

## Notice: Basic HTML

You are viewing Basic HTML view. Some features may be disabled.

[Switch to standard version.](#)



Government  
of Canada

Gouvernement  
du Canada



[Home](#) > [Crown-Indigenous Relations and Northern Affairs Canada](#)

> [Treaties, agreements and negotiations](#) > [Self-government](#)

# Canada's collaborative self-government fiscal policy

## On this page

- [Reconciliation and the financing of self-government](#)
- [Purpose and application of this policy](#)
- [New self-government agreements and sectoral self-government](#)
- [Renewing the fiscal relationship](#)
- [Fiscal principles for the renewed fiscal relationship](#)
- [Review and renewal of this policy](#)
- [New fiscal policy model](#)
- [Indigenous Government responsibilities](#)
- [Determining expenditure need](#)
- [Indigenous Government revenues](#)
- [Adjustment over time](#)
- [Achieving equity in socio-economic outcomes](#)
- [Access to other federal funding](#)
- [Dispute resolution](#)

- Emergencies
- Exceptional circumstances
- Accountability, reporting and information-sharing
- Annexes

## Reconciliation and the financing of self-government

1. The Government of Canada is committed to achieving reconciliation with Indigenous peoples through a renewed, nation-to-nation, government-to-government, and Inuit-Crown relationship based on recognition of rights, respect, co-operation, and partnership as the foundation for transformative change that moves away from colonial systems of administration and governance.
2. Canada recognizes that modern treaties with self-government and self-government agreements are intended to be acts of reconciliation based on mutual recognition of the right of self-determination and Indigenous self-government.
3. Canada recognizes that Indigenous Governments are autonomous orders of government as set out in modern treaties and self-government agreements, and are partners in the evolving system of fiscal federalism.
4. Canada recognizes that reconciliation and self-government, described in modern treaties and self-government agreements, require a renewed fiscal relationship, developed in collaboration with Indigenous self-governments, that supports the political, social, economic and cultural development of the Indigenous community.

5. Canada recognizes that self-government can lead to improved quality of life for Indigenous peoples and help close socio-economic gaps between the Indigenous community and other Canadians.
6. Canada recognizes that the preservation, practice, development and revitalization of Indigenous culture, language and heritage in all its diversity and uniqueness, is vital for the well-being of Indigenous peoples and thus a critical component of effective self-government.

## Purpose and application of this policy

7. This policy addresses the fiscal relationship between Canada and self-governing Indigenous Governments. For the purpose of this policy "Indigenous Governments" are defined as those Indigenous Governments operating under various self-government regimes, including:
  - 7.1. a comprehensive land claim agreement that includes a comprehensive self-government component
  - 7.2. a comprehensive agreement on self-government  
or
  - 7.3. a legislated comprehensive self-government arrangement
8. This policy is intended to guide federal officials in developing fiscal agreements between Canada and each Indigenous Government. The application of this policy to the fiscal arrangements between Canada and any particular Indigenous Government takes effect only when set out in such an agreement.
9. This policy is intended to provide a principled approach to fiscal relations with all Indigenous Governments in a manner that is

consistent with the commitments made in self-government agreements and modern treaties.

10. It is Canada's intention that this policy be consistent with the spirit and intent of self-government agreements and modern treaties in guiding the on-going fiscal relationship between Canada and Indigenous Governments. Canada also recognizes that it has an obligation to make good faith efforts to ensure that individual fiscal agreements comply with their respective self-government agreements and modern treaties.
11. To the extent that this policy is inconsistent with other existing federal policies, this policy will supersede.

## **New self-government agreements and sectoral self-government**

12. Where an Indigenous group is negotiating self-government, Canada will be prepared to include language in the respective agreement that establishes a fiscal relationship.
13. The fiscal relationship in sectoral self-government arrangements will be based on this policy, modified as appropriate to address the circumstances of those arrangements.

## **Renewing the fiscal relationship**

14. The fiscal relationship among Canada and Indigenous Governments is fundamental to the success of self-government. The fiscal relationship should seek to ensure that:

14.1. Indigenous Governments have sufficient fiscal resources to fulfill their responsibilities under their agreements and the associated expenditure need, and to provide public services that are reasonably comparable to public services available to other Canadians

14.2. Indigenous peoples have equal opportunities for well-being as other Canadians and that governments work to achieve and maintain socio-economic equity between Indigenous peoples and other Canadians

14.3. Indigenous Governments have the means to preserve, protect, use, develop and transmit to present and future generations their languages and the past, present and future manifestations of their cultures

15. Access by Indigenous Governments to tax revenues is an important component of the renewed fiscal relationship.
16. In Canada's view, federal, provincial, territorial and Indigenous Governments share responsibility for supporting self-government and serving the members of Indigenous communities.
17. Canada recognizes that implementing this new fiscal relationship requires systemic change within the federal government and the way it works with Indigenous Governments. This renewed fiscal relationship represents an important step in that direction.
18. Canada will support a collaborative approach with Indigenous Governments and, where appropriate, Indigenous groups negotiating self-government arrangements, to review and renew self-government fiscal policies over time. In addition, Canada will seek the views of provinces and territories on those fiscal policies.

