

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
POLICY ISSUE PAPERS

Storyline Version

AFN seeks a joint policy process to develop a distinct, First Nations labour market strategy	1. The Relationship: A Joint Policy Process	2nd draft	A joint process to ensure FN input on FNLMS to ESDC
This joint process will set the tone for the long-term relationship of partnership and autonomous First Nations decision making over labour market matters	2. The Relationship: End Game	2nd draft	Setting up a n-to-n, gov-to-gov relationship for the governance of FLMS
First Nations' unique constitutional, cultural, demographic, economic and social conditions justify a distinct strategy	3. FNLMS/FNLMA	2nd draft	Rationale for an distinct FN strategy
The new strategy should be embedded in a Statute reflecting First Nations' right to self-determination	4. The policy Instrument	2nd draft	A statute (enshrined) as opposed to Gs&Cs (discretionary) approach to FNLMS
The Statute would create a FN Labour Market Commission and Secretariat, require the Minister to table a five year Spending Plan and to enter into agreements with FNLMA's establishing FN leadership of labour market matters	5. First Nations Jurisdictional Authority – Statutory Approach	2nd draft	AFN Labour Market Commission: rationale and description
First Nations will provide access to programs and services to urban band members and governance of these services will respect court decisions	6. Urban - incomplete	1st draft	To establish policy for program and service delivery in urban centres that respects the relationship and court decisions

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A key objective is to re-establish the budget envelope which has been eroded by inflation and population growth and provide for unique costs under the strategy	7. The Envelope	1 st draft 2 nd draft	Re-establish and enhance the budget Add line for PwD, Capacity
AFN aims to provide predictable, stable, adequate long term funding for First Nations labour market programs and services	8. Term – 10 Years	1 st draft 2 nd draft	How to provide for predictable, stable, long-term funding - Addition of annex for review process
Institution building should be an explicit goal of the strategy to give life to First Nations' self-governance over labour market programs and services	9. Institution Building	1 st draft	Make an explicit goal of the Strategy
The relationship should be flexible with the regime for agreements adaptable to reflect service provider agencies' capacity	10. Terms and Conditions – Flexible and adaptable	1 st draft	Fully exploit the new PTP, balance control and autonomy according to capacity
Agreements will continue to be with ESDC but respect First Nations' autonomy to enter into other partnerships and programs	11. ESDC Specific – Operational Autonomy (non-exclusive)	1 st draft	Contribution agreements with ESDC but free to deal with other funders and partners
ESDC should not undercut the strategy and FNLMA and treat FNLMA as partners of choice (right of first refusal) when incremental resources and new initiatives are undertaken	12. Parallel Aboriginal Programs	1 st draft	To provide Right of first refusal in applications for Aboriginal programming

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FNLMA's should also be partners of choice and free to apply to other GoC programs based on the needs and opportunities of their communities	13. Other Application-based Pan-Canadian Programs	1 st draft	To confirm the opportunity to apply and review the administrative burden
All Pan-Canadian programs should continue to be taxed to create a First Nations allocation reflecting that First Nations are best positioned to design and deliver programs for their members	14. EI and Other Envelopes	1 st draft	To affirm that there will continue to be an EI Envelope in the FNLMS budget
FNLMA's autonomy to manage the EI envelope will be respected and delegation under the EI Act maintained	15. EI Authorities	1 st draft	To clarify that FNLMA's have delegated authority under the EI Act
A partnership should be developed with ESDC to ensure that the TFW does not undermine employment and training opportunities for First Nations members	16. Temporary Foreign Workers Program	1 st draft	To enrole FNLMA's so that the Canadian's First Policy is applied and First Nations benefit from job opportunities
[Can be merged with EI and Other Envelopes unless there are other issues] The Youth envelope should continue to be rolled into the budget allocation with accountability for results and flexibility on program design and delivery	17. Youth Envelope	1 st draft	To retain in the FNLMS

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Childcare should continue to be part of the Strategy with access to spaces a principle of labour market programming; policy changes should await the results of an AFN Child Care committee to conduct a thorough review	18. Childcare - incomplete	1 st draft	To retain in the FNLMS and submit to a review
A pro-active, First Nations strategy for addressing the needs of PwD should be developed and the budget envelope increased to recognize the incidence of disabilities among First Nations	19. Persons with Disabilities	1 st draft	To develop a FN Employment Strategy for PwD
ESDC needs to enhance the professionalism of its delivery staff to match the goals and design of the strategy (partnership and autonomy)	20. ESDC/SC Delivery	1st draft	To table issues with ESDC delivery capacity
Capacity building needs to be included in the Strategy to achieve the goal of strong, First Nations service delivery institutions and form a key part of the role of the Secretariat	21. FNLMA Capacity Building	1 st draft	To present approaches for developing FNLMA capacity
Joint work should be undertaken to reduce administrative and reporting burden following cabinet approval and prior to implementation	22. Reporting Burden	1 st draft	To table options for reducing Admin Burden

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Administrative costs should be freed from arbitrary rules and inconsistent oversight	23. Administrative Costs	1 st draft	To end caps on Admin Costs
Remote and Northern operating and program and service costs need to be recognized and included in the budget envelope as incremental funds	24. Remote and Northern Costs - incomplete		To include costs of doing business in the North and Far-north in allocation decisions
ESDC will include First Nations leadership and labour market expertise in the FLMM and regional p-t work	25. Provincial-Territorial Relations	1 st draft	To establish by policy, FN inclusion in p-t discussions and program and service delivery
[to move up in future round of changes] Community-based, client centred programming and services will continue to be principles of the strategy	26. Community Based and Client Centred	1 st draft	To affirm as principles of program and service design and delivery
To support this principle, adequate case management processes, staff training and IT resources will be provided	27. Case Management	1 st draft	To review expectations of case management
The Commission will provide leadership to First Nations for addressing labour market issues and outcomes for First Nations and will be supported by a set of “population well-being” indicators	28. Data Sets: Commission	1 st draft	Population Indicators to measure progress on issues

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Service provider agencies will be supported by a results-based accountability framework and a simple set of meaningful indicators	29. Data Sets: Service Providers	1 st draft	Program performance indicators to track and assist FNLMA's
The annual Five Year Spending Plan will be based on factual, agreed upon population growth and inflation factors	30. Data Sets: Spending Plan	1 st draft	To embed indicators for establishing the budget in the Statute
A set of vignettes will be developed to expose Ministers to the reality, diversity and success of First Nations labour market programs and services	31. Vignettes	1 st draft	Success stories illustrating range of delivery models and programming (for ministers)

Date updated:
November 7, 2016

DRAFT

**ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 1 – The Relationship: A Joint Policy Process**

DESCRIPTION: To set out the relationship between AFN (based on national resolutions) and ESDC for the development of a new First Nations Labour Market Strategy (FNLMS) so that the FNLMS will be the product of a joint policy process whereby the Government through the Minister of ESDC has agreed to:

- Enshrine the FNLMS through a Statute, and
- Implement a FNLMS as conceived by First Nations through the offices of the AFN including:
- Governance, program policy and design and funding mechanisms ensuring First Nations leadership and autonomous decision-making over labour market programs and services for First Nations people
- This Joint policy process is to be “end to end” from crafting recommendations to Ministers to implementation follow-up.

OPTIONS: (each option can be seen as an enhancement to the preceding option)

1. AFN submits an “MC-like” document to Employment and Social Development Canada (ESDC) which serves as input to ESDC cabinet recommendation process and evidence of engagement with First Nations designated officials and representatives for labour market development and concretizes (“resetting”) the new relationship desired by the Government of Canada with First Nations; and which includes opportunity(ies) for the AFN Chiefs Committee on Human Resources to consider and approve proposed approaches.
2. Officials meet as necessary to elaborate, explain, work out areas of disagreement or difficulty and develop solutions.
3. Process concludes with an AFN senior officials and Assistant Deputy Minister meeting(s) to resolve outstanding issues, as appropriate (if necessary), to transmit the final document, to review next steps and time-line for renewal [with an offer to provide a Ministerial briefing to support Minister at cabinet].
4. Joint work will be necessary after cabinet approval including a Treasury Board Submission, program design and roll-out, communications and follow-up (e.g. processes would likely need to include a formative evaluation or implementation audit).

RATIONALE:

- As advocate for FN, AFN wishes to move forward with a “new relationship” with the federal government and engage in a process and outcome that reflect autonomous decision-making in areas that are of concern to First Nations
- AFN wishes to input directly into the cabinet approval process based on its mandate to advocate for improved policy and programs supporting First Nations priorities; involvement since Pathways to Success (25 years) in promoting First Nations-managed and delivered employment programs and services; knowledge

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- of First Nations conditions; experience with managing contributions agreements, funding models, and knowledge of program delivery conditions (i.e. federal paternalistic approach, micromanagement, quality-qualifications and lack of cultural sensitivity of Services Canada staff on a federal level and the need for enhanced capacity among First Nations).
- A key issue for Ministers is the expected reception that a policy announcement will receive. In this case, the ESDC Minister will be able to affirm that she has engaged in a joint process and that FN leadership agrees that the FNLMS reflects their input, will be effective in contributing to resetting the relationship with FN and in addressing FN employment issues
 - A joint policy process will impact downstream program development facilitating implementation and operations.

CONSIDERATIONS:

Openness to engagement and input will vary with the different aspects of the strategy:

- A joint policy process with AFN will be consistent with a distinct First Nations strategy
- A distinct First Nations strategy requires a change in approach for ESDC but is consistent with Government of Canada declaration of desiring a new relationship:
 - A distinct strategy is consistent with conditions on the ground where First Nations, Inuit and Métis
 - have different rights and live under different jurisdictional regimes,
 - experience very different socio-economic conditions and
 - access different levels of programs and resources;
- The envelope which effects the fiscal framework is the sensitive for Government but AFN has solid arguments and analysis that ESDC can take up (see Issue Paper 4 – The Envelope);
- Program design is the easiest to engage in joint work and the greatest risk will be that the policy intent of a new relationship will be frustrated at the implementation and delivery levels.
- Submitting an "MC-like" document and hoping that it will be reflected in the final policy decisions is an incomplete strategy, and potentially weak, unless supported by First Nations and federal joint leadership in design and development, alongside representations and opportunities to engage and resolve issues in cooperation with officials.

RECOMMENDED OPTION:

The combined package of options

DECISION:

DATE AND VERSION: Draft 2, November 23, 2016

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ISSUE PAPER 2 – The Relationship: End Game

DESCRIPTION: To set out the relationship between AFN (including stakeholders and First Nation Governments) and ESDC for the ongoing delivery of FNLMS that reflects Nation-to-nation, government-to-government relations and respects First Nation Government and stakeholder responsibility and their experience in addressing the labour market issues of First Nations.

Nation-to-nation, Government-to-Government relations are based on First Nations constitutional rights to self-determination and respect the autonomy of First Nations to make key decisions in areas concerning them so that priorities, policies and programs are culturally sensitive and appropriate in their setting, design and delivery and that they are ultimately effective.

