with an annual contribution of \$458,000 for core operating and administrative expenses. While the contribution was previously administered through a stand-alone authority, in 2014, the authority was folded into the *Contributions to Support Land Management and Economic Development*.

The Inuit Art Foundation directly supports artists by promoting Inuit art in Canada and internationally. INAC recently devolved the management of the Igloo Tag program to the Inuit Art Foundation, allowing the Foundation to continue to maintain the internationally recognized licensing program. According to key informants, the support for the Inuit Art Foundation is integral to the marketing and awareness of Inuit art. An evaluation of the Foundation in 2011 found that the organization was effective in promoting Inuit art, particularly through their magazine, the Inuit Art Quarterly, and through events or exhibitions. The evaluation found that networking events facilitated exposure and connections between artists, galleries and other dealers.

4.1.2 First Nations Oil and Gas and Moneys Management Act

FNOGMMA provides the legal mechanism for First Nations to opt in to either the management of oil and gas resource activities on-reserve or the administration of their band moneys normally undertaken by Indian Oil and Gas Canada and INAC, with funding provided through programs meant to help First Nations transition into these responsibilities independent of INAC. FNOGMMA includes two distinct legislative frameworks, the first one relating to the management of oil and gas resource development and the second one relating to the management of Indian moneys (capital and revenue trust moneys) held by the Crown on behalf of First Nations.

There has been limited First Nations uptake of FNOGMMA.

At the time of the evaluation, no First Nation was operational or moving through the opt-in process related to the oil and gas management provisions of the Act. As a result, such activities occurring on-reserve were covered by the *Indian Oil and Gas Act*, and were therefore managed by Indian Oil and Gas Canada. The agency had initially planned to have the *Indian Oil and Gas Regulations* revised by the end of 2014, which would have allowed the amended Act to come into force. However, this was not achievable given the vast volume and technical complexity of the work involved.

Several key informants noted that First Nations are waiting for the updated of the *Indian Oil and Gas Act* and regulations to be approved and come into effect before considering the oil and gas component of FNOGMMA as an option, as updated legislation and regulations would allow them to make a determination as to whether the *Indian Oil and Gas Act* regime is adequate for their purposes. Another key informant noted that administering oil and gas independently is costly for First Nations that do not have the necessary expertise. As such, it is unnecessary to undertake FNOGMMA given that expertise from the Indian Oil and Gas Canada is available without cost.

Further, the evaluation team found that one First Nation is operational under the moneys management component of FNOGMMA and that there was some interest from other First Nations. Interested First Nations may be supported by INAC in undergoing the process to become operational. However, key informants explained that First Nations may choose not to opt into the moneys management component of FNOGMMA due to challenges associated with financial bonding requirements and community ratification thresholds. For example, First Nations that wish to control their trust moneys under FNOGMMA must meet certain criteria. These criteria include developing a financial code that meets the requirements of FNOGMMA. The community must also ratify both the First Nation's decision to opt into FNOGMMA as well as the required financial code through a community vote. As a result, key informants noted that those requirements may discourage First Nations from entering the regime. Key informants suggested that in some cases, the broader community simply has no interest in the regime as the perceived requirements are deemed not to be a significant advantage over the *Indian Act*, and in other cases, communities may not have the capacity to achieve key FNOGMMA milestones such as establishing a financial trust plan.

5. Design and Delivery

5.1 Roles and Responsibilities

Roles and responsibilities between INAC, First Nations and supporting representative partners are generally clear.

Roles and responsibilities between INAC and partners were generally observed to be clear with parties undertaking their respective roles. First Nations undertake a significant amount of the duties related to land management and economic development. The role of First Nations includes engaging in local law making, development and management of systems such as environment and land use planning, monitoring and compliance strategies.

INAC's role varies based on the communities' capacity and land management regime. For communities in the *Indian Act*, INAC often provides a core capacity for land management. For RLEMP Operational communities, and to a lesser extent, FNLM communities, INAC often plays a supportive role. Case studies found that communities wish INAC were more proactive with their engagement and support. Specifically, communities noted they wanted help with the process for leases. Some regional office informants noted that occasionally they must remind RLEMP communities of their responsibilities related to land management, which indicates there is often ongoing support required despite the current levels of training provided under RLEMP.

The Department of Justice is also routinely consulted in cases where legal clarification is needed. The Department of Justice will also help to prepare ballots for the formal voting process when a First Nation is undertaking a community vote for a Designation. Key informants noted in particular that consulting with the Department of Justice is a crucial for the administration of reserve land. However, others noted that the mandate of lawyers acting on behalf of the federal government is to protect the Crown from liability. It should be noted that concerns over the conflict between protecting the Government from liability and facilitating economic development was mentioned by key informants from INAC as well as external stakeholders.

Roles and responsibilities of representative partners such as NALMA, Lands Advisory Board and Resource Centre, and Council for the Advancement of Native Development Officers are generally clear. NALMA provides the tools and resources to support First Nations in managing their lands through professional development, networking, and technical support. Program staff at the regional staff level, stakeholders and communities noted some confusion during the roll-out of the renovated LEDSP program. It was noted by all parties that there was some inconsistency in terms of communication of templates and policy decisions that lead to delays for communities and regional offices.

5.2 LEDSP Funding Formula

There are large variations in funding for economic development between communities. The formula should be reviewed.

In terms of the level of funding provided to First Nations communities under the Community Economic Development Program, there are wide variations within each region. For instance, in Alberta, the Blood Band First Nation has received just over \$1 million in the Community Economic Development Program funding in 2013-2014, while the Chipewyan Prairie First Nation received just over \$20,000. While the Six Nations of the Grand River in Ontario received \$761,200 in the Community Economic Development Program funding in 2013-2014, the Pic Mobert Band received \$3,500.

