

FIRST NATIONS LABOUR MARKET STRATEGY

INDIGENOUS SKILLS AND EMPLOYMENT TRAINING (ISET) PROGRAM EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA TERMS AND CONDITIONS FOR CONTRIBUTIONS

INTRODUCTION

To support the growth of Indigenous communities and foster lifelong learning, skills development and training, the Government of Canada has committed to the creation of the Indigenous Skills and Employment Training (ISET) Program, the successor to the Aboriginal Skills and Employment Training Strategy (ASETS). The First Nations Labour Market Strategy (FNLMS) is a distinctions-based strategy under the ISET Program. The FNLMS reflects the Government's commitment to a renewed relationship with First Nations, one that is framed by principles of reconciliation, including recognition of rights, respect, co-operation, partnership and self-determination. This transformational approach to Indigenous labour market programming will support preparation for the increased transfer of First Nations labour market development programs to First Nations governments and mandated organizations.

Federal support for Indigenous labour market programming has a long history, starting with the Pathways to Success program in 1991-1996 and continuing with the Regional Bilateral Agreements (RBAs) from 1996-1999 (including the Urban Aboriginal Employment Initiative - UAEI); the Aboriginal Human Resource Development Strategy - AHRDS I (1999-2004) and AHRDS II (2004-2010); the Aboriginal Skills and Training Strategic Investment Fund (ASTSIF) – 2009-2011; and finally, the ASETS and Skills and Partnership Fund (SPF) - 2010-2018. The parameters of the ISET Program build on over 25 years of programming and service delivery by First Nations organizations.

The FNLMS places emphasis on overall client outcomes, ultimately leading to improved skills, employment, and earnings by recognizing incremental successes and capturing the progression of clients along their skills development and employment path. The new approach has a stronger focus on assisting First Nations gain transferrable skills that will support their employment path and long-term career success by securing jobs in a wide range of sectors. Another key component of the strategy is a continued focus on providing a comprehensive suite of wrap-around supports to First Nations clients. By addressing barriers to employment, the FNLMS not only contributes to improved employment outcomes, but also to building stronger First Nations.

The Department of ESD is committed to advancing a nation-to-nation and government-to-government relationships with Modern Treaty and self-governing First Nations. As such, self-governing and Modern Treaty entities will be eligible for flexible funding arrangements, reflecting self-government and land claim agreements language, respecting governance rights, and recognizing accountabilities.

1.0 AUTHORITY

The ISET Program is established by the Minister of Employment and Social Development (“the Minister”) pursuant to section 7 of the *Department of Employment and Social Development Act (DESDA)*. Section 7 provides that “The Minister may, in exercising the powers and performing the duties and functions assigned by this Act (*the DESDA*), establish and implement programs designed to support projects or other activities that contribute to the development of the human resources of Canada and the skills of Canadians, or that contribute to the social development of Canada, and the Minister may make grants and contributions in support of the programs”.

The mandate of the Minister (i.e. the powers, duties and functions assigned to the Minister) is set out in section 5 of the *DESDA*. Subsection 5(1) provides that “the Minister’s powers, duties and functions extend to and include all matters relating to human resources and skills development in Canada or the social development of Canada over which Parliament has jurisdiction and which are not by law assigned to any other Minister, department, board or agency of the Government of Canada”. Subsection 5(2) further provides that “The Minister shall exercise the powers and perform the duties and functions (a) relating to human resources and skills development with a view to improving the standard of living and quality of life of all Canadians by promoting a highly skilled and mobile workforce and an efficient and inclusive labour market; and (b) relating to social development with a view to promoting social well-being and income security.”

The ISET Program relates to the mandate of the Minister of the Department of ESD.

Budget 2018 provided investments in the FNLMS under the new ISET Program to recognize the unique needs of First Nations.

2.0 PURPOSE, OBJECTIVE, OUTCOMES AND KEY PERFORMANCE MEASURES

2.1 Purpose

The FNLMS, supported through the ISET Program, will help close the skills, employment and earning gaps between First Nations and non-Indigenous people through supporting training for employment, including that linked to traditional economies, as well as assisting clients to gain transferrable skills and find jobs that will support their employment and long-term career success in a wide range of sectors. The FNLMS will support First Nations clients with customized, culturally-appropriate wrap-around services that will help address barriers to employment and increase employability.

The ISET Program and FNLMS link to the Department of ESD’s overarching mission of supporting Canadians in making choices that help them live productive and rewarding lives, and improving Canadians’ quality of life, as well as the following strategic outcome as stated in the Departmental Results Framework and Program Inventory: Canadians,

including under-represented groups and vulnerable workers, have the opportunity to acquire skills to find and maintain productive employment.