Because it is both the right thing to do and a certain path to economic growth, the Government will undertake to renew, nation-to-nation, the relationship between Canada and Indigenous peoples, one based on recognition of rights, respect, co-operation and partnership. (SFT)

OPTIONS:

1. Establish an “LMDA-like”, government-to-government, arrangement: provinces and territories have signed contribution agreements with ESDC for the delivery of labour market programs and services (and received the transfer of ESDC staff and related operating resources). While similar in form to AHRDAs and ASETS agreements requiring results-based accountability and annual audited statements the reality is that P-Ts are unfettered and deliver their own programs in their own manner through their own service delivery mechanisms. LMDAs are not “monitored” and provincial AGs prepare the Financial Statements.
2. Develop an evolutionary approach, that draws on the Minister’s delegation authority where ESDC pushes ahead with implementing the full scope of the Treasury Board (TBS) Policy on Transfer Payments (PTP), working with a First Nation Secretariat, resourced so as to be a credible and capable interlocutor, and implementing a range of agreements (like INAC, SET and FLEX agreements) based on First Nation capacity and risk
3. Create a statutory approach reflects the desired relationship and First Nation autonomy of decision making as well as predictability, stability and long term funding for FNLMS. A statute would action the Government’s policy intent creating momentum for change within the system and moving from “discretionary”, policy based support for labour market funding to support founded in law.

RATIONALE:

The new relationship desired by First Nations and the Government should not just be reflected in policy development but also in the long term program delivery.

At the policy level, despite the 25-year history of Aboriginal employment strategies, ASETS agreements are little different than other contribution agreements with not-for-profit agencies and do not reflect the desire of First Nations for autonomous decision

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making and building effective institutions offering quality employment programs and services to First Nations. The accountability to the funder pushes out accountability to their members.

At the operating level, FNLMA's have 25 years of experience in delivering employment programs and services to members. They wish to move out from the paternalistic, micro-managed relationship where ESDC personnel provide little value-added and remain in a checklist culture. Despite a results-based accountability regime, the relationship remains largely compliance-based. Rules are often arbitrary, applied differently and dysfunctional frustrating program policy objectives. A client-centred focus and community-based programming are not at the centre of the relationship with ESDC.

CONSIDERATIONS:

Even though LMDAs and ASETS agreements were intended to be similar in their implementation, the relationship is not the same. Without some other change engine, it is not evident what could bring about a Government-to-Government type arrangement.

INAC appears to moving resolutely to implement the flexibilities of the TBS PTP with a range of project dedicated, flexible and block funding instruments and streamlining. Feedback on this effort from the First Nation point of view would be essential before seeking to emulate this model and approach.

A Statute could possibly encounter resistance within the bureaucracy. The purpose would need to be clearly established. Otherwise, PCO will maintain that the ESDC minister already has the authority to implement programs and does not need a statute to establish a new relationship.

Institution building (capacity) needs to be a policy objective if the new relationship is to become real. Devolution of responsibility requires capacity and strong, stable, innovative First Nation institutions. Failure to support institution building is the flip side of the paternalistic relationship.

RECOMMENDED OPTION:

A Statute would best telegraph the goal of change to the bureaucracy and all the partners in the system establish First Nation Governance mechanisms over the FNLMS as well as support goals of predictability, stability and long term finding.

DECISION:

DATE AND VERSION:

Draft 2, November 23, 2016

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ISSUE PAPER 3 – First Nations Labour Market Strategy and Agreement
(FNLMS/FNLMA)**

DESCRIPTION: To set out the rationale for a First Nations specific strategy, allocation and agreement

OPTIONS:

1. Advance an agreement and strategy specific to First Nations
2. Continue with the status quo: An Aboriginal Labour Market Strategy with First Nations Agreements

RATIONALE:

The constitutional, administrative, geographic and socio-economic conditions of First Nations are distinct and it would be to the benefit of FNs and Government of Canada to move away from a one-size-fits-all pan-Aboriginal strategy

CONSIDERATIONS:

ESDC has always favoured pan-Aboriginal approaches even though since the end of the Pathways to Success strategy, agreements have been based on Aboriginal group and nation and not territorial-citizen-based (e.g. Pathways to Success).

ESDC may consider that a pan-Aboriginal approach is like a citizen-based approach (open to all) but agreements are mainly by Aboriginal nation and Government entities. This pan-aboriginal approach makes First Nations a “labour market dis-advantaged” or “employment equity” group as opposed to a group with constitutional standing.

Since there are already a discrete number of agreements for First Nations, carving out a First Nations envelope and mandate would not be a big step for ESDC and it can be argued that the unique situations of Inuit and Métis merit distinct approaches.

Situations where First Nations are serving all Aboriginal people on a given territory would have to be addressed (Quebec, Sask) with the resources needed for capacity and the potential for developing complementary approaches to serve clients with other mandates.

RECOMMENDED OPTION:

A First Nations Labour Market Strategy

DECISION:

DATE AND VERSION:

Draft 2, November 23, 2016

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Annex – Rationale for a First Nations Strategy

If the Government of Canada is sincere in its wish to have nation-to-nation, government-to-government relations with first Nations, this should be reflected in a First Nations specific labour market strategy.

The unique conditions of First Nations further justify the need for a specific strategy.

From a pragmatic or results-based point of view, each of Canada's Indigenous groups experiences unique conditions, - governance, geographic, demographic and socio-economic, - that call for distinct approaches and design.

Areas of distinctness that argue for different approaches:

1. Governance

The Governance for each of Canada's Indigenous groups is very different.

FNLMA's are incorporated, independent, administrative (professional, expert) bodies under the political leadership of First Nation governments. Many agreements are at the Band Council level or with Tribal Councils to achieve scale and greater capacity. In Saskatchewan and Manitoba even higher levels of aggregation have been implemented.

First Nations have a long experience of administering their affairs and in dealing with other government departments and their programs creating both capacity and a potential for developing complementary approaches with other mandates under their governance.

Inuit labour market agreements are with regional Inuit associations responsible for administering the Land Claims Settlement, signing Impact Benefit Agreements, administering lands and assets flowing to Inuit from these agreements and advocating for Inuit. One and two tiered corporate structures have been implemented (under a two-tiered structure, the Inuit Association incorporates a labour market agency but is the agreement holder and names the board members).

Métis agreements are frequently at the regional (provincial) level. Métis do not benefit from INAC programs and ESDC labour market programs are key to Métis and their capacity to enjoy an area of autonomous decision making. The emphasis on PSE and higher level skills training is high for Métis agreement holders.

2. Education:

There are marked differences in educational achievement between First Nations, Inuit and Métis that impact on delivery conditions and priorities and which would benefit from different programmatic approaches. For example, the need for academic upgrading and pre-employment programming, access to funds for PSE, accessibility and success of clients in skilled training courses, partnerships and collaboration with provincial and

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territorial institutions and programs all vary given the marked difference in educational achievement.

Table

	Total Pop 15 years and over	No certificate, diploma or degree	High school certificate or equivalent	Apprenticeship or trades certificate or diploma	College, CEGEP or other non-university certificate or diploma	University certificate, diploma or degree
First Nations	100%	48%	20%	10%	13%	8%
Métis	100%	35%	26%	13%	17%	10%
Inuit	100%	61%	14%	10%	12%	4%
Canada	100%	24%	26%	11%	17%	23%
Aboriginal	100%	44%	22%	11%	15%	9%
difference: FN to Métis		40%	-22%	-21%	-22%	-17%
difference: Inuit to Métis		75%	-47%	-27%	-29%	-57%
Source: Statistics Canada, 2006 Census of Population, Statistics Canada Catalogue no. 97-560-XCB2006031.						

While all of Canada's Aboriginal populations are at a disadvantage compared to national levels of achievement, the differences between First Nation, Inuit and Métis are wide. For example, First Nations have 40% more people 15 years and over without a high school certificate and Inuit have over 75% more than Métis. This has a huge impact on program design and delivery, the type of partnerships needed with provincial or territorial governments, duration of interventions and expectations for outcomes.

3. Labour Market Issues

2.a. Employment and Unemployment:

Table: Employment Rate (Both sexes, 15 years and over)

	Working Age Pop	Labour Force	Employed	Unemployed	Employment Rate	Unemployment Rate
First Nations	473235	278455	228280	50175	48%	18%

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Métis	291330	204160	183785	20380	63%	10%
Inuit	32775	20100	16020	4075	49%	20%
Canada	25664220	17146135	16021180	1124955	62%	7%
Aboriginal	823890	519250	442395	76860	54%	15%
difference: FN to Métis					-24%	80%
difference: Inuit to Métis					-23%	103%
Source: Statistics Canada, 2006 Census of Population, Statistics Canada Catalogue no. 97-560-XCB2006031.						

Métis have an employment rate (63%) equal to the Canadian rate while First Nations and Inuit have rates (48% and 49% respectively) that are 24% and 23% lower than the Métis rate. The challenges for employment agencies seeking sustainable attachment to the labour market and earnings from employment are very different calling for different program mix (pre-employment, literacy and academic upgrading versus skills training), partnerships, duration of interventions, sequencing of interventions, and expectations of outcomes.

2.c. Income

Earnings from employment and income levels tell the same story of different conditions between First Nations and other Aboriginal groups. Métis have the same level of full time, full year employment as the Canadian level (36%) and more part time, seasonal employment than the Canadian level 37% versus 30%) (even so, Métis earnings from employment are below the Canadian median (84%). First Nations and Inuit have sharply lower levels of full time, full year employment. First Nations and Inuit have different levels of dependency on part time, part year employment (33% and 38% respectively). Earnings from employment are still lower than the Canadian median income from employment by 12% and 20%. These differences affect the needs, the ability to participate and the programs to be offered.

	Total Population, 15 years and over	Full time/full year employment	Part time/seasonal employment	No employment income	Median income from employment	Earnings, all sources (% of income)	Government Transfers (% of income)
First Nations	880,415	260,385	289,965	330,065	20,000	83.6	16.4
Métis	292,905	104,435	107,630	80,840	22,632	88.1	11.9
Inuit	43,350	12,050	16,475	14,825	18,000	83.4	16.6
Aboriginal	1,182,505	366,715	401,505	414,285	20,468	84.9	15.1
Canada	25,664,225	9,275,765	7,766,075	8,622,380	26,850	88.9	11.1

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	Total Population, 15 years and over	Full time/full year employment	Part time/seasonal employment	No employment income	Median income from employment (% of Canada)	Earnings, all sources (% of Canada)	Government Transfers (% of Canada)
First Nations	100%	30%	33%	37%	74%	94%	148%
Métis	100%	36%	37%	28%	84%	99%	107%
Inuit	100%	28%	38%	34%	67%	94%	150%
Aboriginal	100%	31%	34%	35%	76%	96%	136%
Canada	100%	36%	30%	34%	100%	100%	100%
Difference: FN to Métis		-17%	-10%	36%	-12%		
Difference: Inuit to Métis		-22%	3%	24%	-20%		

DRAFT

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ISSUE PAPER 4 – Policy Instrument, a Statute

DESCRIPTION: A Statute is seen as the appropriate instrument to reset the relationship and provide an engine and framework for change to autonomous decision-making and government-to-government relations.

Policy instrument choice is a key step in the cabinet process and there must be a clear logic to support a statute versus other choices such as a contribution program, already within the authority of the Minister of ESDC.