19. Canada's commitment to a renewed fiscal relationship with Indigenous Governments is implemented through these key elements:

19.1. a publicly-available federal policy on self-government fiscal arrangements (which is set out here)

19.2. public reporting by governments

19.3. fiscal agreements between Canada and respective Indigenous Governments

19.4. ongoing collaborative policy development and review processes

## Fiscal principles for the renewed fiscal relationship

20. In pursuing the objectives of the fiscal relationship set out above, the fiscal arrangements between Canada and Indigenous Governments should be guided by the following principles:

20.1. **Sufficiency:** Indigenous Governments should have access to sufficient fiscal resources to fulfill their responsibilities and address associated expenditure needs.

20.2. **Access to public services:** Members of the communities represented by the Indigenous Government should have access to programs and services that are reasonably comparable to those available to other Canadians in similar circumstances.

20.3. **Equitable treatment:** Fiscal arrangements should provide for equitable treatment of Indigenous Governments across Canada, taking into account their differing circumstances.

**20.4. Self-determination and autonomy:** An Indigenous Government has the autonomy to set its own priorities, allocate its fiscal resources and determine how to deliver culturally-appropriate programs and services.

**20.5. Stability, predictability and flexibility:** Fiscal arrangements should be reasonably stable and predictable over time, while providing sufficient flexibility to address changing circumstances.

**20.6. Transparency:** Fiscal arrangements should be transparent and open to public view.

**20.7. Efficiency and effectiveness:** Fiscal arrangements should seek opportunities for the effective and efficient delivery of programs and services, while recognizing diseconomies of scale and demographic features.

**20.8. Sustainability and affordability:** Fiscal arrangements should be sustainable and affordable for governments.

**20.9. Accountability:** Fiscal arrangements should promote accountability through clarity of roles and responsibilities and sound public administration.

**20.10. Simplicity:** Fiscal arrangements should be relatively simple and straightforward to implement.

21. The relevance and weight of these principles in respect of any particular arrangement are affected by the context, including by provisions of the self-government agreements or modern treaties.

## Review and renewal of this policy

22. This policy should be reviewed and renewed periodically, every 5 years or less.
23. Canada is committed to supporting a collaborative approach with Indigenous Governments for reviews of this policy. Canada will also seek the involvement of representatives from Indigenous groups negotiating self-government and from provinces and territories.
24. Participation in the national process will not diminish Canada's commitments to any bilateral processes. In all cases, Canada commits to honouring existing agreements with Indigenous Governments.

## New fiscal policy model

Figure 1

### Model of Fiscal Arrangements for Indigenous Governments

#### ► New fiscal policy model

25. Figure 1: Model of fiscal arrangements for Indigenous Governments outlines a framework for a new federal policy on self-government fiscal arrangements. It sets out the main elements of a new fiscal model that are established in this policy, but does not define the specific policy provisions or terms that will ultimately implement the model. Rather, the diagram is intended to provide a "roadmap" of key policy concepts.
26. As set out in Figure 1, the fiscal resources available to Indigenous Governments under the new fiscal model are: revenues from own sources; federal transfers; additional funding to address socio-economic gaps and funding from other government sources. This policy will address each of these components, including how they may be calculated.



27. This new fiscal model recognizes that culture, language and heritage are foundational elements, advancing reconciliation and fundamental change, whereby Indigenous peoples live in strong and healthy communities with thriving cultures.

## Indigenous Government responsibilities

28. Indigenous Government responsibilities addressed within the fiscal model include:

28.1. responsibilities of Indigenous Governments (under either the final agreement or other 'permanent' arrangement) such as core governance functions, land management and treaty implementation obligations

28.2. responsibilities Indigenous Governments assume pursuant to their jurisdiction for which there are analogous federal, provincial or territorial programs, or for which Canada has agreed to provide support

28.3. responsibilities for other programs and services that Indigenous Governments assume through fiscal arrangements, which may vary over time and from one Indigenous Government to the next

29. The self-government provisions of modern treaties and self-government agreements vary widely, but contain jurisdiction, the authority to make laws, over a broad range of subject matters. These jurisdictions are a consideration in the development of fiscal arrangements but the passage of a law does not, on its own, place a funding obligation on Canada.

30. Where an Indigenous Government exercises a recognized jurisdiction and requests funding support, Canada will enter into discussions with the Indigenous Government based on the principles set out in this policy, for the inclusion of funding support in fiscal arrangements. Where appropriate, Canada and the Indigenous Government will seek to include the relevant province or territory in the discussion of funding support in the fiscal arrangements.
31. Funding support will be assessed on a case-by-case basis based on a variety of factors, including: the provisions in the agreements; the views of the Indigenous, provincial and territorial governments and the efficiency and effectiveness of the proposed arrangements. Further detail on this process will be set out in Annex B: Program transfer framework [under development]. This process will be adapted or replaced to comply with agreements as appropriate. Canada will work collaboratively with Indigenous Governments on the development of an appropriate methodology.
32. Where agreed, funding may be provided to entities other than an Indigenous Government such as an Indigenous health agency, school board or other entity to support delivery of particular services in the communities where the Indigenous Government has jurisdiction.

## Determining expenditure need

### Expenditure need definition and overview

33. Expenditure need is a key element in the design of systems for intergovernmental fiscal relations. Expenditure need is a measure of the estimated cost of performing a set of services, functions or activities to meet a set of responsibilities, based on comparative

measures or standards. This can be viewed as representing a standard budget suitably modified for individual circumstances. The use of expenditure need costing methodologies does not dictate how an Indigenous Government is structured or chooses to fund its responsibilities.