2.2 Objectives

The overall objectives of the FNLMS are:

- to support First Nations in developing employment skills by pursuing training for employment and long-term careers, and by recognizing their unique needs, with the ultimate objective of closing the employment, earnings, and skills gaps between First Nations and non-Indigenous people; and,
- to support and enhance capacity of First Nations service delivery organizations and structures to customize culturally-appropriate services to support their clients throughout the employment continuum by developing and improving skills and employment training.

2.3 Ultimate Outcomes

The ultimate outcomes of the FNLMS are:

- Improved skills levels of First Nations and reduced skills gap
- Improved employment outcomes of First Nations and a reduced employment gap

2.4 Key Performance Measures

The FNLMS has an evergreen Performance Measurement Strategy. Progress toward the program's objectives is measured through performance indicators including:

- Increase in skills levels of First Nations
- Increase in employment outcomes of First Nations

3.0 ELIGIBLE RECIPIENTS

3.1 Eligible Recipients

Eligible recipients are of two types: initial recipients that may have Contribution Agreement with the Department of ESD, and ultimate recipients that may have agreements with the initial recipients and receive funding that is distributed by the initial recipients.

The initial recipients that are eligible to have a Contribution Agreement with the Department of ESD are solely the following:

- Not-for-profit First Nations controlled organizations
- First Nations governments and mandated organizations, including Modern Treaty and self-government entities, Indian Act band councils, Tribal Councils

3.1.2. Eligible Recipients – Sub-agreements

Eligible ultimate recipients include:

- Not-for-profit First Nations controlled organizations
- For-profit First Nations controlled organizations (incorporated and unincorporated)
- First Nations governments and mandated organizations, including Modern Treaty and self-government entities, Indian Act band councils, Tribal Councils
- Provincial and territorial governments, institutions, agencies and Crown corporations

3.2 For-Profit Eligibility

For profit organizations may be eligible for sub-agreement funding provided that the nature and intent of the activity is non-commercial, not intended to generate profit, and supports program priorities and objectives.

4.0 ELIGIBLE ACTIVITIES

Eligible activities encompass a wide range of labour market activities including locally designed programs in support of the FNLMS and aim to provide:

- employment-related and career development assistance and outreach to First Nations, including youth and people with disabilities (e.g. client assessment, case management, job search, job retention assistance, summer jobs, work experience, and other supports, compatible with the objectives of FNLMS);
- wrap-around services by providing expanded social supports to contribute to client success, including dependent care costs, child care, living expenses, transportation, counselling, and other supports needed to ensure clients success with skills development, training and employment;
- providing financial incentives to individuals to encourage them to accept employment;
- providing financial assistance to individuals to help them obtain skills for employment, ranging from basic to advanced skills;
- providing financial assistance to help individuals in skills laddering and career growth;
- supporting projects to help individuals create jobs for themselves by starting a business (including mentorship, coaching, support in advancing an action plan);
- supporting projects that provide individuals with opportunities through which they can gain work experience, which will lead to ongoing employment;
- early interventions with youth by offering career exploration, mentorship and services complementary to the K-12 education system to increase graduation rates of First Nations students;
- activities in support of capacity building of First Nations service delivery organizations to deliver enhanced employment-related programs and services by

- providing human resource training to improve case management and client support;
- skills development and employment related activities that incorporate First Nations languages and cultures;
 - supports to help individuals achieve better mental health and wellness;
 - strengthening and/or enhancing organizational capacity, e.g. governance, business planning, financial reporting, compliance, performance measurement;
 - supporting labour market information, research and analysis projects that support the design and delivery of labour market services;
 - initiating and sustaining partnerships with other government departments, provinces and territories, and/or private sector;
 - enhancing existing and building potential new employer linkages, enhanced labour market information, skills inventories to enable organizations to accurately forecast in-demand employment opportunities and recommend relevant training programs, and to connect First Nations workers to available jobs matching their qualifications;
 - leveraging existing programs for referrals and up-to-date labour market information to better use and/or integrate existing data collection systems;
 - marketing and promoting First Nations service delivery organizations and First Nations clients;
 - other activities and locally designed programs that support the objectives of the ISET Program and FNLMS.

5.0 ELIGIBLE EXPENDITURES

Eligible expenditures are those considered necessary to support the purpose of the funding, and will take into account the relative costs of doing business in rural, remote and northern communities. Eligible expenditures include the following:

- staff wages, mandatory employment related costs (MERCs), and staff benefits
- staff training and professional development costs
- honoraria (Elders guidance and counselling, gifts or payments for recognition, mentor wages under youth projects)
- hospitality costs
- printing, promotional/marketing costs, and communication costs
- communication and promotional resources, activities and events
- travel and transportation costs related to program activities (international travel must be specifically authorized by ESDC)
- professional fees such as consultants, research, audit, IT, technical expertise, facilitation, legal
- translation and interpretation costs
- participant costs (e.g. tuition, completion bonus, living expenses, dependent care costs)
- wage subsidies and subsidies for MERCs paid to employers who employ participants

- disability-related supports
- disability-related incremental costs
- adaptive technology set-up
- costs to support mental health and wellness of participants
- cultural activities
- overhead costs, including costs related to central administrative functions of the recipient organization that are drawn upon to support agreement activities (such as shared postage, telephones, IT maintenance and head office support)
- the costs of materials and supplies
- the costs of purchase of tools, equipment, machinery, computers, furniture
- other costs necessary to support the purpose of the funding, as approved by the Minister.