Note: A statute is a written law passed by legislation; a statute is a formal written enactment of a legislative authority that governs a state, city or country by way of consent. Statutes are contractual agreements that compel performance from contractees, and/or prohibit something that one would naturally and sovereignly be free to do outside of the contract. Statutes are called laws, and require consent. They are made by legislative bodies, groups of people who are answerable & accountable to common law, which is decided by common law courts; which differ from legislative and statute contract courts. As a source of law for those who consent, statutes are considered primary authority.

OPTIONS:

1. Create a First Nations Labour Market Act which would establish, in turn, a First Nation Labour Market Commission and secretariat as well as enshrining the FNLMS in law providing administrative continuity for the FNLMS.
2. An Act that would set the FNLMS in law setting out the need for agreements with FNs, a Spending Plan and a role and mandate for FNs providing direction to the FNLMS (i.e., no Commission or Secretariat)

RATIONALE:

A Statute is the preferred policy instrument since it will give life to nation-to-nation, government-to-government relations enshrining FN labour market programming and institutions. A statute, considered first for approval by Chiefs in Assembly, will reflect First Nations' constitutional right to govern themselves in an important policy area and will include the governance and fiscal mechanisms to build FN capacity to independently manage labour market issues and to make this policy a reality.

Therefore, a statute is superior to using the “discretionary” and unpredictable spending authority whereby labour market programming is a policy decision of the government of the day.

A **Commission and Secretariat** provide substance for a statute and would be the centre piece in “resetting” the relationship by laying out a governance structure that empowers First Nations while transferring federal funds to FN institutions and providing accountability.

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A **Spending Plan** is a mechanism that can provide stability, predictability and long term funding by embedding the rules and indicators by which to establish the funding envelope.

Agreements with strong First Nations institutions would be an obligation of the Minister under the statute including capacity building as an explicit objective from the outset and at the highest policy level of building First Nation capacity to independently manage labour market issues.

CONSIDERATIONS:

Policy instrument choice is a key step in public policy and is addressed in an MC. A statute would need a clear rationale and would risk being seen as unnecessary if the same end could be achieved through the Spending Power and the Minister's authority to create programs.

Basing a statute on a rights-based approach will be more challenging for the government than arguing for the statute on a policy-based approach since, from the Government point of view, it invokes rights that may not be clearly defined elsewhere, limits future government discretion and may have precedent for other files. A First Nations Labour Market Commission could be a simple but visible mechanism to give substance to the statute and to the relationship between GoC and First Nations.

An Act would define the mandate of a Commission so that it reflects the government-to-government relationship and identifies levels of accountability for the use of public funds appropriate to the relationship.

An effective secretariat would be key to supporting the mandate of a Commission and providing technical support for its objectives.

RECOMMENDED OPTION:

To build the MC around a Ministerial Recommendation that would create a First Nation Labour Market Commission and entrench the FNLMS in a statute.

DECISION:

DATE AND VERSION: Draft 2, November 23, 2016

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Annex: Examples of Policy Instruments

Transfers: grants, contributions, transfers to other levels of government

Government Services delivered by public servants, paid by government operating budgets

Regulation: requiring the private sector or others to operate or provide services to certain standards

Taxation: to create dis-incentives for certain behaviours or to raise funds for public policy goals

Statute: to make a law setting out rules and regulations, creating machinery, creating statutory programs

Information and research: to enable citizens or the private sector to achieve public policy goals

Other: ...

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ISSUE PAPER 5 – First Nations Jurisdictional Authority – Statutory Approach**

DESCRIPTION: To set out how a First Nation Labour Market Commission would work; consider the program architecture.

OPTIONS:

1. To develop authorities to represent First Nation ownership over FNLMS reflecting First Nations autonomy of decision-making over areas that concern First Nations labour development matters.
2. Authorities would need to consider the role a Commission would have for reporting, based on a First Nations models that respect First Nations accountability processes while also respecting the responsibility to account for federal funding, as such this would include reporting to First Nations leaders and as required the Minister.
3. Authorities would need to enable the capacity of the Commission to provide leadership to the Strategy through a Secretariat.
4. Authorities would need to consider the Commission as an advisory body to First Nations and to the Minister in providing advice on labour market issues and the FNLMS.
5. Develop a structure that includes First Nations leadership and technical processes appropriately.
6. Authorities would need to be arms-length from the Minister responsible for the FNLMS and who continue to be responsible for funding decisions

RATIONALE:

The Commission must represent First Nations autonomous decision-making over the strategy and ability to set priorities, establish policies and programs, operate independently and based on First Nations mandates and structures, while respecting accountability to the Government and Parliament for the spending of funds.

A secretariat could support the Commission in providing technical support, coordination, and leadership to address First Nations labour market issues. The secretariat would add value to FNLMA as laid out in the Forum report and by acting as a credible interlocutor facilitating First Nations policy improvement needs and ESDC objectives to resolve program administration, policy and design issues.

CONSIDERATIONS:

The desired outcome is a structure that provides leadership on labour market issues and is not just an instrument or for the Minister.

The role of a Commission (board) differs from that of a secretariat (operational and technical support). The secretariat would provide advice, guidance, provision of information and tools, sharing of best practice and exchange but not decisional in terms

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ISSUE PAPER 5 – First Nations Jurisdictional Authority – Statutory Approach**

of funding, allocations or agreement renewals. The decisional and instructive roles would be for a Commission to maintain.

RECOMMENDED OPTION:

Explore the development of a Commission providing leadership relative to First Nations labour market issues and supporting delivery of the FNLMS

DECISION:

DATE AND VERSION:

Draft 2, November 23, 2016

DRAFT

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ANNEX: STATUTE OUTLINE

To create the First Nations Labour Market Commission and the funding and regulations governing First Nations Labour Market Strategy, labour market programs and services:

The concept for a Commission to be established through statute to assist First Nations and Minister in creating and implementing a labour market strategy for First Nations that reflects and is based on the relationship between the Crown and First Nations;

To establish guidelines for funding for the Strategy in order to ensure stability, predictability and professional, appropriate levels of services that reflect the costs of doing business and First Nations working age population growth, the Minister to recommend annually to TBS a ten year rolling budget;

Through the Secretariat to the Commission, to provide an effective interlocutor for First Nations, on behalf of ESDC, to manage the FNLMS and a value-added resource for First Nation employment agencies (FNLMA).

FIRST NATIONS LABOUR MARKET COMMISSION

Mandate example:

COMMISSION

To embody the relationship between the Government of Canada and First Nations based on government-to-government, nation-to-nation relations.

To provide leadership in setting objectives and bringing together labour market stakeholders to improve the labour market outcomes of First Nations people

To provide accountability to First Nations and Government of Canada for labour market issues, - to analyse and report on societal issues providing leadership to all labour market stakeholders relative to labour market issues

To analyse and report on institutional performance and program delivery, - i.e. FNLMA performance at the program level, - and work to improve performance and build First Nations labour market program and service providers institutions

Through its Secretariat: assist in the development and improvement of First Nations employment programs and services

Make recommendations to the Minister on the funding of FNLMA or Sign off on Ministerial recommendations for the funding of FNLMA

Make recommendations to the Minister on policy and design issues of concern to First Nations

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To be consulted by the Minister prior to substantive changes to the FNLMS

To appoint the Executive Director of the Secretariat with assistance of AFN CCHRD Members: five (5) to be recommended to the Minister by the AFN representing Canada's regions and based on expertise, knowledge and credibility with First Nations. [establish a joint process for nomination]

SECRETARIAT

- Establish common policies for the use of FNLMA's
- Establish common tools for the use of FNLMA's
- Research and distribute information on best practices, provide model program design for use by FNLMA's
- Facilitation and coordination of Human Resources services for FNLMA's: recruitment, selection, policies, work descriptions
- Clearinghouse of key documents and First Nations statistics for FNLMA's
- Point of contact with Canada to vet potential changes before such changes are authorized.
- Advocacy for FNLMA's having issues with Canada.
- Source of expertise on provincial agreements and facilitator of better relations with provinces.
- Support for FNLMA's requiring capacity development
- Advocacy for developmental changes to the overall agreement
- Organization of regular regional meetings to discuss developments and obtain regional perspectives.
- Development and dissemination of key training curricula for front-line and financial staff in the face of turnover and operational changes.
- Preparation of briefing packages for the Commission and First Nations political leadership
- Development of a strategy for cultural competency among government staff working with FNLMA's.
- Outreach to national interests in industry and labour.

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- Undertake key research projects.
- Profiling of best practice among FNLMAAs.
- Possible lead role in development of a database solution for the First Nations agreement
- Liaison with other development sectors (post-secondary, social, etc.)

FIRST NATIONS LABOUR MARKET PROGRAM AND SERVICE CORPORATIONS (FNLMAAs)

Incorporated First Nations service delivery organizations, independent and at arms-length from Government of Canada, able to engage in partnerships in pursuit of the mandate, under the political direction of First Nation Governments

Serving a First Nation and a defined service delivery territory

With an approved Governance and Corporate structure to ensure accountability to First Nation political authorities and independence and excellence in pursuing the mandate Signatories to fiscal agreements with Canada for the implementation of Canada's First Nations Labour Market Strategy

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
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ISSUE PAPER 7- Term, 10 Years

DESCRIPTION:

To provide an approach to achieve a ‘predictable, stable, long term’ environment for FNLMS

OPTIONS:

1. 10 year agreements with periodic performance review (3 years)
2. 5 year agreements with performance review and extension for a further 5 years
3. Indefinite agreements with approval of funding for a 3 year rolling budget and periodic, tri-annual performance review
4. Other not suggested here

RATIONALE:

Labour market issues are long term, require professional program and service delivery and strong, stable institutions that are culturally sensitive.

Even five-year program renewals have been managed so as to introduce a great deal of instability and bureaucracy into the strategy first creating uncertainty and instability and then a rush for renewal that undermines policy adjustments.

FNLMS will be indeterminate if embedded in a Statute; agreements with FNLMA need to be long term with a design that allows for performance review and adjustment without creating instability

CONSIDERATIONS:

The term of agreements is related to several factors:

- Risk, short agreements are perceived by some officials to reduce risk and entitlement even though they introduce uncertainty, instability and bureaucracy into the design; ie, they reduce financial risk but increase risk to outcomes
- Adjustment to changing conditions becomes extremely difficult or impossible if funds are committed for the long term
- The need for performance review, correction and renewal of plans and priorities at the agreement level
- The issues addressed by the program
 - Projects with finite duration
 - Ongoing societal needs such as homelessness, skills and employment, policing, housing, etc

Different design models can accommodate multi-year funding:

- 3 or 5 year duration followed by a **new agreement**
- 1 year duration with annual review and **amendment or extension** (annual review can also follow a 3 or 5 year initial period)
- **Indefinite duration** with approval of funding on an annual basis

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ISSUE PAPER 7- Term, 10 Years

Term should reflect the issues being addressed and means to address them:

- long term issues call for long term approaches
- “transferring” to First Nations the responsibility for labour market programs and services through transfer payments requires capacity and institutional development to be successful

FNLMS requires 1) a long term approach and 2) institution and capacity building as objectives for First Nations to assume responsibility and exercise autonomous decision making and the term of agreements should reflect this

RECOMMENDED OPTION:

Indefinite agreements with 1) annual approval of a three year budget and 2) performance review on a three year cycle to be completed at least 6 months before agreement end date.