34. The main purpose in developing and using measures of expenditure need is to provide a systematic and objective set of measures of fiscal resources required to enable recipient Indigenous Governments to meet their responsibilities in a prudent manner, with similar access to revenues as other governments with similar responsibilities. From that basis, methodologies can then take into account the specific and different circumstances of an Indigenous Government that are beyond the control of that government. This approach allows Canada to meet its commitments in treaties and self-government agreements in a defensible and equitable manner.
35. Expenditure need is not related to the later expenditure choices of a recipient. Indigenous Governments will retain autonomy and discretion in how they address their responsibilities. While measures of expenditure need are normally developed based on benchmarks (similar governments or standards), they are not intended to constrain the services actually provided, or the design of the program delivery by the Indigenous Government.
36. Where social well-being initiatives such as pilot projects) have led to measurable results in closing socio-economic gaps and could be ongoing activities applicable to other Indigenous Governments, those activities may be brought into the methodologies of expenditure need as amended from time to time.

37. The assessment of expenditure need for Indigenous Governments must take account of the distinct culture, language and heritage of the respective Indigenous communities.
38. The cost of providing comparable levels of public services will vary across Indigenous Governments according to differences in both their responsibilities and their relative costs. Expenditure need estimates must account for such differences.

## Methodology

39. In all cases, data and methodology have to be developed on an ongoing basis to support expenditure need estimates. This implies periodic reviews and requires human capacity building and institutional development.
40. A distinctive feature of Indigenous Governments that impacts expenditure need is that they serve relatively small populations. They are also often located in remote places, some with fly-in access only. Some have multiple communities that are dispersed from one another.
41. The set of programs and services Indigenous Governments deliver can vary from group to group. Thus the assessment of Indigenous Government expenditure need must be modular, allowing for the inclusion of different elements depending on each government's set of responsibilities.
42. In assessing the expenditure need of an Indigenous Government, it is appropriate to account for the actual population served by that government for each particular responsibility or service. Citizenship or membership, residency or a blend of these should be the basis of measuring service population. In some cases, treaty enrollees or another group may be more appropriate. Where an activity or program

is not based on population, a relevant measure will be used. Reliable data for all of these measures counts will be important. Canada will work with Indigenous Governments to develop a standard methodology for tracking population.

## Governance

43. Indigenous Governments have an expenditure need associated with carrying out governance functions similar to other governments in Canada in similar circumstances, as well as functions that are unique to the Indigenous self-government context. Governance functions carried out by Indigenous Governments include: legislative and executive decision making; financial management; legal services; intergovernmental relations; financial reporting and information sharing and general government administrative services.
44. Governance expenditure need includes base and incremental costs of self-government.
  - 44.1. There is a base cost for all Indigenous Governments for governance functions that must be carried out regardless of population, program responsibilities and other circumstances.
  - 44.2. There are incremental costs of governance that are affected by numerous factors including: population; geographic circumstances such as remoteness or transboundaries; program delivery responsibilities; structure of government, for example, single or multiple levels of government); traditional decision-making institutions or practices or other unique cultural features.
45. Governance expenditure need includes the cost of building governance capacity and other start-up costs for Indigenous groups that are transitioning into self-government arrangements and for groups that

are already self-governing, the costs of building up and sustaining governance capacity on an ongoing basis.

46. Canada recognizes that addressing governance expenditure need is integral to maintaining and strengthening Indigenous Governments' distinct and culturally-based political, legal, economic, and social institutions.
47. Governance expenditure need will be based on:
  - 47.1. governance responsibilities and functions carried out by Indigenous Governments  
and
  - 47.2. the costs associated with the performance of those responsibilities and functions
48. In determining the costs, benchmarks will be applied to ensure sufficient capacity to perform the responsibilities and functions of the Indigenous Governments.
49. Where appropriate, the effect that other factors such as population, program delivery responsibilities and geographic circumstances such as remoteness have on price and workload will be considered.
50. Annex A1: Governance and administration (Comprehensive self-government) sets out methodologies for expenditure need related to governance and administration.

## Modern treaty management

51. Modern treaties and agreements impose obligations on Indigenous Governments, which create an expenditure need. Canada will provide support for the fulfilment of these obligations. Canada and Indigenous

Governments will work collaboratively on the development of an appropriate expenditure need methodology in regards to this area.

## **Economic development**

52. Indigenous Governments and their communities are part of the economic fabric of Canada and their economic success contributes to and draws from the economic success of Canada and its provinces and territories.
53. Indigenous Governments have responsibility and an associated expenditure need for economic development within their communities and territories. Canada will work collaboratively with Indigenous Governments on the development of an appropriate expenditure need methodology.

## **Culture, language and heritage**

54. Indigenous Governments have responsibility for culture, language and heritage, and an associated expenditure need in areas such as: governance, land-based stewardship and renewal and revitalization programs. Canada will work collaboratively with Indigenous Governments on the development of an appropriate expenditure need methodology in these areas, unless otherwise addressed in other elements of expenditure need. A set of principles to guide the development of this expenditure need area is included as [Annex A4](#).

## **Stewardship of lands and resources**

55. Indigenous Governments have responsibility for managing lands and resources. This includes related responsibilities for: communities (for example, community planning, zoning, development control and local enforcement of related laws); Indigenous-owned lands and reserves

including both surface and subsurface; traditional territories; heritage resources; managing traditional harvesting; and participating in the management of public resources. Land management responsibilities may differ among Indigenous Governments depending on the status of land, land quantum and access, among other things. Canada will work collaboratively with Indigenous Governments on the development of an appropriate expenditure need methodology.