All lines of evidence indicated that that funding formula for the LEDSP-core, economic development stream may need to be reviewed. This finding echos those of a previous evaluation of the program in 2009, which stated that while the funding's flexibility allowed communities to orient resources to their specific needs, the formula-based delivery made it difficult to ensure the program is used strategically.³¹

While funding is allocated to regions based on their population base, regional offices distribute funding based on regional formulas. As noted above, the data review indicated a distinct discrepancy between communities of different sizes on account of the population-based funding formula. Key informants and case studies noted that the amount of funds received by small communities is insufficient to undertake economic development tasks to create significant impact. At the same time, key informants noted the disparity in funding where larger organizations received large sums of funding. The uniqueness of communities in terms of size, remoteness, access, infrastructure, and economic opportunities should be represented by the LEDSP formula for core economic development.

Small and medium sized communities find the LEDSP core funding for economic development to be insufficient for their needs. Pooling resources to support regionalized program delivery approaches was found to be a best practice.

The case studies confirmed the findings of a previous evaluation in 2009, which found that small to medium-sized remote communities have challenges with the amount of funding meeting their needs.³² They noted that while the funding may support a reasonable salary, after budgeting for office space, training, and travel needs, the funding was insufficient. Many key informants and case studies stated that without the ability to pay competitive salaries, communities have difficulties training and retaining staff, resulting in a high-turnover. Northern communities with higher costs of living and transportation noted particular difficulty in paying competitive salaries. The 2009 Evaluation noted that the turnover of community economic development staff may be as high as 30 percent per year.

³¹ Summative Evaluation of INAC's Economic Development Programs, 2009.

³² Ibid

Case studies highlighted the importance of core funding for economic development. Communities noted that it provided predictability and a core base to seek out opportunities and leverage funds from other areas. Case studies noted the importance of core economic development funding being needs-based. Key informants noted the concerns regarding factors affecting the population-based formula such as remoteness and access to economic opportunity. Some key informants noted that LEDSP core funding should only be needs-based and fully co-ordinated with targeted funding. Some regional offices have adapted an approach whereby a standard base amount is provided to small communities. This approach was demonstrated as an effective way to ensure small communities have a base amount. The practice of pooling program funds under a single entity to support regionalized delivery was noted as a best practice in the 2009 Summative Evaluation of the Economic Development Program.³³

The transaction-based RLEMP formula may not truly represent land activities and needs. The formula should be reviewed.

Funding for operational RLEMP communities is based on the number of active instruments and transactions registered. Some key informants noted that a formula based on the number of transactions did not account for the value or difficulty in performing the transactions. A few key informants noted a transaction-based formula is dependent on how transactions are entered into the system, rather than results. For example, registrations involving a high number of sub-divisions would increase the number of transactions, but not necessarily contribute to a better outcome. While key informants noted the importance of ensuring funding was based on the need to manage land, some key informants noted that there is a need for a small amount of base funding for all communities for land management. If base funding was provided, communities would have the ability to build their land management, plan land use, and pursue opportunities that would lead to a baseline of land transactions.

Communities have difficulty in retaining trained land managers, given funding levels, limited support from NALMA, and a limit of one trained RLEMP manager per each community.

Key informants and case studies stated the challenges of retaining trained land managers as a result of challenges in providing competitive salaries. Trained land managers may leave to work in neighbouring municipalities, which pay them more. Some key informants noted that trained RLEMP managers had moved to work for the Land Advisory Board because the pay was higher. Retaining certified land managers was noted as a particular problem, given that RLEMP communities must have a certified land manager in order to receive funding. If a trained land manager leaves, communities must fund the training of a second land manager from their own budget.

At approximately \$23 000 per certification, the high cost of training was noted as a deterrent for communities wishing to train additional land managers. Furthermore, INAC key informants noted there was limited funding each year to train land managers. The evaluation found that INAC should explore alternative training approaches through on-line courses or local training modules.

³³ Ibid

5.3 Performance Measurement, Data Collection and Reporting

The current data collection mechanisms are ineffective in measuring program performance.

INAC currently has insufficient data collection processes and performance measurement information, which necessarily hinders its ability to measure program success. For example, it was noted by key informants that no database exists to track LEDSP-funded projects and activities. The LEDSP-core economic development stream was particularly identified as lacking effective indicators for tracking outcomes.

Moreover, key informants mentioned that staff members in regional offices have not received proper training for data implementation and monitoring. Existing monitoring, compliance and reporting processes are not sufficient, with key informants specifically noting that it is difficult to properly track what activities are being funded by LEDSP and to properly identify the needs of communities, particularly in terms of funding and capacity development. It was mentioned that regional offices, such as British Columbia, are developing improved performance measurement strategies to enhance data collection and monitoring processes.

While a new Performance Measurement Strategy was created in 2014, key informants noted that the revised Data Collection Instruments were still ineffective. First Nation recipients noted that the Data Collection Instruments are not specific enough to inform planning and that they are unsure what happens to the reports they send. For example, a data field on the Data Collection Instrument that reports whether the community has an economic development plan indicates very little. The plan may be outdated or inadequate for effective planning. Recipients also noted that the new Data Collection Instruments were implemented with very little explanation from regional offices. For example, regional offices told recipients to estimate outcomes regarding the number jobs created or revenue generated. A lack of clear reporting guidelines may lead to poor data quality and may affect strategic decision making. Recipients were equally concerned about reporting requirements and time to fill out the Data Collection Instruments.