Where the initial recipient further distributes contribution funding to an ultimate recipient to carry out project activities, payments by the initial recipient to the ultimate recipient to reimburse the ultimate recipient for the types of expenditures listed above incurred by the ultimate recipient are also eligible expenditures.

5.1 INNOVATIVE APPROACHES

Opportunities may arise for the introduction of innovative approaches to further the objectives of skills development or employment training. In such cases, the initial or ultimate recipient may revise its operational plan or priorities to address the need, provided that the changes continue to abide by the Terms and Conditions and funding agreement. Additional approvals may be required before proceeding.

6.0 STACKING LIMIT

Where possible and appropriate, the costs of an eligible activity will be shared with the recipient and/or with government and/or the private sector. However, where the sharing of costs with the recipient and private sector are not feasible, total government funding (federal, provincial/territorial and municipal funding for the same eligible expenditures) must not exceed 100% of eligible expenditures.

7.0 METHOD OF DETERMINING FUNDING AMOUNT

Funding amounts are determined using allocation methodology developed and recommended by First Nations leadership and service delivery organizations. Final decisions on allocations to initial recipients will be determined by the Minister.

8.0 MAXIMUM AMOUNT PAYABLE

The maximum level of financial support approved per initial recipient under the FNLMS will not exceed \$70,000,000 per year.

9.0 BASIS OF PAYMENT

Payments to contribution recipients are made via regular progress payments based on reimbursement of eligible expenditures; or via advance payments based on a cash-flow forecast; or based on the achievement of predetermined performance expectations or milestones; or a pre-determined annual amount.

Contribution funding for First Nation recipients with multi-year agreements may be provided in the form of flexible funding which means that program objectives can be better achieved by providing the recipient with flexibility to redirect funding among the cost categories established in the agreement. It also means that the stability of the relationship with the recipient is reflected and strengthened by allowing the recipient, during the period of the funding agreement, to retain unexpended funding remaining at the end of each fiscal year for use in the next fiscal year to further achieve results toward the program objectives. Any unexpended funding remaining at the expiry of the funding agreement constitutes a debt due to the Crown.

Final payment follows receipt of the final accounting of eligible expenditures and the total amount of the contribution will not exceed eligible expenditures actually incurred or the portion of incurred expenditures eligible pursuant to the terms of the agreement.

10.0 BASIS FOR AGREEMENT AND INFORMATION REQUIRED

Agreements will be entered into on the basis of negotiations to be completed by the Minister with pre-existing recipients of contribution funding under the ASETS. Agreements with new contribution recipients will be based on an explicit request for change, an impact evaluation to determine how a change request will affect the overall existing service delivery structure and new recipients will participate in a jointly-designed capacity readiness assessment process.

11.0 INFORMATION REQUIRED FOR FINANCIAL AND PERFORMANCE REPORTING

Financial and performance reporting requirements are based on risk as determined through a Joint-Capacity Assessment Process co-developed by the Department and First Nations service delivery organizations.

The nature and frequency of reporting is specified in each contribution agreement, and could include:

- progress reports that outline activities completed and demonstrate progress towards achievement of results; and
- financial reports (including a final financial report) that account for the use of the funding and identify contributions from all sources towards eligible costs.

All contribution recipients are required to submit final reports containing information on results achieved as required for the performance management strategy and departmental reporting.

12.0 OFFICIAL LANGUAGES ACT

Where a program supports activities that may be delivered to members of either official language community, the Department of ESD will ensure that access to services from the recipient will be provided in both official languages where there is significant demand and to ensure compliance with the *Official Languages Act (OLA)*, the *Official Languages (Communications with and Services to the Public) Regulations*, and the *Treasury Board Policies and Directives on Official Languages*. In addition, the Department will ensure that the design and the delivery of programs respect the obligations of the Government of Canada as set out in Part VII of the *Official Languages Act*.

13.0 FURTHER DISTRIBUTION OF FUNDS

In projects involving the further distribution of the contribution by the initial recipient to the ultimate recipients, the agreement will make clear that the initial recipient has independence in the choice of ultimate recipients, with minimal guidance from the Department of ESD.

14.0 INTELLECTUAL PROPERTY

Intellectual Property created by a recipient will remain the property of the recipient. The Department of ESD may negotiate the shared use of intellectual property developed by recipients or through a third party.

15.0 EFFECTIVE DATE OF TERMS AND CONDITIONS

These Terms and Conditions will come into effect on **April 1, 2019**.