## **Environmental management**

56. There are 3 aspects to environmental management:

56.1. Indigenous Governments must manage environmental matters, particularly with respect to assessment of developments that affect their lands.

56.2. Indigenous Governments receive many referrals, engagements or proposals related to development in their traditional territories from other governments and private parties.

56.3. When major developments occur, significant expenditure is required to participate in processes such as environmental assessments.

57. Canada's funding support will recognize the first 2 categories and Canada will work collaboratively with Indigenous Governments on the development of an appropriate expenditure need methodology. As the third category is unpredictable, Canada will support Indigenous Governments through specific funding mechanisms on a project basis.

## **Infrastructure maintenance and replacement**

58. All Indigenous Governments have responsibility, and thus an expenditure need, for ensuring the infrastructure of their government



and community is maintained, upgraded and replaced as required. As well, new, additional infrastructure, as opposed to replacement, may be required over time.

59. The infrastructure expenditure need should include provision for a capital reserve for the major maintenance and replacement of an agreed upon set of assets set out in fiscal arrangements based on the standard set of assets. Annex A6: Infrastructure maintenance and replacement sets out the specific details of the design of a capital reserve which Canada's funding is intended to support. This will be the subject of discussions with Indigenous Governments. In addition, support will be provided for the operations and maintenance of these capital assets.

## Housing

60. Most Indigenous Governments have responsibility, and thus the associated expenditure need, for providing the bulk of housing for their citizens or members; very little of the housing stock is privately held as is common in non-Indigenous communities. This expenditure need is recognized in the fiscal model.
61. Indigenous Governments take a range of approaches to housing. The implications of this for expenditure need will be the subject of discussions with Indigenous Governments.
62. The assessment of housing expenditure need should also include costs associated with housing programs operated by Indigenous Governments, in particular the subsidies required to provide adequate housing at affordable rental rates for their citizens or members and to address the cost of housing operations, maintenance, replacement, etc. (et cetera)

## Education

63. Where an Indigenous Government takes on responsibility for activities or programming related to education including from early childhood through to adult, the associated expenditure need should be addressed. Canada will work collaboratively with Indigenous Governments on the development of an appropriate expenditure need methodology.

## Social development

64. Where an Indigenous Government takes on responsibility for activities or programming in this area, including social assistance, counseling, child and family services and other programs, Canada will work collaboratively with Indigenous Governments on the development of an appropriate expenditure need methodology.

## Health

65. Where an Indigenous Government takes on responsibility for activities or programming in this area, including community health and other programs, Canada will work collaboratively with Indigenous Governments on the development of an appropriate expenditure need methodology.

## Indigenous Government revenues

66. Like other public governments in Canada, Indigenous Governments will have revenues they generate either through their own means or via arrangements with other governments.

## Access to tax revenues

67. Canada remains committed to negotiating agreements with interested Indigenous Governments in respect of personal income tax and goods and services tax, including tax coordination and administration.
68. Tax arrangements between Indigenous Governments and Canada should seek to support the overall objectives of the fiscal relationship, including sufficiency, self-determination and autonomy, as well as other important objectives such as a fair and efficient tax system.
69. Canada will work collaboratively with Indigenous Governments to explore other potential arrangements with respect to access to tax revenues.

## **Calculation of fiscal transfers**

70. The calculation of the fiscal transfer for each Indigenous Government will be based on the assessment of expenditure need and where an expenditure need costing methodology has not yet been developed a funding amount determined by other means for each applicable responsibility assumed by the Indigenous Government.
71. Canada will consider the amounts of funding required as determined through various methods. Some funding elements will be the result of fully-developed methodologies; other funding elements may be based on current federal programs or another approach, as agreed to in the specific fiscal arrangement.
72. Fiscal transfers will be provided in a grant providing the Indigenous Government with the flexibility to reallocate funding to meet its priorities as long as any agreed-upon program standards are met.

## **Consideration of Indigenous Government fiscal capacity**

73. Canada and Indigenous Government representatives are continuing assessments of Indigenous Government expenditure need to be reflected in the funding methodologies of this policy.
74. Further collaborative policy development by Canada and Indigenous Government representatives is required to determine how Indigenous Government fiscal capacity will be taken into account in the calculation of fiscal transfers.
75. Until this work is completed, Canada and Indigenous Government representatives have collaboratively developed an interim approach under which Canada will not consider an Indigenous Government's fiscal capacity in the calculation of fiscal transfers (Annex C).

## Adjustment over time

76. Fiscal agreements with Indigenous Governments will be set out for multi-year periods, for example funding schedules typically last five years. For the life of a fiscal agreement, or the funding schedule to an agreement, Canada may provide that the fiscal transfer levels are adjusted annually to take account of changes in price, population and other volume or work load measures. These are called adjustment factors.
77. Where it is practical to acquire reliable data on a timely basis, agreements may incorporate an adjustment method based on actual price or population changes and a recalculation of funding amounts. However, where this is impractical, agreements may incorporate fixed adjustment factors. The application of the adjustment factors may vary depending on the funding element (for example, governance, specific programs, etc..(et.cetera)).