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

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FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 9 – Institution Building**

DESCRIPTION:

Strong, stable, professionally staffed institutions are a key element reflecting nation-to-nation, government-to-government relations and to achieving positive labour market outcomes for First Nations

OPTIONS:

1. Recognize institution building as an explicit goal of FNLMS supported by goals, measures and resources
2. Build in roles and resources to the First Nation Labour Market Commission Secretariat to develop managerial, administrative, program and service capacity
3. Explore different avenues to develop capacity: IT, training, HR practices and recruiting, board training and governance models, use of results-based models accountability models to favour a continuous improvement culture

RATIONALE:

Building strong First Nations labour market institutions must be a goal of the strategy and this goal must be resourced if First Nations autonomous decision making and delivery of effective, culturally sensitive programming is to happen.

CONSIDERATIONS:

- This should mean removing the uncertainty and destabilizing effects of periodic program renewal which goes down to the wire to often only result in temporary extensions, and providing stability, predictability and long term funding to FNLMS
- Removing capacity building from administrative costs
- Building a role for the Secretariat in institution/capacity building
- Developing goals and metrics to track progress in institution building
- Develop an Institution Building Plan focusing on areas of greatest return

RECOMMENDED OPTION:

Implement all options

DECISION:

DATE AND VERSION:

Draft 2, November 23, 2016

**ASSEMBLY OF FIRST NATIONS
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ISSUE PAPER 9 – Institution Building**

Annex: Role of FN Labour Market Commission Secretariat

- Establish common policies for the use of FNLMA
- Establish common tools for the use of FNLMA
- Research and distribute information on best practices, provide model program design for use by FNLMA
- Facilitation and coordination of Human Resources services for FNLMA: recruitment, selection, policies, work descriptions
- Clearinghouse of key documents and First Nations statistics for FNLMA
- Point of contact with Canada to vet potential changes before such changes are authorized.
- Advocacy for FNLMA having issues with Canada.
- Source of expertise on provincial agreements and facilitator of better relations with provinces.
- Support for FNLMA requiring capacity development
- Advocacy for developmental changes to the overall agreement
- Organization of regular regional meetings to discuss developments and obtain regional perspectives.
- Development and dissemination of key training curricula for front-line and financial staff in the face of turnover and operational changes.
- Preparation of briefing packages for the Commission and First Nations political leadership
- Development of a strategy for cultural competency among government staff working with FNLMA.
- Outreach to national interests in industry and labour.
- Undertake key research projects.
- Profiling of best practice among FNLMA.
- Possible lead role in development of a database solution for the First Nations agreement
- Liaison with other development sectors (post-secondary, social, etc.)

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FIRST NATIONS LABOUR MARKET STRATEGY
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ISSUE PAPER 9 – The Envelope**

DESCRIPTION: To provide the rationale for the financial “ask” for FNLMs and mechanisms for predictability and long term funding based on estimates of inflation and population growth.

This requires two steps:

- 1. Establish the First Nations share of the total AHRDS/ASETS envelope, and**
- 2. Provide a rationale for re-establishing the envelope and making new investments**

This issue overlaps with the Urban Issue Paper (07), since in several provinces First Nations agreement holders take on service to a wider group.

OPTIONS:

1. First Nations share:
 - a. Status Quo: First Nations keep the current share going to agreement holders in an enhanced envelope
 - b. Population based: First Nations work with ESDC and other indigenous groups to establish a new sharing of the envelope based on the most recent population estimates
 - c. Needs based: Based on First Nations socio-economic indicators and historic (ASETS evaluation, ESDC DPR) and comparative (ASETS and LMDA performance) unit costs, build a First Nations request
2. New Investments:
 - a. Review and bring forward the work done by the First Nations Human Resources Development Commission of Quebec (FNHRDCQ) to “re-establish” the envelope eroded by inflation and population growth since 1999
 - b. Include new investments for instruments of self-governance: the Commission and Secretarial and capacity building at the agreement holder level
 - c. Include new investments for incremental activity especially for persons with disabilities. (the core ESDC program for persons with disabilities is the LMAPwD with provinces and territories, to verify that no Aboriginal share was ever calculated and included in the envelope)
 - d. Incremental costs for remote and Northern areas should be included in the envelope calculation and not taken out of the base allocation
 - e. Child care should remain in the Strategy until the conclusion of the AFN policy review and ASETS holders should be engaged in this review (IP 18).

RATIONALE:

Inflation and population growth have eroded the original budget allocated to the strategy. The original budget for agreement holders labour market programming in 1999 was

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ISSUE PAPER 9 – The Envelope**

\$275 million. In constant dollars (1999), the purchasing power of the allocation is now only \$202 million in 2015-16. Secondly, population growth has further eroded the amount available per person, from \$491/person to \$188/person, a reduction of 61.7%. This has impacted both the administrative, operational and program budgets of agreement holders. An immediate increase of \$175 million would be required to re-establish the envelope to its 1999 value.

The need for the strategy is continuing and the benefit to First Nations and Canada is important. The employment rate* of Indigenous people is at 55.2% in 2015 compared to 61.3% for Canada. This gap is relatively stable at about 6%. Using 2006 census data for which First Nations numbers are available, the employment rate is 48% versus 62% for Canada, a gap of 14%. If the gap could be closed, this would mean a contribution from earned employment of \$1.37 billion annually to the Canadian economy and if First Nations had the same median income as Canadians, \$1.84 billion. There would be corresponding savings to social programs with reduced dependency and increase health and well-being. The potential benefit is enormous.

ESDC evaluations have confirmed that the strategies have been effective, are relevant and represent the best approach versus other alternatives.

CONSIDERATIONS:

While Indigenous Canadians experience the fastest population growth in Canada, political/judicial changes have caused major shifts to the statistics changing the balance between First Nations, Inuit, Métis and non-status Indians with many people self-identifying as Métis and non-status. However, the profiles (employment, education, literacy and skills qualifications) of these populations are very different with First Nations and Inuit experiencing much greater disadvantage in the labour market than Métis or non-status Indians. An evidence-based approach would provide First Nations (and Inuit) with a fair share but the work will be more complex and arduous than a simple population based approach.

In the context of government deficits and stimulus funding, labour market programming is an investment in a modern, skills-based economy. Moreover, as the skills levels required for sustainable employment and earnings increase, young people leaving the education system and people displaced from traditional work will continue to need remedial assistance.

To be able to enter into “joint work” with ESDC, AFN will need to have a position on sub-national allocations. If there are new investments, the same tools used to establish the First Nations share of an indigenous envelope could be used to make adjustment to the First Nations envelope to allocate between provinces and territories with the provision of “no losers”.

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Going forward, the new envelope should be protected against inflation and population growth through parameters set in legislation and the mechanism of an annual Five Year Spending Plan (IP 05, First Nations Statutory Authority)

Over the next 10 years, 600,000 Indigenous youth are expected to enter the labour market. Many will leave school with low literacy and few credentials to make a transition to sustainable employment and earnings and will need the FNLMS. The Annex, Budget Analysis, shows that agreement holders have been performing well at costs per participant and cost per successful outcome well below those of provinces and territories.

It can be hypothesized that the erosion of the budget has led to smaller investments per participant in spite of the bigger level of employment disadvantage of First Nations peoples and that re-establishing the budget would allow greater investments per participant.

A budget for the Commission is calculated in the Annex and this should be added to the FNLMS budget so as not to take away from program funds.

Ceilings on administrative costs (15%) are arbitrary and have been applied inconsistently. They should be removed and new principles applied allowing FNLMA's to operate effectively with professional staff for managerial, administrative, program and service functions. The Secretariat could work on guidelines as well as researching wage rates and conditions to provide confidence in the system.

RECOMMENDED OPTION:

Engaging with ESDC to implement an evidence-based approach to establishing a First Nations fair share of an enhanced envelope, apply the same approach to provincial-territorial level allocations and finalize an “ask” for increased investments.

DECISION:

DATE AND VERSION:

Draft 4, November 23, 2016

Based on “Indexation of Funding: Federal employment and training strategy for Indigenous People Working Document v.160606b | Revised 160719a © FNHRDCQ, 2016”

*Employment Rate is used here as the most meaningful figure to judge a society (as opposed to unemployment or participation rates).

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Annex 1: Budget Profile and Needs-based Approach

To be developed rapidly by technical officials

DRAFT

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Annex 2: Commission Budget

First Nations Labour Market Commission Budget	
Wages and Benefits	\$ 795,000
Rent	\$ 100,000
Board Costs	\$ 170,000
Audit	\$ 10,000
Legal	\$ 10,000
Insurance	\$ 10,000
Travel	\$ 65,000
Supplies	\$ 5,000
IT	\$ 10,000
Comms	\$ 25,000
research and consulting	\$ 500,000
Outreach	\$ 300,000
	\$ 2,000,000

Wages	Comparative GoC level	Salary	Benefits	Total
Executive Director	EX2	140000	0.15	\$ 161,000
Office Manager	AS 05	80000	0.15	\$ 92,000
Research	ES 06	100000	0.15	\$ 115,000
	ES 04	70000	0.15	\$ 80,500
Program Development	PM 06	100000	0.15	\$ 115,000
	PM 04	66000	0.15	\$ 75,900
IT Support	CS 02	75000	0.15	\$ 86,600
Intern	PM 03	60000	0.15	\$ 69,000
				\$ 795,000

Commission	
Members	5
Honoraria	800 \$ 98,000
days	12
Travel	12000 \$ 68,000
Meetings	4 \$ 4,000
	\$ 170,000

Staff Travel	
staff	8
Trips	4
Air	1000 \$ 32,000
lodgings	200 \$ 19,200
board	150 \$ 13,800
	\$ 65,000

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Annex: Budget Analysis

In a given year under the ASETS program, over 50,000 (54,751 in 2014-15) clients were supported in “training-to-employment” interventions). In 2014-15, 9,767 participants returned to school following their intervention and 20,274 found employment. This equates to approximately \$5,000 per participant and \$10,700 per successful outcome. At this level of performance, the FNLMS can be expected to serve nearly 75,000 participants in each year of operations and achieve nearly 35,000 positive outcomes.

However, comparative numbers for Labour Market Development Agreements with provinces and territories serving Employment Insurance claimants and former claimants show \$12,400 cost per participant in a year and \$21,000 cost per successful outcome. EI claimants and former claimants have a stronger attachment to the labour force than First Nations people (Employment Rate of 64% for all Canadians and 48% for First Nations).

An expected impact of re-establishing and enhancing the budget for FNLMS will be increased investments per participant to overcome greater barriers to employment and with greater investments, fewer participants in longer and/or more enriched programs and fewer successful outcomes but with stronger labour market attachment and larger impact on earnings. In fact, it can be assumed that the constant deterioration of the budget situation is a cause of the low cost per participant as agreement holders tried to meet strong demand with limited resources.

If FNLMA's operated with LMDA levels of performance (\$12,400 cost per participant and \$21,000 cost per successful outcome), FNLMS could be expected to serve 30,000 participants per year and achieve 18,000 successful outcomes. The out-of-work, out-of-school First Nations population is estimated at 245,000 (Statistics Canada, 2006 Census), a penetration rate of approximately 12%.

**ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 10 – Terms and Conditions, Flexible and Adaptable**

DESCRIPTION: To present an approach for achieving the objectives of strong, stable First Nation institutions that is effective in labour market program and service delivery under the Treasury Board Secretariat (TBS) Policy on Transfer Payments (PTP). Given the diversity of FNLMA's the approach should be flexible and adaptable to match First Nation management and delivery capacity with an appropriate funding regime and accountability

OPTIONS:

1. Based on the policy objective of FNLMS, select a funding regime (agreement type) from the PTP that matches independent, First Nations institutions working with a long term mandate and needing to develop institutional capacity, - i.e. flexible agreements
2. Develop a flexible approach based on an assessment of capacity (risk) with lower capacity FNLMA's living under a more constricted regime and higher capacity organizations benefiting from greater flexibility and lower burden of accountability

Transfer payments are one of the government's key instruments in furthering its broad policy objectives and priorities. They enable and engage a wide diversity of skills and resources outside the federal government that are well-placed to further Canadian aims, contribute to building a strong society and a competitive nation that is inclusive and respectful of Canadian values and Canada's linguistic duality. TBS PTP

RATIONALE:

Even though the "new" PTP dates from 2008, little has changed in the administration of Gs&Cs. Administrative and reporting burdens are still complex and arbitrary; the regime is characterized by a check list mentality undermining a results-based accountability regime and risk-based instruments.

First Nations are the first to be interested in probity in the use of public funds and accountability based on results since it is their employment and the health of their communities that is at stake. Control is an administrative burden and therefore an expense but it is also a limiting factor to innovation and effective programming that breaks down silos and supports clients along a road to employment and earnings

CONSIDERATIONS:

Full implementation of the features on the PTP will introduce policy changes relative to budget flexibility and retention of funds. Softer issues that are even more important in getting the balance between control and flexibility right will require clear direction and follow up from the most senior leadership to ensure that efforts are not derailed.

5.1 Objective

The objective of this policy is to ensure that transfer payment programs are managed with integrity, transparency and accountability in a manner that is sensitive to risks; are citizen- and recipient-focused; and are designed and delivered to address government priorities in achieving results for Canadians.

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High level policy must set the table for a change in the management culture and style and follow through at the operational level will be critical to success seeking a change in culture among Service Canada management and staff.

For example, the requirement to produce Operating Plans under ASETS appears reasonable and a good management practice. In practice it is restrictive. The layering of policies to satisfy Ministerial preferences creates a more and more complex regime that frustrates the original policy and intent of transfer payments, to put the skills and talents of those outside of Government to use in resolving complex issues.

Raising the level of skills and the professionalism of staff on both sides of the agreement will be addressed in IP 19, ESDC/SC Delivery and 20, FNLMA Capacity.

**RECOMMENDED
OPTION:**

Adopt the TBS's Flexible Agreements providing for retention of funds and budget flexibility and develop an approach with ESDC for control, monitoring and reporting.

DECISION:

DATE AND VERSION:

Draft 2, November 23,
2016

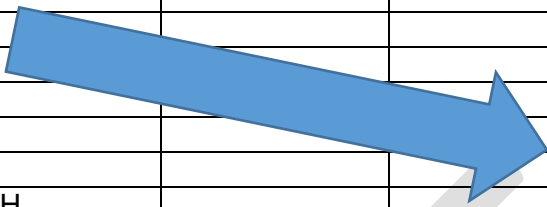
3.6 The government is committed to ensuring that transfer payments are managed in a manner that respects sound stewardship and the highest level of integrity, transparency, and accountability. Moreover, the government is resolved to ensuring that transfer payment programs are designed, delivered and managed in a manner that is fair, accessible and effective for all involved – departments, applicants and recipients – all of whom have important contributions to make in achieving the objectives of the government and in furthering Canadian aims.

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

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Annex: Flexible and Adaptable Regime

	CHALLENGED	EVOLVING	HIGH PERFORMING	SELF-GOVERNING
SET				
FLEXIBLE				
BLOCK				
GRANT				
CONTROL	HIGH			LOW



Based on an assessment of capacity, the level of control is adapted from high to low.

The policy instruments target particular situations but also reflect capacity

- SET funding suits projects that have a finite duration, and clearly identifiable costs and activities
- FLEXIBLE funding suits situations that are ongoing, providing services and programs, and the issues addressed are long term. Renewal does not mean that the issue is gone but sets a limit to support and provides an opportunity for review and correction. Funds can be rolled forward and line budget flexibility is allowed
- BLOCK funding suits situations that are long term and inter-connected. Renewal does not mean that the issue is gone but sets a limit to support and provides an opportunity for review and correction. Funds may be moved between programs to provide incentives to innovate (eg, housing, social assistance, youth-at-risk: different communities could select different program mixes and linkages, funding could be on a per capita formula and not on a line-budget for activities basis). Funding can be rolled forward on a yearly basis and retained at the agreement end.
- GRANTS suit situations where eligibility of the sponsor and the project provide enough assurance and funds are disbursed without further controls, eg research projects. At the same time, track record and experience are important considerations.

FLEXIBLE agreements may be best suited to FNLMA's

- First Nation Governments choose to put a fence around budgets for labour market and agreements are with FNLMA's, not with Band Councils or regional entities
- FNLMA's require stability, predictability and long term funding to build effective institutional capacity
- Example: a High Performing organization could have its core organization, programs and services funded through a FLEXIBLE agreement and also seek

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- out GRANTS and SET funding for projects, pilot projects or partnerships and work with local government to provide a continuum of service to youth-at-risk
- Based on recent ESDC pilot projects, all funding could be “bundled” under one agreement. Reporting would be against results, not tracing the funds which can be bundled.
 - Financial accountability to funders should not be different (or more onerous) than to First Nations (Board, Government, First Nations members)

DRAFT

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
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ISSUE PAPER 11 - ESDC Specific Agreements

DESCRIPTION:

Contribution agreements should continue to be negotiated and signed with ESDC but ESDC should recognize and respect the arms-length nature of the agreement and the autonomy of agreement holders and not require exclusivity, either explicitly or inadvertently so that FNLMAAs may enter into other agreements and partnerships consistent with their mandates.

OPTIONS:

1. Include a set of principles in the FNLMS policy recognizing FNLMAAs as partners with autonomous decision-making power within the area of their corporate mandate and encouraging FNLMAAs to engage with others, - funders, private sector, delivery agents, – to maximize impact at the community level, further community-based programming and decision making and client-centred approaches
2. Provide input to an ESDC review of program and operational policies to identify and remove those policies that block partnerships and FNLMAAs developing their mandate and pursuing their goals
3. Identify FNLMAAs as partners of choice for ESDC and OGDs representing autonomous First Nations decision-making and capacity to make change in the area of labour market programs and services and leveraging public investment in FNLMAAs (and avoiding duplication or undermining of these investments) (See IP 12, Parallel Aboriginal Programs)

RATIONALE:

There is considerable public investment in FNLMAAs and the capacity that they represent is a benefit for First Nations and Canada. They deserve to be treated as valued partners by ESDC and not with mistrust or as enemies. FNLMAAs can achieve goals that ESDC cannot achieve by itself because they are First Nation entities.

While respecting their capacity, FNLMAAs are positioned to partner with other funders, the private sector and other service providers to achieve change in their communities. Their capacity should not be constrained explicitly or inadvertently through ESDC policies. Furthermore, the investments in FNLMAAs should not be duplicated or undermined by fostering the creation of other entities and doing business with exclusive, program-centric organizations.

While it is normal that government programs be in vertical silos, addressing issues of concern to the Government, it is essential that community-based organizations be able to mix and match programs to develop holistic responses to issues which do not fit neat policy silos and which are inter-connected, - e.g. homelessness and employability, youth-at-risk with justice, substance abuse and employment readiness.

CONSIDERATIONS:

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Some government programs are extremely directive in their policies making the third party organizations an extension of the government department. ESDC's intent should be to foster independent, First Nations organizations with the capacity to effectively address First Nations employment issues. This approach will have greater impact through partnerships and getting programs to work together rather than in silos.

Placing boundaries around issues and the approved actions of FNLMA creates at best bureaucratic complexity and at worst, barriers to effective programing.

Other policies inadvertently restrict FNLMA independence of action. For example, constraints around communications have been so intrusive as to become an effective barrier to partnerships.

High level policy respecting independence and encouraging partnership will need to be matched by review of operating policies so that the policy intent is not frustrated by operational practices.

RECOMMENDED OPTION:

To pursue all the options

DECISION:

DATE AND VERSION:

Draft 2, November 23, 2016

**ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 12 – Parallel Aboriginal Programs**

DESCRIPTION:

To develop policy on the issue of parallel programs* that address Indigenous labour market issues and that are set up parallel to and outside of the main-stream FNLMS.

OPTIONS:

1. To make representations to ESDC that all programs for First Nations be rolled into the FNLMS
2. To provide FNLMA's with the right of first refusal to be the delivery agent of parallel programs

RATIONALE:

While parallel programs address important issues and bring incremental resources, they have been designed with their own delivery strategies undermining the central role of FNLMA's.

These programs meet real needs, capturing untapped opportunity brought on by economic development or addressing issues such as welfare dependency. They offer opportunity to further build capacity and consolidate the role of FNLMA's in the context of autonomous, self-governing First Nations.

Parallel delivery strategies further fragment the institutional landscape and stretch already limited capacity even further. They often cause waste as new delivery agencies need to develop, consolidate and implement IT and case management systems and processes.

CONSIDERATIONS:

ESDC should not duplicate its own investments and treat FNLMA's as their partners of choice when dealing with First Nations.

FNLMA's are a diverse body of organizations with different levels of capacity, priorities and relationships with First Nation governments, the private sector and other program delivery bodies. Channelling all new initiatives into the FNLMS could do exactly what is being objected to, forcing priorities and objectives on First Nations organizations outside of their community and development reality

Right of first refusal would be a compromise solution.

RECOMMENDED OPTION:

To bring forward that all new labour market initiatives for First Nations be channeled through FNLMA'S

This option is the clearest statement of the importance of respecting First Nation decision making, on making FNLMA's the centrepiece of government and First Nation efforts to achieve positive labour market outcomes for First Nations and of avoiding waste and duplication when leadership resources are so rare.

**ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 12 – Parallel Aboriginal Programs**

DECISION:

DATE AND VERSION:

Draft 2, November 23, 2016

*Examples of parallel programs are ASEP/SPF, First Nations Job Fund

DRAFT

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 13 – Other Application-based pan-Canadian Programs

DESCRIPTION:

Even though pan-Canadian programs for other than Aboriginal (First Nations) people (EI, YES, OF) have already been taxed and the sums added to the Aboriginal strategies, as legally incorporated bodies, FNLMA's should be able and welcome to apply to these programs.

Can the administrative burden be reduced? How will these applications be received?