Specific challenges to lands and economic development indicators were found. Indicators related to land management have limitations. It is difficult to determine the exact value of acres added to reserve as having a benefit to the community (economic or otherwise). Furthermore, indicators around acres added or number of instruments could not be directly attributed to capacity building of lands and economic development activities.

6. Efficiency and Economy

The amalgamation of land and economic development administration at INAC created opportunities for planning and co-ordination

Key informants noted that since the amalgamation of LEDSP, officer were better able to align investments at the regional offices and Headquarters. Case studies found that land management complications often need to be resolved before economic development planning can begin. In one community case study, it took nearly 10 years for a parcel of land to be designated before the community could build a gas station. INAC employees and case study communities highlighted the importance of land use planning as a prerequisite to and driver for pursuing economic development opportunities. Furthermore, INAC staff noted that since the amalgamation, there has been more flexibility to flow funding from one stream to another, based on community need.

Furthermore, key informants noted that the renovation of LEDSP allowed for regions to have more control over both core and targeted funding, allowing them to base decisions on regional community plans. The flexibility in funding allows regional offices to be more innovative and demonstrate they are using their resources most efficiently.

Some program areas and communities noted complications with the amalgamation of land and economic development programs, particularly challenges for the environmental management components under LEDSP

Findings from some key informants and case studies noted that the amalgamation of lands and economic development was problematic. On a theoretical level, some informants noted the two streams are very different. Key informants observed that while functions were amalgamated, funding was not increased. They noted that the complexity of co-ordination between the two files required an increase in funding. Headquarters interviewees noted that staff for the LEDSP core component had been decreased slightly over the period of the evaluation. Environmental staff interviewees noted a distinct operations and maintenance funding decrease, which affected their ability to travel and monitor projects. Program managers of the contribution to the Inuit Art Foundation noted that the flexibility of the funding arrangement after the amalgamation under the Contribution to Support Land and Economic Development allowed for more flexibility in the variety of projects they could undertake.

Some key informants noted the objective and criteria of LEDSP and LEAF did not match in terms of promoting pollution prevention, regulatory compliance, and health and safety of First Nation and Inuit communities. After the realignment, the objective of targeted environmental funding was seen to focus on unlocking economic benefits for First Nations through environmental objectives. Stakeholders noted that it was essential to achieve sustainability in order to protect lands, resources, and environment for future generations. Environmental managers noted that their integration into the economic development and lands management streams was difficult because they had previously had a different decision-making process regarding proposals. Key informants at Headquarters and regional offices were concerned that the spirit of the 20 percent split of targeted funding for the environmental priority was not being respected. In the newly restructured program, their stream received less their 20 percent of the overall funding at a regional level. Some key informants felt the consolidation of authorities allowed their funding to be appropriated by other funding streams.

Supporting First Nations capacity to administer and register lands will create efficiency for the Department in the long term.

The number of RLEMP and FNLM communities taking on additional responsibility has been increasing steadily. While key informants noted that INAC still administers a significant portion of transactions, regional office representatives noted that First Nations are taking on additional capacity. Even with RLEMP First Nations performing some transactions, regional offices staff noted their time was freed up to focus on more complex transactions. INAC land managers are able to work with land managers in RLEMP First Nations and build their capacity. In some cases of communities with high capacity, INAC provided only the final approval, review, and execution for land documentation. However, INAC staff in regional offices noted that staffing constraints restrict their ability to play a stronger role in providing land management guidance and support.

Supporting economic development and land management allows First Nations to leverage funding from other sources and pursue opportunities for own-source revenue.

LEDSP support provides the communities with the capacity to identify and plan for economic opportunities that generate revenue. Own-source revenue enables First Nations to become self-sufficient, creating an additional funding source to support many activities, including additional funds for economic development, social or cultural development. All of the case studies found that INAC funding covered only a portion of economic development and land management office expenses. The remainder of the costs for those offices were covered by other funding areas or own-source revenue. Communities were effective in leveraging funds from federal, provincial, and private sources. Communities noted that own-source revenue provides communities freedom to invest in future opportunities based on community needs, without the conditions attached to government contributions.

6.1 Factors Affecting Performance

6.1.1 External Factors

Good governance, internal capacity and culture contribute to readiness to undertake land and economic development opportunities.

Case studies and key informant interviews highlighted the importance of readiness in pursuing economic development opportunities and in transitioning through land management regimes. Good governance was regularly cited as a positively contributing factor to economic development. All case studies noted that the role that Chief and Council played in economic development could greatly affect the likelihood that an economic development opportunity would be successful.

The literature review noted that leadership development is important for communities who seek to take advantage of economic opportunities; however, many Aboriginal leaders lack formal training in management, administration, and governance.³⁴ The Harvard Project for American Indian Economic Development also revealed that leadership, the capacity to make and implement decisions, the development of appropriate institutions, and the role of culture are also vitally

³⁴ Wesley-Esquimaux and Calliou (2010)

important in strengthening the economic bases of indigenous communities.³⁵ Culture was strongly highlighted as a contributing factor to successful land and economic development.

The Leadership capacity gaps that some communities face, compounded by limitations of governance capacity, or poor governance structures, act as further barriers to developing Aboriginal communities. Case studies in Ontario found that some land managers may be challenged by community leaders that are hesitant to engage in economic development based on a formal land regime. For many First Nation communities, lands have a social and cultural value that must be reconciled with any potential economic development.

Planning can mitigate risks and strengthen readiness to undertake opportunities.