# Achieving equity in socio-economic outcomes

78. The history and legacy of colonization has had a significant negative impact on the health and well-being of Indigenous peoples. Canada recognizes the disparities in socio-economic outcomes between Indigenous and non-Indigenous peoples in Canada, and is committed to achieving equity in socio-economic outcomes and overall well-being of Indigenous peoples.
79. Renewal of the fiscal relationship between Canada and Indigenous Governments therefore includes a component in the new fiscal model that supports Indigenous Governments in working toward and achieving equity in social well-being, infrastructure and public housing. These measures must take into account the unique circumstances of individual Indigenous communities and their regional context and support the preservation and revitalization of the distinct culture, language and heritage of the respective Indigenous communities.

## Closing social well-being gaps

80. Gaps in social well-being are understood as the disparities in social well-being outcomes, such as health or education, between Indigenous populations and appropriate comparator non-Indigenous populations.
81. The social well-being component of the new fiscal model is intended to lead to the development of the following: fiscal arrangements to close social well-being gaps; successful evidence-driven initiatives that recognize culture, language and heritage as foundational elements of social well-being; ongoing collaboration and coordination among the Government of Canada, Indigenous Governments and relevant provinces and territories, in assessing and closing gaps.

82. New federal investments related to achieving equity in social well-being will consider data-based evidence of gaps as key criteria to support meaningful investments for Indigenous Governments. Such an approach should include the following: collection of baseline data to provide evidence of gaps; assessment of needs and targets determined by community priorities and circumstances and driven by Indigenous Governments; and regular evaluation processes to assess the success of initiatives and to allow for readjustments.
83. Achieving equity in social well-being represents a new component of this fiscal policy. An initial framework addressing this issue is contained in Annex D1: Social well-being gap-closing framework. It represents a "catch-up" component that may initially target discreet, innovative new gap-closing initiatives occurring in parallel with ongoing elements of expenditure need. Over time, successful community initiatives could be recognized as part of the ongoing expenditure need of Indigenous Governments. Once equity has been achieved in outcomes for identified areas, targeted "catch-up" gap-closing elements for a particular area would no longer be needed.

## **Closing infrastructure gaps**

84. Canada recognizes there currently exist infrastructure disparities between Indigenous and non-indigenous peoples in many communities. As part of the new fiscal model, Canada will work collaboratively with Indigenous Governments to identify these infrastructure gaps, and to develop plans to close the gaps over time through the use of federal funding and other tools and fiscal resources as may be appropriate. This approach is set out in Annex D2: Closing infrastructure gaps.

85. As part of the information system required to support the development of the capital reserve funding systems ("lifecycle") for Indigenous Governments (consult paragraph 57), Canada will support an asset assessment of the state and value of existing infrastructure for each Indigenous Government community. In addition, Canada will collaboratively develop a standard set of infrastructure assets, which federal funding will be designed to support.
86. In order to assess gaps between existing infrastructure and community needs, Indigenous Governments will undertake community assessments to develop a long-term plan for each community.

## **Closing housing gaps**

87. Statistics show significant housing disparities between Indigenous and non-Indigenous peoples, and this is therefore considered in the new fiscal model. Expenditure need takes into account direct capital costs, and costs associated with social policy issues.
88. The initial approach to deal with these gaps will be an assessment of need in terms of the relatively standard measures of crowding, suitability and major repair and replacement. As with infrastructure, a collaborative plan will be developed for time-phased additions and repair. This plan should include demographic projections and sustainability considerations.
89. Public or social housing is an issue dealt with by governments at various levels such as municipal, provincial or territorial and federal) as well as Indigenous Governments. Therefore, coordination and cooperation with other governments and agencies will be necessary to assure efficient and effective use of available funds and new investments.

## Access to other federal funding

90. Unless otherwise addressed in fiscal arrangements, Indigenous Governments and their citizens or members should continue to be able to participate in or benefit from federal programs for Indigenous peoples in accordance with the general program criteria. In general, eligibility for federal programs should not be affected solely by a change in the legal status of the lands.
91. Where funding is linked to a federal program, any changes to funding for that underlying program should be reflected in the assessment of expenditure need. In such circumstances, Canada will engage with Indigenous Governments to determine whether their specific fiscal agreements should be amended to ensure they are not disadvantaged in comparison to other program beneficiaries.
92. Where Canada develops program and funding initiatives relevant to the Indigenous Governments, consideration of the role of Indigenous Governments will be incorporated into the design of those initiatives, where practical. This includes making use of available mechanisms, such as the Assessment of Modern Treaty Implications, and establishing new mechanisms that may be required to ensure that Indigenous Governments have access to programs and funding on a government-to-government basis.

## Dispute resolution

93. From time to time, disputes or concerns about matters found in fiscal agreements will arise. Where such disputes or concerns are common to a number of Indigenous Governments it may be most appropriate and expeditious for Canada to work collaboratively with Indigenous



Governments to address the matter for all those affected. In such cases it may be appropriate to refer a technical matter to an agreed panel of subject matter experts for opinion.

94. Where the dispute is specific to a particular Indigenous Group and agreement, the parties to the agreement should attempt first to resolve the matter by informal discussions. If the parties cannot resolve the dispute informally, the parties will follow the dispute resolution process set out in the agreement.