OPTIONS:

1. To clarify that FNLMA's are welcome to apply and operate distinct projects
2. To draw lessons from "program bundling" experiments, projects:
 - a. FNLMA's have already been vetted by ESDC for governance, mandate and experience, - the application burden could be reduced to the project idea, budget and expected outcomes
 - b. The budget could be an additional annex to the FNLMA
 - c. Reporting would be on the basis of outcomes, funds could be pooled with FNLMA's' other funds to avoid complex tracking of funds
3. To draw lessons from "program bundling" experiments, mandates: Requests to take on more complex mandates with multi-year funding should also be considered/encouraged when such initiatives are consistent with the mandate, local priorities and the capacity of the FNLMA; e.g. Homelessness funds or funds from OGDs addressing the needs of youth-at-risk or provincial/territorial programs
 - a. FNLMA's' applications would be received as "sponsors of choice" since GoC has already invested in this delivery capacity
 - b. Applications should promise interesting synergies
 - c. Managerial capacity and community support should be clear
 - d. A single agreement model should be used

RATIONALE:

Accepting FNLMA's as sponsors of choice for either project funding or multi-year funding reflects First Nations and GoC investment in building these institutions and the potential for good results either on projects or programs and interesting synergies as horizontal solutions are applied to complex issues

CONSIDERATIONS:

It should be recognized that taking on additional projects and mandates represent a management challenge and FNLMA's should only do so if they are confident in their governance, managerial, administrative and program delivery capacity and that they have the necessary community support and networks.

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ISSUE PAPER 13 – Other Application-based pan-Canadian Programs

It should be recognized that complex operations require a greater degree of control and due diligence and so that planning and budgeting for such initiatives will still be necessary

Activities that represent duplication should be addressed: re-submitting corporate information and history is burdensome and time-consuming. FNLMA's should be assured that they are 'sponsors of choice' and will not be disadvantaged because 'they already have federal funds'.

Models for contracting should be used based on bundling and single agreement experiments with accountability for outcomes. (Probably the FNLMA board would want to see project or program costs anyway)

- Narrative, we did what we said we would do
- Consolidated financial reporting
- Outcomes, whether qualitative or quantitative, to meet the accountabilities of the fund source program or strategy

When agreements with other levels of Government or sources of funds are in place, three party agreements should be developed or efforts made to coordinate reporting guidelines to avoid multiple reports to different guidelines and formats.

RECOMMENDED OPTION:

Option 2 asap and Option 3 following discussions on single agreement models.

DECISION:

DATE AND VERSION:

Draft 2, November 23, 2016

**ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 13 – Parallel Aboriginal Programs**

DESCRIPTION:

To develop policy on the issue of parallel programs* that address Indigenous labour market issues and that are set up parallel to and outside of the main-stream FNLMS.

OPTIONS:

1. To make representations to ESDC that all programs for First Nations be rolled into the FNLMS
2. To provide FNLMA's with the right of first refusal to be the delivery agent of parallel programs

RATIONALE:

While parallel programs address important issues and bring incremental resources, they have sometimes been designed with their own delivery strategies undermining the central role of FNLMA's.

These programs meet real needs, capturing untapped opportunity brought on by economic development or addressing issues such as welfare dependency and traps. They offer opportunity to further build capacity and consolidate the role of FNLMA's in the context of autonomous, self-governing First Nations.

When parallel delivery strategies require putting in place new machinery, they further fragment the institutional landscape and stretch limited capacity even further. They often cause waste as new delivery agencies need to develop, consolidate and implement management, program delivery, IT and case management systems and processes.

ESDC should not duplicate its own investments and should treat FNLMA's as their partners of choice when dealing with First Nations.

CONSIDERATIONS:

FNLMA's are a diverse body of organizations with different levels of capacity, priorities and relationships with First Nation governments, the private sector and other program delivery bodies. Channelling all new initiatives into the FNLMS could do exactly what is being objected to, forcing priorities and objectives on First Nations organizations outside of their community and development reality

Right of first refusal would be a compromise solution.

RECOMMENDED OPTION:

To bring forward that all new labour market initiatives for First Nations be channelled through FNLMA'S

This option is the clearest statement of the importance of respecting First Nation decision making, on making FNLMA's the centrepiece of government and First Nation efforts to achieve positive labour market outcomes for First Nations and of avoiding waste and duplication when capacity is limited.

**ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 13 – Parallel Aboriginal Programs**

DECISION:

DATE AND VERSION:

Draft 3, November 23, 2016

*Examples of parallel programs are ASEP/SPF, First Nations Job Fund

DRAFT

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 14 – EI and Other Envelopes

DESCRIPTION:

To confirm that FNLMS will continue to benefit from a contribution from the EI program to the FNLMS budget and that other pan-Canadian Strategies will be taxed in the same way so that First Nations institutions deliver programs to First Nation members

OPTIONS:

1. To request that the current EI envelope be converted to CRF funds given the constraints around the use of EI funds restricting eligibility to current and former EI Claimants (60 months)
2. To continue the practice of including a First Nations envelope in any ESDC pan-Canadian program or strategy including EI Active Employment Measures (EI Act Section 62)
3. To provide for the movement of EI Funds between FNLMA's to facilitate their maximum use

RATIONALE:

While increasing the CRF envelope and getting out from the constraints of EI funds would seem attractive, ESDC has had the practice of taxing any new pan-Canadian program and increasing the Aboriginal envelope accordingly. This practice has been to the advantage of Aboriginal groups. EI Part II, Youth Employment Strategy, Opportunities Fund are the examples. LMAs with provinces and territories would be an important exception. Client-based programs such as Apprenticeship Grants would be another.

FNLMS should not be deprived from this important source of funds nor neglect the principle that pan-Canadian programs must address First Nations needs and context and be designed and delivered by First Nations.

Moving EI Funds between FNLMA's could maximize usage while maintaining the principle

CONSIDERATIONS:

FNLMA's could trade EI for CRF funds. The incentive for FNLMA's giving up CRF funds would be the additional leverage of Part I income support benefits that they would gain. The process could be managed by ESDC or the Secretariat and would require simple agreement amendments that could be approved at a low level of the ESDC hierarchy.

At the end of the second quarter, FNLMA's could also give up EI Funds for the greater good (to fund urban program and service delivery possibly). EI Funds are lost if not used during the year.

RECOMMENDED OPTION:

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ISSUE PAPER 14 – EI and Other Envelopes

Recognize in the Statute the principle that pan-Canadian programs should be designed and delivered by First Nations for their people and that FNLMS is ESDC's vehicle for achieving this.

Retain the EI Envelope while building stronger mechanisms to facilitate full usage.

DECISION:

DATE AND VERSION:

Draft 2, November 23, 2016

Support measures

(4) In support of the national employment service, the Commission may establish support measures to support

- **(a)** organizations that provide employment assistance services to unemployed persons;
- **(b)** employers, employee or employer associations, community groups and communities in developing and implementing strategies for dealing with labour force adjustments and meeting human resource requirements; and
- **(c)** research and innovative projects to identify better ways of helping persons prepare for, return to or keep employment and be productive participants in the labour force.

EI ACT, Part II, Section 60, National Employment Service

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ISSUE PAPER 14 – EI and Other Envelopes

Annex: Strategy for the Full Implementation of EI Part II Funds **[Is this already done?]**

- “Unemployed Persons” are persons who are out of work and who are looking for work.
- Employment services are those services which assist an individual in finding work: providing information, assessment, counselling, testing, any service which does interrupt an active job search and which enhances active job search (mobility payments, job search clubs where the costs are paid by the FNLMA)
- Costs may be paid by the service provider on behalf of the client but not to the client (which would be a benefit having more restricted eligibility rules, active or former EI Claimant)
- Based on Section 60 of the EI Act, FNLMA's could charge the costs of their front end, any other employment services and a pro-rated amount of their administrative costs to the EI envelope
- FNLMA's should take care that their programs and services are not driven by the rules governing the funds but by the needs of their communities

DRAFT

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
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ISSUE PAPER 15 – EI Authorities

DESCRIPTION:

[The authors are not aware of differences between the authorities delegated by ESDC to provinces and Territories and FNLMAS. Groups that brought this issue forward at the Forum should provide further information]

OPTIONS:

RATIONALE:

CONSIDERATIONS:

While FNLMA's have delegated authority to refer eligible Claimants and former claimants to EI like active measures and services and have access to the EI system to validate eligibility and set up the claim for benefits under active measures, SC staff exercise a high level of control over this function and at the same time are unwilling or unable to advise on complicated or unusual situations.

FNLMA's have the authority to design culturally sensitive programs which are "similar" to ESDC's Employment Benefits and Support Measures (Section 63)

ESDC staff should not encroach on FNLMA authority to design and implement their own programs which are like the programs established by ESDC under the Act

RECOMMENDED OPTION:

DECISION:

DATE AND VERSION:

Draft 2, November 23, 2016

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
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ISSUE PAPER 15 – EI Authorities

Courses, Programs and Employment Benefits

Marginal note: Status of claimants

- **25 (1)** For the purposes of this Part, a claimant is unemployed and capable of and available for work during a period when the claimant is
 - **(a)** attending a course or program of instruction or training at the claimant's own expense, or under employment benefits or similar benefits that are the subject of an agreement under section 63, **to which the Commission, or an authority that the Commission designates, has referred the claimant;** or
 - **(b)** participating in any other employment activity
 - **(i)** for which assistance has been provided for the claimant under prescribed employment benefits or benefits that are the subject of an agreement under section 63 and are similar to the prescribed employment benefits, and
 - **(ii)** to which the Commission, or an authority that the Commission designates, has referred the claimant.

EI Act Part I

Agreements for paying costs of similar benefits and measures

- **63 (1)** The Commission may, with the approval of the Minister, enter into an agreement with a government or government agency in Canada or any other public or private organization to provide for the payment of contributions for all or a portion of
 - **(a)** any costs of benefits or measures provided by the government, government agency or organization that are **similar to employment benefits or support measures** under this Part and are consistent with the purpose and guidelines of this Part; and
 - **(b)** any administration costs that the government, government agency or organization incurs in providing the benefits or measures.

EI Act, Part III

Annex: EI Authorities

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ISSUE PAPER 16 – Temporary Foreign Worker Program

DESCRIPTION:

The Temporary Foreign Worker Program (TFW) meets a wide range of needs including admitting foreign workers, skilled or unskilled, on temporary visas when employers have tried and been unable to hire Canadians. Many visas are approved in areas near agreement holders who struggle to place clients in employment.

Issues are:

- The “Canadians First” policy is not applied effectively as First Nations individuals could do some of these jobs
- TFW is a temporary solution to skills and labour shortages but appears to be perennial for many employers

OPTIONS:

ESDC/SC officials responsible for issuing Labour Market Opinions, a key step in the admission of TFWs, could be instructed to consult with FNLMAS

Perennial users of the program could receive approvals conditional on developing a plan to train Canadians and privileging FNLMA as partners

RATIONALE:

Admitting TFWs when First Nations individuals could do the job or be trained to do the job is against the concept of the program and undermines Canadian democracy (TFW is a concession to economic necessity and an exception to normal democracy since TFWs do not have the rights of other workers)

Developing a Canadian source of workers would be a win-win-win situation (employer – stable local workforce, FNLMA - placements for clientele, Government - increased employment for Canadians and First Nations)

CONSIDERATIONS:

While the program has been strengthened in recent years, processing and approvals have been at an administrative level based on determining eligibility. Mechanisms would need to be developed to create the loop for consultation with FNLMA and for enforcing/facilitating the development of training and recruitment plans

RECOMMENDED OPTION:

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 17 Youth Envelope

DESCRIPTION:

To reaffirm the practice that funds from the Youth Employment Strategy be included in the FNLMS, that funds be bundled with other CRF funds and that accountability be for results against the objectives of the strategy

OPTIONS:

To adopt the principles from ASETS and from ESDC bundling experiments

RATIONALE:

The principle that First Nations can best prioritize, design and deliver programs and services for their members holds not only for funds targeted to Indigenous peoples but to all pan-Canadian programs. All pan-Canadian programs should identify the appropriate share of funds for First Nations and these funds be rolled into the FNLMS allocation. In return, FNLMA's will report their results against the objectives of those programs or strategies.