Key informant interviews, case studies and the literature review found various ways in which planning strengthens community development, and contributes to opportunity assessment and development. Comprehensive Community Plans were mentioned in all British Columbia case studies as a key factor that guides decision making related to land and economic development. Communities noted that regardless of internal governance, Comprehensive Community Plans contributed to long term community planning by setting key community priorities. Land Use Plans were also emphasized as supporting accountability and long-term vision in the community. Land managers noted that Land Use Plans were important to document the rules, regulations and plans for First Nation communities.

Geography and community infrastructure limit First Nations' ability to undertake economic development.

Geography also plays a role in determining economic success. Aboriginal communities are often located in remote areas that are difficult to access. Those communities near major economic centres have been shown to have more economic development opportunity.³⁶ Barriers to increasing the usability of the land base also exist where there may be poor or unusable reserve lands, where lands that have decreased in size due to expropriations or land removals, or where there is poor or a lack of proper community planning and design.³⁷ Remote locations and population base also affect the size of market and availability of qualified individuals. Case studies found that communities in remote locations may experience difficulty recruiting and retaining qualified individuals in lands and economic development positions.

Case studies and the literature review found that infrastructure on-reserve can pose a barrier to potential economic development opportunities. Case studies found that water and wastewater infrastructure had been a key barrier preventing the development of potential commercial leases.

The National Aboriginal Economic Development Board cites proper infrastructure as critical to the development of an economy, particularly so in an Aboriginal context.³⁸ Transportation infrastructure helps move goods to market, community infrastructure helps ensure that the local population has the necessary services and supports to ensure public health and safety, and communications infrastructure connects communities to domestic and international networks. Community

³⁵ Cornell and Kalt 2006, pg 12

³⁶ Senate Standing Committee, 2013 pg 38

³⁷ Ibid, pg 38

³⁸ The National Aboriginal Economic Development Board, 2012: 29.

respondents noted that there are limited funding opportunities for infrastructure, affecting their ability to pursue economic development opportunities.

6.1.2 Internal Factors

RLEMP may have difficulty in achieving results because trained land managers may have difficulty implementing a land management regime.

Several case studies found that formal land management regimes are different than traditional approaches to land management. Land managers who operate through the RLEMP experienced some difficulty in convincing leaders to embrace a formal land management regime for economic development. Some land managers that return after completing the two-year land management training feel isolated when they come back to their community and not necessarily supported in their attempt to implement what they have learned. Certified land managers may then move on to other opportunities after their training has been completed. Land managers noted the importance of educating the community on land management issues and taking a change management approach to implementing formal land management.

Community capacity, planning, and engagement contribute to the success of the FNLM community ratification process.

All lines of evidence noted that community capacity contributes to success of aspiring FNLM communities. Best practices from case studies and the literature review indicated that FNLM decision making must be community-based. However, many key informants noted that there was a lot of misinformation about the FNLM regime. Communities that had successful votes undertook the following preparations to inform decision makers and community members:

- Visiting other successful FNLM communities to hear about their challenges and factors contributing to their success;
- Establishing a clear champion for the FNLM ratification vote;
- Conducting extensive community engagement through member surveys, meetings, information materials and home visits;
- Providing information to the community through mail outs, pamphlets, and Facebook;
- Ensuring information was non-biased, supporting a community-driven decision;
- Aligning FNLM ratification with foundational community documents and planning such as Comprehensive Community Plans, and community constitutions; and
- Providing monetary support to participating voters that covered for transportation, child care and other expenses.

Case study respondents noted that community votes are very expensive and require a significant amount of work. The FNLM ratification process was particularly complicated for communities with a large population of off-reserve community members. They noted that electronic voting would be significantly more efficient while better enabling the vote for members off-reserve.

After FNLM ratification, some communities struggle to implement the regime.

Communities were concerned about the amount of support for operational communities given the number of activities involved in establishing the required laws, land use plan, and environmental plan. Some communities noted that the demand for land management had increased dramatically as community members became more aware of their services following the adoption of the FNLM regime. Following the implementation of FNLM, case study communities noted they had to access other external funding through grants to cover the increase in operations. Communities voiced concern over the long-term availability of FNLM Operational funding.

The evaluation found that the effectiveness of FNLM communities ultimately depends on the strength of the land code. While many communities benefited from managing lands according to their own land code, evaluation findings indicate some communities have built land codes with processes that are more bureaucratic and burdensome than those under the *Indian Act*. While FNLM communities make their own land codes, some communities noted challenges aligning their laws with off-reserve laws in the areas of hunting, conservation, environment and enforcement.

Communities may not transition to FNLM for a number of reasons.

Ultimately, some communities do not aspire to transition to the FNLM regime. Case studies found that some communities that are RLEMP operational may prefer to stay under the *Indian Act* and not transition to the FNLM regime. While INAC program staff seemed ambitious that most of those communities in RLEMP would become FNLM operational, communities may be hesitant to take on the additional liability associated with FNLM. Communities operating under RLEMP may find the program enables them to undertake land management activities effectively.

Case studies and the literature review noted that some communities may not yet have community support to enact the FNLM regime. Some communities noted that INAC must fulfill its treaty obligations by continuing to undertake land management and holding the liability for reserve lands.

Some communities may be unable to take on the additional administrative responsibility of managing land. Some communities may lack the human resources or capacity to manage leases, permits, designations, and land use planning. In Quebec, it was noted that the *First Nations Land Management Act* was designed to work in a common law system without consideration for the civil code system. Implementing the FNLM regime in Quebec would have implications for land codes and other on-reserve bylaws that must be aligned with off-reserve laws. It was noted by the Quebec Regional Office that there was additional work and legal costs associated with adapting FNLM templates.