## Emergencies

95. Indigenous Government communities may face emergencies like any other community, such as natural disasters or catastrophic fires. Indigenous Governments may have the authority pursuant to their agreement or under laws of general application to act as a "local authority" as defined under relevant legislation with the power to declare and manage emergencies.
96. Canada is in favour of Indigenous Governments being fully integrated into the national emergency management system. This means Indigenous Governments should have the powers, rights, duties and responsibilities of a local authority and should have access to the same tools including fiscal resources, training programs, institutional support, etc. (et cetera) as other local authorities, as provided for by federal, provincial and territorial governments.
97. Canada will provide financial support for emergency management to Indigenous Governments and will work collaboratively with Indigenous, provincial and territorial governments to put in place other arrangements as necessary.

## Exceptional circumstances

98. All governments face financial pressures, most of which can be foreseen and planned for. From time to time, governments face exceptional circumstances beyond their control that create urgent financial pressures, such as changes in local economies or significant population migrations. Where such pressures threaten to significantly impair the ability of an Indigenous Government or Governments to meet obligations set out in a fiscal agreement, the Indigenous Government or governments may send a notice to Canada describing the exceptional circumstances and the obligations it may not be able to meet.
99. As soon as practicable, Canada will be prepared to discuss the impact on the ability of the Indigenous Government or governments to meet obligations, potential funding sources, other assistance, and other approaches available to the Indigenous Government to meet its obligations.

## Accountability, reporting and information-sharing

100. The fiscal relationship between Canada and Indigenous Governments should be founded on mutual accountability, whereby Indigenous Governments are primarily accountable to their own citizens or members, while Indigenous Governments and Canada hold one another mutually accountable for the commitments they make to one another.
101. A strong accountability, reporting and information-sharing framework is an essential feature of mutual accountability. Canada expects fiscal

arrangements to include:

101.1. a clear identification of the roles and responsibilities of each government

101.2. provisions to ensure timely and comprehensive information-sharing, including data collection and verification

101.3. provisions requiring the Indigenous Government to prepare financial information consistent with standards set out by the Public Sector Accounting Board

102. Canada's view is that, consistent with standard practices of other governments in Canada, Indigenous Governments should publicly disclose, on an annual basis:

102.1. budgets: annual estimates of revenues and expenditures by each major category

102.2. audited financial statements of the Indigenous Government

103. Canada will publish annually, and make publicly available, a report on the fiscal transfers to Indigenous Governments.

104. As appropriate, Indigenous Governments and Canada will endeavor to publish additional information, including performance reports and program evaluations.

105. As reliable data will be integral to the operation of the funding methodology, information provided by Indigenous Governments will be essential in implementing the funding methodology so that it accurately accounts for actual conditions in Indigenous communities and is responsive to changes in circumstances.

## Annexes

## List of annexes

### Annex A: Expenditure need methodologies

A1. Governance and administration (Comprehensive self-government)

A2. Modern treaty management (to be developed)

A3. Economic development (to be developed)

A4. Principles to guide the development of culture, language and heritage expenditure needs

A5. Stewardship of lands and resources (to be developed)

A6. Infrastructure maintenance and replacement

A7. Housing (to be developed)

A8. Education (to be developed)

A9. Social development (to be developed)

A10. Health(to be developed)

Annex B: Program transfer framework (to be developed)

Annex C: Fiscal capacity of Indigenous Governments

Annex D: Achieving equity in socio-economic outcomes

D1. Social well-being gap-closing framework

Logic models

Figure D1: Overall logic model for gap-closing

Figure D2: Education logic model

Figure D3: Health logic model

Indicator assessment

D2. Closing Infrastructure Gaps

D3. Closing housing gaps (to be developed)

# Annex A: Expenditure need methodologies

## **Annex A1: Governance and administration (Comprehensive self-government)**

### **General**

**A1-1.** This annex sets out Canada's policy on determining expenditure need for the governance and administration functions of an Indigenous Government, as defined in paragraphs 43 through 50 of the policy. The governance and administration expenditure need for Indigenous governments party to non-comprehensive self-government arrangements will differ from this approach in accordance with the difference in their responsibilities.

**A1-2.** Governance and administration refers to those functions and responsibilities that are essential to operating an Indigenous Government. These functions are: executive, legislative, executive administration including human resources, intergovernmental affairs, financial, legal, elections, administrative decision review and corporate services. Some of these functions are exclusive to governance and core administration, and some are not (consult Schedule A).

**A1-3.** Governance and administration as set out in this annex is recognized as an area for which Canada will ensure an Indigenous Government has sufficient fiscal resources to meet its expenditure need.

**A1-4.** The goal of this annex is to provide a method that Canada and any particular Indigenous Government can use to calculate governance and administration expenditure need that:

- complies with the relevant agreement
- is based on empirical evidence
- is transparent

- respects the Indigenous Government's autonomy (the purpose of the annex is to determine the governance portion of the overall expenditure need of each Indigenous Government, not to predetermine the Indigenous Government's spending choices)
- accommodates the wide range of possible circumstances, including single government and multi-government structures and any number of distinct communities within the jurisdiction of an Indigenous Government
- helps the governments come to an agreement on the appropriate amount of funding in a cost-effective and collaborative manner

**A1-5.** The method set out here involves the following steps:

Step 1: determine the appropriate governance model based on the province or territory in which the Indigenous Government is situated

Step 2: apply scaling factors

Step 3: adjust for management-level functions

Step 4: determine the impact on expenditure need of any unique features of the Indigenous Government that are not appropriately accounted for in the model

Step 5: adjust for remoteness

These steps are described in more detail below

**Step 1: Determine appropriate model**

**A1-6.** The models set out here from time to time will be based on:

- Indigenous Government responsibilities as set out in the policy
- the classification of governance functions using the Canadian Classification of Functions of Government (CCOFOG) system

- the number of full-time equivalents (FTEs) required to perform those functions and the respective provincial and territorial wage or salary scale
- other costs of performing those functions

**A1-7.** This annex sets out governance and administration models that reflect standard governance costs (the "governance models"), which have been collaboratively developed by Indigenous Governments and Canada. No governance model represents any particular Indigenous Government. The models reflect a generic Indigenous Government that is intended to serve as a proxy, based on empirical evidence and, where appropriate, external benchmarks, of the resources needed by an Indigenous Government to carry out its core governance and administration functions. The models differ in that each is benchmarked to the relevant provincial or territorial positions and wage scales and other comparable costs where available.