CONSIDERATIONS: [tbc]

Under AHRDAs, funds had to be spent on YES-like programs or returned and results accounted for. Under ASETS, funds from YES were rolled into the allocation removing the constraint to track and report on youth specific expenditures and activities. Outcomes for youth are reported as part of the whole.

For FNLMA's to track funds from different sources is a major administrative burden. As well, to identify participants as being participants of one funding source or another is artificial and an administrative burden. However, accounting for results based on the participant profile is part of FNLMS practice and based on case management, permits reporting of the FNLMA's contribution to the goals of the Strategy

ESDC has already run pilots "bundling" funds from several programs into a single application, agreement and report

RECOMMENDED OPTION:

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 19 – Persons with Disabilities

DESCRIPTION:

The strategy includes funds, objectives and reporting requirements for First Nations Persons with Disabilities (PwD). While the prevalence of disabilities among First Nations people is greater than in the Canadian population, the funds available are very small (the core federal program is LMAPwD, agreements signed with provinces and territories, and no funds were included in the strategy to balance this initiative). Programming is flexible but the area is complex and requires specialized expertise and dedicated effort. Complexity arises from the fact that many PwD are consumed by just getting access to the benefits that they need and employment often presents additional burdens rather than being a solution. Moreover, accessing services from outside of urban centres is daunting and costs for disabilities supports are high.

AFN is currently in the process of developing a distinct approach for persons living with disabilities

OPTIONS:

1. Status quo: what works for PwD is an operational issue that can be dealt with by the Secretariat to share and improve practice
2. Enhance the budget request so that FNLMA's have sufficient resources to make investments in resources, expertise and partnerships to become effective
3. Note the inclusion of PwD in the scope of the strategy in the cabinet document and hold recommendations for the conclusions of the AFN FN strategy for PwD

RATIONALE:

Inclusion of persons with disabilities in the mainstream in all aspects of society is a universally held policy objective. Given the frequency of disabilities among First Nations people, effective program responses must be part of the strategy. Funding needs to exceed a critical mass to make investments in the resources, expertise and partnerships required by effective programming worthwhile. Given the complexity of the issues and number of agencies and regulations involved, a distinct First Nations approach is a pre-requisite to moving ahead.

CONSIDERATIONS:

While accessing employment is an obvious goal for many PwD, programming for PwD overlaps with Health and Social Services and great expertise and care is required so as not to "do harm" by inadvertently provoking the loss of benefits or supports.

Many PwD face important barriers to employment but are not in any system and could be effectively targeted as a priority clientele

RECOMMENDED OPTION:

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FIRST NATIONS LABOUR MARKET STRATEGY
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ISSUE PAPER 19 – Persons with Disabilities

The low level of funding for PwD is a gap and should be addressed in the MC (see annex) while service delivery strategies can await the outcomes of the AFN research and consultation project.

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

Annex – First Nations allocation base on LMA PwD

- Incidence of disability in the Canadian population 15 and over is 16.6%
- Budget for LMA PwD signed with provinces and territories is \$219.11 million
- Based on the Canadian incidence of disabilities, the First Nations allocation should be \$6.02 million
- Based on the incidence of disabilities in the First Nation populations presented in the First Nations Regional Health Survey, 27.9%, the allocation should be \$10.11 million

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FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 20 – ESDC/SC Delivery

DESCRIPTION:

A major issue for renewal is the service delivery culture at ESDC and Service Canada (SC) which has been described as check-list, compliance based. SC staff frequently do not have the professional skills and qualifications or the cultural sensitivity to play a value-added role in a respectful partnership, - this issue needs to be addressed early in the process and at a high level if anything is going to change

OPTIONS:

1. Recommendation to Minister to address the skill level and delivery strategy for SC (ESDC must display and present the arguments for its operating costs to deliver the strategy in the MC)
2. All SC and ESDC front line delivery and policy staff must take cultural sensitivity training from options recommended by FNs
3. Joint Implementation Workshops be held to work through the desired relationship coming out of renewal. Partnership, respect, value-added role, autonomous decision making
4. ESDC review its policies and rules to eliminate the micro-management that has built up in the strategy (eg. communications, cost categories, caps) and return to a model of approving a strategic business plan

RATIONALE:

Organizational, business or delivery culture is an outcome of rules, processes, roles and relationships as well as of knowledge and skills (we do what we know how to do)

The success of grants and contributions must be built on trust - the government transfers funds to third parties to achieve important objectives because they can do it better. The objectives of the strategy are as important to agreement holders than to the Government or officials since it is their communities that are at stake. Agreement holders cannot be treated as the enemy or as a risk if the strategy is to succeed

ESDC/SC staff must have the skills, competencies and knowledge required to oversee the transfer of \$millions in multi-year agreements and contribute to building strong First Nations institutions:

- Cultural
- Financial
- Relationship
- Government machinery
- Private sector

CONSIDERATIONS:

This may impact classification and level of SC staff.

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ISSUE PAPER 20 – ESDC/SC Delivery

ESDC manages grants and contributions out of fear of bad press and not of joy in success and good news

SC delivery structure cannot accommodate higher, professional classification levels in its organization since they cannot fit into the hierarchy of the organization

RECOMMENDED OPTION:

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

DRAFT

ASSEMBLY OF FIRST NATIONS
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DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 21 – FNLMA Capacity Building

DESCRIPTION:

FNLMA proposes to include institution building as a necessary part of new relationship based on nation-to-nation, government-to-government relations. Capacity building is a part of this and includes different dimensions: governance and board capacity: staff skills and professionalism, managerial, administrative, IT, program and service design and delivery; systems and IT

OPTIONS:

The Secretariat will take on an important role in building FNLMA capacity. In addition, by including institution building as a Strategy objective, matching results indicators will need to be developed (what gets measured is what gets done). On top of these points, options are:

- 1. Including capacity building as part of the FNLMA business plan and removing caps on Administrative Costs in favour of presenting a business plan which is reviewed for overall effectiveness.**

RATIONALE:

Strong, professional organizations are critical to First Nations taking control of the design and delivery of their labour market programs.

CONSIDERATIONS:

Institution building needs to be included as a Strategy objective with appropriate metrics for measuring progress otherwise resistance to funds going anywhere but to end clients will undermine capacity building.

FNLMA plans need to be coordinated with the activities and service offering of the Secretariat

RECOMMENDED OPTION:

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

ASSEMBLY OF FIRST NATIONS
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DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 22 – Reporting Burden

DESCRIPTION:

A financial and results accountability model that reflects the relationship (partnership, autonomy), is adaptable to agreement holder capacity (readiness and management strength) and is based on risk needs to be developed

OPTIONS:

Principle based approach

- Risk, base reporting burden on risk assessment against real, jointly agreed upon risk factors
- Use, do not request information that is not used
- Duplication and Level of oversight, do not request information that exceeds what a skilled, experienced Board would want

Post-cabinet approval: undertake joint work between ESDC officials and experienced agreement holder staff to review ESDC data holdings, data need and usage in view of minimizing reporting burden*

RATIONALE:

The burden created by micro-management and reporting have been flagged as issues since the Blue Ribbon Panel Report in 2006, “From Red Tape to Clear Results”, and was raised again by the Minister at the Winnipeg Forum and in the Forum Report.

Reporting is necessary to track activity and progress and to account for public funds. It becomes wasteful when it is arbitrary, excessive or provides information that is not used.

When excessive, on the agreement holder side it creates waste and on the Government side, it creates waste and a culture of paternalism and control that is in conflict with a focus on results.

CONSIDERATIONS:

Officials feel that they need to know everything in case something appears in the media and, in the past, Ministers have imposed various rules that have become over layered and for which tracking and oversight have added to the reporting burden. If responsibility for labour market programs has truly been transferred to First Nations, then officials do not need and do not want to know everything. Their focus should be on strong institutions, - governance and policies, - not on uploading agreement holder accounts (which does increase their responsibility)

RECOMMENDED OPTION:

DECISION:

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ISSUE PAPER 22 – Reporting Burden

DATE AND VERSION:

Draft 1, November 23, 2016

*The Ontario Government for its youth employment program used a “continuous improvement” approach where information submitted through the reporting regime was analysed, used to provide feedback and target helpful interventions. The Ontario Government was able to document steady, continuous improvement across its community of program delivery agents. Delivery agents were treated as partners, systems and training were provided to build capacity and improve performance

Reporting Burden:

While it is possible to reconstruct the logic behind the report formats, narrative or qualitative results and progress reports follow a stream of consciousness form that is difficult to follow, hard to complete and does not provide information that is useful or accessible and exceeds what a reasonable board of directors would want to see. Quarterly reports are probably excessive.

Financial Reports are a burden because of arbitrariness in ESDC’s use of its own cost categories and complex controls limiting budget flexibility. ESDC should accept FNLMA’s charter of accounts and roll them up to simple, understood cost categories, eg. Management and Administrative Costs (including capacity building), Capital Costs, Service and Program Delivery Costs, Participant Costs for the Agreement Holder and Sub-agreement holders.

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 23 – Administrative Costs

DESCRIPTION:

Agreement holders are frustrated by the arbitrary caps placed on administrative costs, the inclusion of capacity building in this category limiting investments and inconsistency in the application of the concepts and categories

A consistent, easy to understand and professionally recognized approach is necessary to facilitate a new strategy based of respect, flexibility and adaptability

OPTIONS:

At the cabinet stage, the Recommendation to Ministers needs to point out that the principles of flexibility and adaptability, trust and respect mean that rigidities around administrative costs will be addressed and practices that frustrated capacity building dropped

In the post cabinet pre-implementation period, joint work with ESDC and experienced agreement holder staff and accounting professionals should work out a regime based on business planning meaning that plans and budgets are based on the unique agreement holder circumstances and objectives and not on blanket rules.

Capacity building will be an accepted activity and objective

RATIONALE:

While waste is a shared concern, administrative overhead does not equate to waste. Management and administrative capacity are keys to success. Capacity building is an accepted objective. Attempts to address waste through blanket rules undermine strategy objectives and fly in the face of the diversity of agreement holder conditions.