In some cases, processes arising from the *Indian Act* hinders communities' ability to pursue economic development opportunities

Key informant interviews and nearly all case studies found that the designation process (Section 38(2) of the *Indian Act*) is lengthy and expensive, even in spite of recent improvements to voting and approval processes. Permitting (Section 28 of the *Indian Act*) was seen as causing delays, particularly the registration process, which several case study key informants said often exceeded the 15-day service standard. Locatee leasing, where community and departmental approvals are needed for an individual to lease to an outside party (Section 58(3) of the *Indian Act*), also has the potential

for causing delays and forgone business. Two community case studies identified specific instances where major developers or flagship lease holders were interested in leasing parcels of land, however, the opportunity was forgone because INAC processes took too long for the interested parties and they sought opportunities elsewhere.

7. Other Evaluation Findings

7.1 Linkages throughout Land and Economic Development Outcome and Beyond

Administration of Reserve Land has enabled potential economic development opportunities.

As already noted, this evaluation focuses specifically on the Land and Economic Development Services sub-program. An evaluation of the Administration of Reserve Land was conducted concurrently. While this evaluation covered activities associated directly with this sub-program, it also examined, as required, the impact or related activities undertaken through the Administration of Reserve Land.

For the purpose of this evaluation, the program logic was analyzed at two levels. First, each of the two sub-programs (Land and Economic Development Services and Administration of Reserve Land) had distinct logic models, as presented in their respective Performance Measurement Strategies. According to these two documents, the following immediate outcomes are pursued through the series of activities described in the preceding subsection of this report.

Table 4

Sub-program	Expected immediate outcomes
Lands and Economic Development Services (Program Alignment Architecture Sub-program 3.2.1)	<ul style="list-style-type: none"> • First Nations have a land base ready to support economic development • First Nations and Inuit developing economic development and land-use planning, and conducting land and environment management activities, regulatory compliance and environmental preventative activities • First Nation communities are prepared for autonomous land, oil and gas, and money management
Administration of Reserve Land (Program Alignment Architecture Sub-program 3.2.3)	<ul style="list-style-type: none"> • Increased clarity and size of reserve land base • Indian moneys receipts and opportunities for revenue generation
Source: Performance Measurement Strategy – Administration of Reserve Land (2014), Performance Measurement Strategy – Lands and Economic Development Services (2014)	

The evaluation examined in depth how LEDSP enables communities to take advantage of Additions to Reserve land, supporting development on-reserve lands. Additions to Reserve processes and land designation are opening up new economic opportunities, creating a continuing need for land management and economic development. Since 2006, nearly 350 000 hectares of land were added to reserves under the federal Additions to Reserves / New Reserves Policy, a 12 percent increase to the First Nations land base. In addition, the amount of land that is controlled by First Nations through the *First Nations Land Management Act* regime is also increasing.

The increase in land designation and the development of additional on-reserve land for economic development projects are being supported by LEDSP. LEDSP supports the outcomes of the Administration of Reserve Land Sub-program by providing funding for land and environmental management, economic development and capacity building. In some cases, the program also supported land use planning, Additions to Reserve, and surveys. The evaluation found that LEDSP supported the administration of reserve land from both a federal and First Nations perspective.

The cost of surveys hinder communities undertaking economic and land development.

Case studies and key informant interviews noted that the cost of surveys hindered their ability to manage land effectively and undertake some economic development opportunities. The requirement to have a lands surveyor that is certified by Canada rather than the province was noted as a specific hindrance. Canada Lands Surveyors were noted to be more expensive than provincial surveyors and more difficult to contract, given that there are fewer of them. Furthermore, with less surveyors available, it creates particular challenges in contracting surveyors to come to remote locations. Lands managers noted they often have to wait until there are several lots to be surveyed as a bundle, so they can save on the expensive travel time and costs.

LEDSP enables effective land management, facilitating access to capital and opportunities through designations and other instruments

According to the literature review and case studies, access to capital and limited access to equity was identified by many communities as a barrier to economic development. Challenges were associated with access to capital and financing, including rejections from mainstream lenders, the lack of access to debt financing (such that is available to municipalities), and having to pay higher interest rates than other borrowers due to the fact that reserve lands cannot be mortgaged.³⁹ Section 89 of the *Indian Act*⁴⁰ restricts the use of reserve land as a source of collateral for First Nations communities and individuals, explicitly restricting the mortgage of on-reserve property, with the exception of designated lands. Several reports point to the inability to obtain collateral against property on-reserve as a principle barrier for communities seeking to obtain capital for economic development projects.⁴¹ Sound land management enables First Nations to access opportunities and obtain capital. Active land instruments and land designations create opportunity-ready land on-reserve and generate own-source revenue to fund further economic development opportunities and community assets.

Base funding for economic and land development through LEDSP compliments proposal-based funding such as through the Community Opportunities Readiness Program

Key informant interviews and nearly every case studied mentioned that the LEDSP funding provided a core capacity for communities to identify and develop opportunities that could be used to leverage additional funds. Core LEDSP funding supported communities in pursuing potential land and economic development opportunities and applying to other INAC programming to support the project. The Community Opportunities Readiness Program was most often mentioned

³⁹ Indigenous and Northern Affairs Canada. (2013). "Creating the conditions for economic success on reserve lands: A report on the experiences of 25 First Nation communities." 19.

⁴⁰ Section 89 provides that: "[T]he real and personal property of an Indian or a band situated on a reserve is not subject to charge, pledge, mortgage, attachment, levy, seizure, distress or execution in favour or at the instance of any person other than an Indian or a band." *Indian Act*, R.S.C. 1985, c. I-5, s.89(1).