**A1-8.** The governance models described above have been and should continue to be developed in a manner that reflects workload of an Indigenous Government, reflects Indigenous culture, promotes reconciliation and meets Canada's obligations under agreements.

**A1-9.** The governance models should also be based on the relevant provincial or territorial employee compensation and other benchmarks identified and utilized from time-to-time after consultation with Indigenous Governments.

**A1-10.** Canada will work collaboratively with Indigenous Governments to revise and update the governance models, on an appropriate review period, likely every five years, to ensure that they continue to provide an appropriate basis for calculating the governance and administration expenditure need of Indigenous Governments.

## Step 2: Apply scaling factors

**A1-11.** The governance models include a core amount that is intended to reflect the expenditure need of an Indigenous Government before taking into account land management, treaty implementation, programs or services delivered by the Indigenous Government, or any other expenditure need area identified by this policy. The governance models also include expenditure need that will scale in response to four specific drivers. The scaling drivers are as follows:

- population
- size of government
- total revenue
- purchases

**A1-12.** The citizen or member population for an Indigenous Government is the total number of persons enrolled or registered as citizens or members, as the case may be, pursuant to the laws of the particular Indigenous Government.

**A1-13.** Size of government refers to the number of FTEs necessary to carry out the functions for the expenditure need categories included in this policy.

**A1-14.** At the time this annex was drafted, not all areas of expenditure need had been addressed. Until that work is complete, Canada and each government will work collaboratively to determine an interim size of government, based on the number of FTEs engaged in the delivering programs and services and fulfilling other functions that fall within areas of expenditure need described in this policy.



**A1-15.** Canada will continue to collaboratively develop with the Indigenous Governments a method for determining size of government to replace all or part of the foregoing interim approach.

**A1-16.** For greater clarity, where an Indigenous Government has employees that are engaged in business activities not related to any recognized expenditure need category in the policy, these employees will not be included.

**A1-17.** Total revenue refers to all revenues of the Indigenous Government, determined on an unconsolidated basis excluding any business-related revenue.

**A1-18.** Purchases refer to total expenditures, determined on an unconsolidated basis less salary and wages and benefits, less amortization, plus capital expenditures.

**A1-19.** The approach to scaling adopted here assumes that certain functions are centralized and will not be accounted for in other annexes of this Policy. Consult Schedule A for further details on the extent of the expenditure need accounted for in this annex.

### **Step 3: Adjust for management-level functions**

**A1-20.** The incremental FTEs that result from step 2 do not include incremental management resources. Additional management resources for any incremental FTEs that result from either step 2 or from positions from other areas of expenditure need described in this policy will be determined on the following basis:

- for senior management, add 1 additional senior manager FTE when a person in a senior management position has more than 6 direct reports

- for middle management, add 1 additional manager FTE when direct reports to an existing manager exceed 10
- for each additional manager added, add one-half of an administrative assistant or clerk FTE

#### **Step 4: Determine impact of unique features**

**A1-21.** Because the core governance and administration models are based on generic cost standards for governance, there may be features or functions of an Indigenous Government that are not adequately addressed by the model. When seeking to apply the funding methods set out in this policy, Canada will work with each Indigenous Government to identify and determine if any changes are required to expenditure need resulting from any unique features of that Indigenous Government.

#### **Step 5: Adjust for remoteness**

**A1-22.** As an interim measure, this policy adjusts funding levels for remoteness using a two-component approach that uses different adjusters for the wage and non-wage components of the model government:

- as the benchmark comparator for salaries and benefits in the model government is the respective provincial or territorial government applicable to the Indigenous Government, the remoteness adjustment applied to salary components is the additive isolated post allowance or comparable approach used by the relevant province or territory
- materials, supplies and annualized equipment are adjusted for remoteness using the indices described in Schedule A. Since communication costs are not materially influenced by remoteness, no adjuster should be applied to those costs

**A1-23.** Canada will continue to collaboratively develop with the Indigenous Governments a method for adjusting funding levels for remoteness to replace all or part of the foregoing interim approach.

**A1-24.** The model government includes travel costs for Indigenous Governments to carry out their governance responsibilities. These amounts do not account for Indigenous Governments that are further away from provincial or territorial capitals or other national and regional centres.

### **Application to Tlicho Government, Nisga'a Nation and Nunatsiavut Government**

**A1-25.** To determine expenditure need for the Indigenous Governments in Schedule B, Canada's policy is to apply the methodology described in this annex to the structure of that government as listed in Schedule B.

**A1-26.** The expenditure need for Indigenous Governments in Schedule B will take into account the costs associated with multiple government structures, recognizing that some functions will be carried out by central or subsidiary governments. Canada will work with Indigenous Governments to identify both how the structure can provide efficiencies and how the structure results in additional costs.