CONSIDERATIONS:

Administrative costs are not a risk or a threat. Excessively high or low costs are risks that would undermine performance

RECOMMENDED OPTION:

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 25 – Provincial-Territorial Relations

DESCRIPTION:

To establish the policy for inclusion of the AFN in the Forum of Labour Market Ministers (FLMM) and in regional federal/provincial-territorial planning and coordination discussions

The draft MC should make clear reference to these principles so that they are clearly established going forward

OPTIONS:

- A. Representation at the FLMM
 1. That the AFN National Chief be invited to be a member of the FLMM and that he/she include the Chairperson of the Commission to complete the First Nations' delegation as well as a Chief of the region where the FLMM is being held
 2. That the federal Minister include First Nations representatives, the National Chief and the Chairperson of the Commission, in the Federal delegation
 3. That the Federal Minister agree to invite representatives of the First Nations, National Chief and Chairperson of the Commission, depending on the agenda of the FLMM and that senior officials consult with the AFM as the agenda is elaborated.
- B. Regional FPT Meetings
 1. That regional First Nations, GoC and P-T Meetings be held on at least an annual basis to address issues relative to planning and coordination of labour market programs and services
 2. That First Nations representatives be invited ex officio (by right of office) to all regional FPT meetings dealing with LMDA matters
 3. That First Nations representatives be invited depending on the agenda to all regional FPT meetings and that the agenda be shared with First Nations representatives so that they may raise issues and speak to the opportunity of their being invited

RATIONALE:

Aboriginal and First Nations labour market issues are of important concern in all p-ts, with cross-cutting issues around economic development, apprenticeship, housing, education, social services, justice and labour market programs and services requiring discussion and collaboration.

First Nations people are also Canadians and if they choose, should have access to all p-t programs without discrimination

CONSIDERATIONS:

In 5 p-ts, the combined ASETS agreements are bigger than the LMDA.

RECOMMENDED OPTION:

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 25 – Provincial-Territorial Relations

That Senior Officials consult First Nations representatives on issues and seek their input to agendas for Ministers and that First Nations representatives be invited to the FLMM for agenda items of interest to First Nations.

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

DRAFT

**ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 26 – First Nations Community-based and Client-centred**

DESCRIPTION:

To reaffirm as principles of good program and service delivery that programs and services be community-based and client-centred

OPTIONS:

To embed these principles in the program policy

RATIONALE:

First Nation governance and delivery models need to provide for community-based programming driven off of client needs and case managing clients along an individual road to sustainable employment and earnings. This approach allows practitioners to deal with the multiple dimensions of employment disadvantage and to mobilize community resources and networks in providing solutions.

Programs are not ends in themselves but tools to be used to assist clients. This approach does not exclude, for example, institutional skills training or subsidized work experience opportunities but puts them in context.

Canadian and international experience and evaluations support these principles which have been imbedded in the EI Act, LMDAs and results-based accountability frameworks.

CONSIDERATIONS:

High level policy should endorse these principles which then should be supported by delivery models, program and service offerings, case management systems and results frameworks.

Alternative approaches would be referring clients to institutional training or putting oneself in a program delivery mode instead of a case-management mode. Organizations cannot deliver an infinitely varied program menu, priorities need to be set and programs delivered but these decisions should be made at the community level in the context of local resources, networks and opportunity.

RECOMMENDED OPTION:

To embed these principles in the program policy

DECISION:

DATE AND VERSION: Draft 1, November 23, 2016

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ISSUE PAPER 27 – Case Management

DESCRIPTION:

The MC should engage ESDC to review practices to reduce administrative burden and over-reporting on case management as well as addressing the HR and IT costs of case management

OPTIONS:

Following the Cabinet process, set up and engage in a joint working group to reduce the administrative and reporting burden related to case management and results reporting based on principles:

- Case management is the foundation of client-centred programming and results-based accountability
- Information should not be reported that it is not analysed or used
- HR and IT costs should be recognized
- The Secretariat should consider and attach a priority to training in the area of case management

RATIONALE:

Case Management is the accepted approach to implement “client-centred” programs and services and is the foundation for results-based accountability.

CONSIDERATIONS:

To confirm issues with Sub- Technical Working Group

RECOMMENDED OPTION:

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016

ASSEMBLY OF FIRST NATIONS
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DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 28 – Data Sets, Commission

DESCRIPTION:

Data sets are needed for the Commission to monitor the labour market outcomes of First Nations people and to position it so as to be able to play a leading role in improving those outcomes. Others data sets are needed to monitor the performance of the program and agreement holders and to establish the allocation in the Annual Spending Plan as established by Statute.

*Population** or societal indicators allow answering the question, “Are we making a difference?” and are key to assessing Government wide efforts and to assembling partnerships and making calls to action to address broad issues. The program and even less agreement holders cannot directly influence societal indicators and cannot be held accountable for them but their actions should contribute to their improvement.

OPTIONS:

Include a small set of Population Indicators in the Statute and the mandate of the Commission so that the Commission can report on First Nations peoples’ position in the labour market, set high level goals, play a leadership role with regards to First Nations, other sectors of the society and the Government.

Shy away from targets because the Commission cannot be responsible for achievement
- focus on things that the Commission can control

RATIONALE:

Everyone’s efforts only make sense if we seek to change Population indicators, improve outcomes for First Nations people in the labour market and track change in those indicators. A set of Population Indicators will allow the Commission to play a leading role in improving those outcomes and holding the government and larger society accountable

CONSIDERATIONS:

Canadian governments have shied away from societal indicators and targets since the setting of an objective to reduce child poverty and failing

RECOMMENDED OPTION:

Adopt a small set of indicators and ensure that the data exists and track the evolution of these indicators in reports to First Nations and the Government

DECISION:

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ISSUE PAPER 28 – Data Sets, Commission

* This framework is adapted from the work of Mark Friedman, *Trying Hard Is Not Good Enough*, a handbook on results based-accountability and achieving social change.

The process for community (political or leadership) type organizations is as follows:

1. What are the quality of life conditions we want for ... [First Nations people participating in the labour market]?
2. What would those conditions look like if we could see or experience them?
3. How can we measure these conditions?
4. How are we doing on the most important measures?
5. Who are the partners that have a role to play in doing better?
6. What works to do better, including no-cost and low-cost ideas?
7. What do we propose to do?

Annex – Population Indicators

Draft – for discussion

Employment and earnings sum up success in the labour market. The outcome that we are looking for is a sustainable pattern of employment and earnings so that individuals can achieve their life objectives and survive the turbulence of labour markets. Marketable skills are a foundation including life skills and all the dimensions of literacy

- First Nations Employment Rate (age, gender, disability, education)
- Number and rate of youth who are out of school and out of work
- First Nations Earnings from Employment
- Dependency rate (level of dependency on government transfers)
- Number of apprentices/journeymen
- Number of technicians (diploma level)
- Number of semi-skilled
- Number of un-skilled

ASSEMBLY OF FIRST NATIONS
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DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 29 – Data Sets: Service Providers (FNLMA's)

DESCRIPTION:

Data sets are needed to monitor the performance of the program and agreement holders.

Program indicators allow to answer the question, “Are our clients better off?” and are key to assessing service agencies and to help them improve. Agencies can influence Program Indicators and they should contribute to Population outcomes although it may be impossible to demonstrate the link.

Program Indicators are key to a program since they define success and are a requirement of the cabinet document. It is important that targets be set from the “bottom up” since top down target setting merely introduces gaming or other dysfunctional behaviour. Targets need to reflect local conditions and opportunities, priorities between employment disadvantaged participants and those closer to the labour market

OPTIONS:

1. Status quo: no change to the existing set of indicators which are well known and have IT support
2. Revision of the results indicators to provide a clearer, more helpful set of indicators

RATIONALE:

CONSIDERATIONS:

RECOMMENDED OPTION:

DECISION:

DATE AND VERSION:

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* This framework is loosely adapted from the work of Mark Friedman, *Trying Hard Is Not Good Enough*, a handbook on results based-accountability and achieving social change.

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ISSUE PAPER 29 – Data Sets: Service Providers (FNLMA)

Annex: Results-based Accountability

The process for service provider type organizations is as follows:

1. Who are our customers
2. How can we measure if our customers are better off?
3. How can we measure if we are delivering our services well?
4. How are we doing on the most important measures?
5. Who are the partners that have a role to play if doing better?
6. What works to do better, including no-cost or low-cost ideas?
7. What do we propose to do?

Annex – Performance Indicators for Service Agencies

Draft – for discussion

Performance indicators seek to answer how much did we do and how well did we do it:

- How much service was provided?
 - How well was the service provided?
 - How many participants are better off?
 - What percent of participants are better off? And how are they better off?
1. Participant counts
 2. Participant satisfaction
 3. Employment after participation, number, rate
 4. Skills utilisation, number, rate
 5. Certification, number, rate
 6. Earnings, weekly, annual

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ISSUE PAPER 29 – Data Sets: Service Providers (FNLMA's)

Annex – Performance Indicators for Institution Building

Draft – for Discussion

How much did we do?

- Funds managed
- Number of programs managed
- Staff and board training?

How well did we do it?

- Budget utilisation, rate?
- Staff with training or certification for the position, rate

Is anyone better off?

- Staff turn-over rate
- Rate of achievement of performance targets

A check list approach (report card, bill of health) may be useful:

- HR policies Y/N
- Work descriptions Y/N
- Financial policies Y/N
- Board orientation package Y/N
- Board Policies Y/N
- ...

ASSEMBLY OF FIRST NATIONS
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DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 30 – Data Sets – spending Plan

DESCRIPTION:

The process for establishing the Spending Plan will be included in the Statute

Establishing the FNLMS by statute opens the opportunity to provide predictability of funding to the strategy. The notion of a Spending Plan to be tabled each year with the Treasury Board by the Minister of ESDC can achieve this.

Once the envelope for the strategy is established for 2017-18, it can be protected from inflation and increased to match population growth through this mechanism

OPTIONS:

1. To embed factors in the Statute so as to provide predictability, stability and fairness in allocating funds to FNLMA's
2. To provide for a 5 year rolling budget to be updated each year based on the factors for inflation and population growth

RATIONALE:

It is a policy objective of the AFN, First Nations governments and Agreement holders to achieve stable, predictable, long term funding and to re-establish the budget envelope for the strategy which has been eroded by inflation and population growth.

The goal of improving labour market outcomes for First Nations cannot be achieved if the budget envelope is eroded or if First Nations labour market agencies are destabilized by uncertainty either from year to year or periodically.

CONSIDERATIONS:

The federal government does not usually project out over more than 5 years and programs must be reviewed for relevance and effectiveness every five years. This should not be reason to retain budget instability since the issues are perennial, - ie all modern economies have labour market programs and services to deal with changes in labour markets, develop required skills and improve employment and earnings

Should the envelope be adjusted according to Employment levels or the gap between First Nation and Canadian employment levels? Should further sophistication/complication be introduced, eg, adjusting the EI funds for the Unemployment Rate

Should allocations to individual FNLMA's be automatically increased by the same amounts as the Spending Plan or should there be provisions for re-allocation within the strategy to adjust for shifts in population or levels of employment or unemployment

RECOMMENDED OPTION:

See annex for rules

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ISSUE PAPER 30 – Data Sets – spending Plan

DECISION:

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Annex – Rules for Establishing the FNLMS Spending Plan

- Each year before March 31st, the Minister of ESDC will present to the Treasury Board a Five Year Spending Plan for the Strategy
- The amount for the coming year will be the amount for the previous year adjusted by the inflation rate for the previous calendar year and the most recent calculation of First Nations population growth
- The projections for years 2 to 5 will be based on the amount for the coming year adjusted by the three-year floating average for inflation and population growth
- The requirement to submit a Five Year Spending Plan does not preclude the Minister's responsibility to audit implementation and evaluate performance

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