⁴¹ The National Aboriginal Economic Development Board, 2013: 13; Senate of Canada: 32.

as a funding source that could be used to operationalize economic development plans and Land Use Planning. Community Opportunities Readiness Program has been considering modifying their assessment criteria to give credit to communities that have established a Land Use Planning for potential projects. Several communities from case studies utilized capacity building support from the First Nations Market Housing Fund to support land management activities. The First Nations Infrastructure Fund and EcoEnergy also supported land and economic development projects. Communities noted that LEDSP funding enabled them to pursue funding opportunities from other government departments, including Western Diversification, Environment Canada, Employment Skills and Development Canada, as well as from provincial funding sources.

Aboriginal capacity in economic development and land management positively contributes to the success long-term, complex projects such as those through the Strategic Partnerships Initiative.

Aboriginal capacity support and development is in line with the literature review, which demonstrates the importance of engaging and expanding upon recipient's capacity, further assisting First Nations and Inuit communities in developing successful ventures and policies in the future.

LEDSP core funding targets Aboriginal communities and organizations, providing them with the capacity to take advantage of land and economic development opportunities. The support provides funding for land and economic development services that may undertake early planning, governance development and development of human capital. The need for early planning and assistance of project development allows for the work to compliment other economic programs of the Department such as Strategic Partnership Initiative. By having a base funding for land and economic development, it provides the groundwork of a project to support human development and planning which may assist with later development of economic opportunities for the First Nation, or Inuit community.

With a focus on base funding, LEDSP programming makes a unique contribution to economic development projects on behalf of the Department by facilitating activities and early planning. It contributes to community readiness to participate in complex, strategic economic development opportunities like those undertaken through the Strategic Partnerships Initiative. LEDSP targeted funding to organizations such as Council for the Advancement of Native Development Officers, NALMA, and Lands Advisory Board and Resource Centre provides additional support to First Nations to pursue long-term strategic economic development opportunities.

LEDSP Targeted funding prevents environmental damage, such as contaminated sites and limits crown liability

LEDSP – Targeted funding supported Land Use Plans that identify contaminated sites and reduce the risk of constructing infrastructure or developmental projects on contaminated or environmentally sensitive lands. The evaluation found that Land Use Plans could decrease the impacts of natural disasters by designing communities that are better able to manage disasters. Land Use Planning has the potential to improve federal coordination between departments such as Health Canada, Natural Resources Canada, Public Safety and the Departmental of National Defense. At the same time, environmental management funding through LEDSP targeted reduced liabilities associated with contaminated sites.

7.2 Best Practices and Lessons Learned

7.2.1 *Best Practices*

Holistic approaches to community, land and economic development planning contribute to success at a community level.

Comprehensive Community Plans enable communities to establish key priorities and key linkages across program areas. As a result, some communities appear to be effectively leveraging funding sources across programs at a federal and provincial level. They are also able to leverage private sector funds. Furthermore, case studies identified the importance of balancing economic development with cultural, social, and environmental considerations in the community. Holistic planning allows communities to assess business and land opportunities to make informed discussions on the future of the community.

As part of Comprehensive Community Plans, Land Use Plans support extensive community consultation using a map-based approach. It allows community members to be familiarized with the process, identify economic development and other opportunities, and identify infrastructure and resource needs. Community engagement and involvement enables a community-driven process that allows citizens an opportunity to balance cultural and social opportunities with economic development opportunities. It also encourages faster land transactions and reduce the risk of contaminated sites or impacting environmentally sustainable lands.

With long-term land and economic development planning, communities may consider a range of factors, including market potential, financial sustainability, synergies with existing businesses, local labour force, funding potential, partnership potential, fit with environmental and culture values, infrastructure needs, agreements with neighbouring municipalities, and impact on community. Plans for sustainable development create a vision that goes beyond the two year election cycle.

Organizational design, planning and performance management of economic development operations increases potential success and mitigates risks

The literature review and case studies found that establishing an arms-length decision-making body for economic development activities supports effective decision making and prevents interference by elected officials. Some communities noted that establishing an independent economic development corporation had been a key factor of success in their communities. Establishing a system whereby a portion of profits are devoted to the band office and a portion of profits are reinvested contributes to corporate sustainability. Documents and case studies also recommend separating profit-making businesses from profit-losing businesses, establishing the latter as non-profit entities with a social-focused goal such as employability. Operational protocols for businesses such as performance management targets and regular assessment of profitability contributes to business success and sustainability. Lastly, before investing in potential ventures, economic development offices should assess the viability and suitability of the business, based on pre-established criteria.

8. Conclusions and Recommendations

This section provides conclusions on the main evaluation issues addressed in this report. As appropriate, recommendations are included.

8.1 Conclusions

8.1.1 Relevance

LEDSP is a key element of a shared vision between First Nations and the federal government that aims to broaden and strengthen the capacity of First Nations communities to manage their land and economic development. Recognizing that the legislative framework provided by the *Indian Act* contains limitations, Parliament adopted the *First Nations Land Management Act* and the *First Nations Oil and Gas and Moneys Management Act*. While pursuing specific goals, these two pieces of legislation reflect a commitment to provide opportunities for First Nations that desire to assume greater autonomy in managing their land and assets. Evaluation findings confirm that, in order to give full meaning to the various land management regimes available to First Nations, there is a need to build, enhance and sustain the institutional capacity of First Nations to plan and manage their land and economic development. Through the range of activities it covers, LEDSP contributes to this objective.

There is a direct alignment between LEDSP and the priorities of the federal government, including those of INAC. The 2009 *Federal Framework for Aboriginal Economic Development* prioritized economic development for First Nations, and that message has been echoed in successive federal budgets. During the period covered by the evaluation, INAC has also responded to this overarching priority by restructuring its land management and economic development programming in order to strengthen the linkages between these two functions.

Finally, the relevance of LEDSP must be properly contextualized, particularly as it relates to the activities of INAC in the administration of reserve land. Historically, the Department has undertaken a wide range of land management activities on behalf of First Nations. At the time of the evaluation, the Department continued to be involved in land management, particularly for those First Nations operating within the land management regime under the *Indian Act*. The Department is therefore expected to maintain dual roles, assuming land management functions for a number of First Nations, while providing the support, through LEDSP in particular, to First Nations that wish to assume greater autonomy in land and environmental management..

8.1.2 Performance – Effectiveness and success

Core and targeted funding

The LEDSP core funding provided to First Nations for economic development purposes constitutes the largest portion of LEDSP funding and is the component that reaches the largest number of First Nations communities. Evaluation findings point to a range of key activities undertaken through this funding, most notably economic planning through the hiring of economic development officers, or through other processes. It must be emphasized that the current formula used to distribute this funding leads to significant variations among First Nations. While some First

Nations receive just over \$3,000 annually, others get over \$1 million. Regardless of the amount, the evaluation found that base funding to communities for economic development was critical. While a number of factors must be taken into account when allocating funds, evaluation findings point to the need to strengthen the current funding formula in order to achieve greater results. The evaluation process also highlighted the challenge that both First Nations communities and INAC still face in adequately documenting the full impact of this funding.

The targeted funding under LEDSP complements the core funding component, and has allowed First Nations, particularly land managers and economic development officers, to receive support and training from a number of regional and national organizations. The targeted funding has also provided support to environmental initiatives that, in many cases, are directly linked to land management and economic development planning. As structured, the targeted funding has provided latitude to accommodate regional priorities. Evaluation findings indicate that this level of flexibility is seen as particularly important in order to respond to the wide variety of priorities and needs throughout First Nations.

Newly integrated into LEDSP, the funding provided to the Inuit Art Foundation highlights the economic dimension of cultural activities, particularly when it comes to marketing Inuit art in Canada and around the world.

Reserve Land and Environment Management Program

RLEMP exemplifies the fundamental goal of LEDSP, as its primary goal is to directly enhance the ability of First Nations to undertake land management for the purpose of economic development. RLEMP also works to facilitate First Nation community's transition into more sophisticated land management regimes such as the *First Nations Land Management Act* regime or comprehensive self-government. This component of the program has built on previous iterations that have pursued similar goals. Throughout the period covered by the evaluation, 74 First Nation land managers were certified under the Professional Land Management Certification Program, which has led to a sustained increase in the number of First Nations becoming operational under RLEMP. Whereas 11 communities were operational under RLEMP in 2009-2010, that number grew to 59 by 2013-2014. First Nations that are operational under RLEMP continue to operate under the land management regime of the *Indian Act*, but are in a position to be more actively involved in a range of activities related to land management.

While benefits of the program have been highlighted throughout the evaluation process, findings indicate that a key challenge faced by First Nations that operate under RLEMP is to maintain the capacity they gain through the training and certification program. Also, evaluation findings indicate that the current funding formula could better reflect the needs of participating communities.

First Nations Land Management Act

The *First Nations Land Management Act* has implications on the role of participating First Nations in land management and economic development. Evaluation findings indicate that the assistance provided through LEDSP is essential for a community to complete all transitional requirements to operate under this alternative land management regime. During the period covered by the evaluation, the number of First Nations that became operational under the FNLMA grew from 29 to 38. The number of development First Nations grew from 13 to 27. The support provided to the

Land Advisory Board, including its Resource Centre, has allowed these communities to access the training and tools they require to operate under this land management regime. Evaluation findings also point to direct positive impacts for those communities operating under the FNLMA, including the ability for participating First Nations to manage their own land code, to manage risks in accordance with their needs and economic development priorities, and to manage land transactions more effectively.

First Nations Oil and Gas and Moneys Management Act

The *First Nations Oil and Gas and Moneys Management Act* pursued goals similar in nature with those associated with the FNLMA: allowing First Nations to assume greater autonomy, related in this case to either oil and gas management or moneys management. As such, LEDSP provides funding to facilitate the transition of participating First Nations into this optional legislative framework (for either one or both components). Contrary to what has been observed with the FNLMA, only one First Nation has opted into the moneys management part of FNOGMMA. In particular, the high level of complexity associated with oil and gas development, and the range of technical skills required, appear to have contributed to the current scenario where Indian Oil and Gas Canada remains responsible for managing these activities on behalf of First Nations. With regards to the Moneys Management component, legislative requirements for financial bonding and a community ratification process were seen as challenges to entry into the regime. Given the limited uptake on FNOGMMA, the rationale for maintaining *First Nations Oil and Gas and Moneys Management Act* as a legislated options has yet to be clearly articulated.

8.1.3 Efficiency and economy

The amalgamation of land management and economic development activities under LEDSP has proven to be both beneficial and challenging. There is a strong logic that links these two areas, including environmental considerations. In practice, however, evaluation findings indicate that operational challenges remain in ensuring LEDSP can be managed as effectively as possible in order to fully achieve its expected impacts. The flexibility provided to regional offices in order to manage some of the LEDSP funding in accordance with local and regional priorities appears particularly relevant in that regard.

The ability of the Department to fully monitor and measure what is being accomplished through LEDSP is also a determining factor in ensuring efficiencies in resource allocation. At the time of the evaluation, the program had yet to collect all the information required by the revised Performance Measurement Strategy.

Finally, a number of factors, including many external to the program, will continue to impact the ability of LEDSP to fully reach its expected results. The strength of First Nations' governance structure, their institutional capacity, their geographic locations, and the overall cultural context in which they operate will all continue to have an impact on the implementation of LEDSP.

8.1.4 Other Evaluation Issues

The evaluation found that LEDSP complements other activities and funding in the Land and Economy Strategic Outcome. At the same time, more can be done to ensure that programs under Land and Economy maximize their efforts. The evaluation highlighted several best practices and lessons learned, including planning at a community level, effective organization of business entities, and strategic decision making about business operation and acquisition.

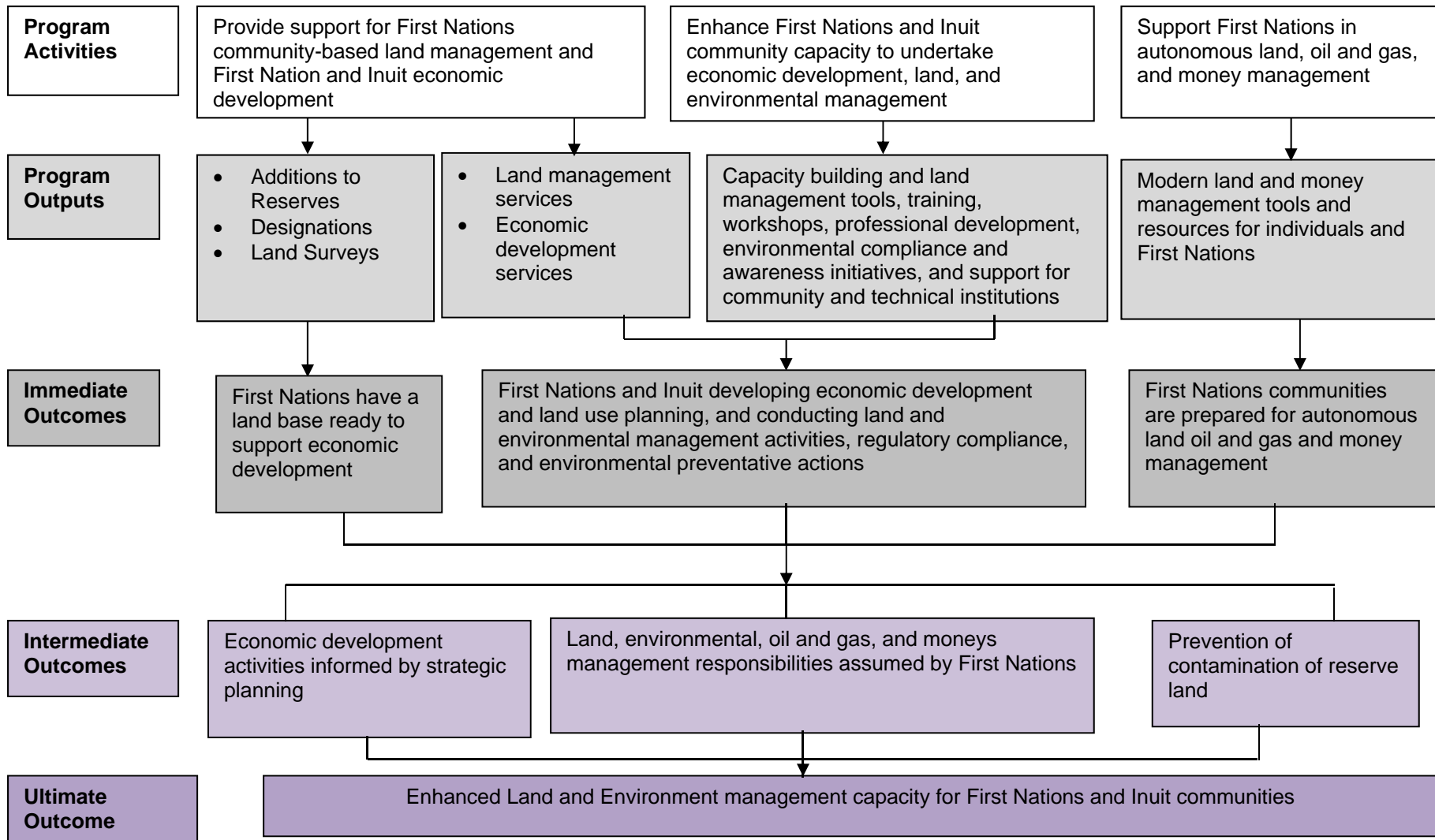
8.2 Recommendations

Based on the evaluation findings, the following recommendations are submitted:

1. Review Land and Economic Development Services core funding formulas.
2. Increase collaboration and efforts to enable planning around land that will facilitate opportunities for economic development.
3. Continue to ensure regional offices are able to utilize targeted funding in a flexible manner that meets strategic community needs while maintaining an emphasis on the environmental stream.
4. Review Data Collection Instruments and Performance Measurement Strategy to ensure they adequately inform departmental decision making around community development, with a focus on the outcomes of economic development and land management..
5. Develop a strategy for continued capacity development of communities to maximize access to the continuum of LED programs, and facilitating aspirational communities' transition to sectoral self-government.
6. Explore the continued relevance of the different components under the *First Nations Oil and Gas and Moneys Management Act*, given the limited participation of First Nations.

Appendix A – Logic Model

LOGIC MODEL



**Departmental
Strategic Outcome
(The Land and
Economy)**



Full participation of First Nations, Métis, Non-Status Indians and Inuit individuals and communities in the economy