**A1-27.** At a minimum, the governance and administration expenditure need for the Indigenous Governments listed in Schedule B will be deemed to be not less than the sum of what their individual communities would have received under the methodology described in this annex had they pursued self-government agreements separately without a multi-government arrangement.

### **Application to Indigenous Groups negotiating self-government**

**A1-28.** In the context of the evolving nature of self-government and the reconstitution of Indigenous nations, Canada will work with Indigenous groups negotiating self-government to ensure that fiscal arrangements appropriately take into account situations where multiple communities are governed together by one or more governments.

## **Schedule A: Governance versus implementation and program and service areas of expenditure need**

This schedule describes what functions and associated costs will be addressed in governance expenditure need, both core and incremental, and which functions will be addressed in assessments for other areas of expenditure need. Items described as "included in governance model" are addressed in governance expenditure need only, not in other areas of expenditure need. Note that governance expenditure need includes some centralized support for program and other areas.

### **Executive and legislative**

- included in governance model
  - Executive Director
  - Executive Assistant
  - Communications Officer
  - Receptionist or Clerk
  - Human Resources Officer
  - Human Resources Assistant
  - cost of elections
- governance model accounts for centralized or central agency policy needs; program to address program policy
  - Policy and Legislative Analyst
  - Economic and Fiscal Analyst

- Data Specialist
- policy and legislative development (contract)
- program review (contract)

## **Legal services**

- included in governance model to deal with governance requirements, non-program specific issues; support in other areas will be addressed in appropriate annex as needed
  - internal
  - external

## **Finance**

- included in governance model as it provides centralized services for whole government
  - Director of Finance
  - Tax and Revenue Services Officer
  - Finance Officer
  - Accounts Payable Clerk
  - Accounts Receivable Clerk
  - Pay and Benefits Officer
  - cost of external auditing

## **Intergovernmental and external relations**

- included in governance model
  - Enrollment Officer or Intergovernmental Relations Researcher
- included in governance model to deal with governance requirements, non-program specific issues; functions in other areas will be addressed in appropriate annex as needed
  - Intergovernmental Relations Manager
  - Intergovernmental Relations Analyst

- Negotiator
- negotiations support (contract)

## Corporate services

- included in governance model as it provides centralized services for whole government
  - Stores Clerk or Purchaser
  - Records Clerk
  - Records Management or Digitizing or Information Management Coordinator
  - Information Systems Technician
  - translation or interpretation (governance-related costs, such as drafting of legislation and core policies)
  - printing or publishing

## Leadership including Chief and council

- included in governance model
  - Leader
  - Representatives
  - Senior Political Advisor

## Schedule B: List of Indigenous Governments with multi-government arrangements

Indigenous Government	Number of central governments	Number of communities with a subsidiary government
Nisga'a Nation	1	4
Nunatsiavut Government	1	5

<b>Indigenous Government</b>	<b>Number of central governments</b>	<b>Number of communities with a subsidiary government</b>
Tlicho Government	1	4

## **Annex A4: Principles to guide the development of culture, language and heritage expenditure need**

The *United Nations Declaration of the Rights of Indigenous Peoples* includes declarations on the rights of Indigenous peoples with respect to the preservation, revitalization and recovery of their cultures and languages. This is woven throughout the declaration, but in particular is declared in clause 11:

Indigenous peoples have the right to practice and revitalize their cultural traditions and customs. This includes the right to maintain, protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites, artefacts, designs, ceremonies, technologies and visual and performing arts and literature.

— *United Nations Declaration of the Rights of Indigenous Peoples*

The statements contained in the declaration provide important context for all federal policies.

The Government of Canada and Indigenous Governments recognize and agree that decisions related to the preservation, revitalization and recovery of Indigenous cultures, languages and heritage are best managed by Indigenous peoples and Indigenous Governments. Many self-government agreements and modern treaties recognize the jurisdiction of the Indigenous Government in relation to the culture, language and heritage of the Indigenous people it represents.

This policy recognizes that Indigenous Governments have responsibility for culture, language and heritage and so have an associated expenditure need in this field. Culture, language and heritage also impact other areas of Indigenous Government responsibilities and expenditure need, such as governance, land-based stewardship, community health initiatives and social programs.

**A4-1.** The development of an expenditure need methodology related to the culture, language, and heritage responsibilities of Indigenous Governments will be guided by the principles below and the agreements as well as the declaration and paragraph 54 of this policy.

**A4-2.** Strong Indigenous cultural identity and languages are fundamental to individual well-being, community resilience and culturally-based governance. Culture, language and heritage are foundational for sustaining the spiritual connections of Indigenous peoples to their past, their ancestors and their traditional territories. Strong cultural identity makes an essential contribution to improved health, socio-economic and educational outcomes for Indigenous peoples.

**A4-3.** Indigenous peoples' cultures, languages and knowledge are closely connected to their ancestral lands. The nature of this relationship is not so much one of ownership, but one of responsible stewardship for the benefit of present and future generations.

**A4-4.** Indigenous Governments' responsibilities in these matters cover 3 inter-related areas:

- a. revitalization, celebration and preservation of their cultures
- b. revitalization, promotion, and in some cases recovery of their languages



- c. stewardship of heritage resources and values in their traditional territories and ancestral lands, which includes both tangible and intangible values

**A4-5.** In addition to recognizing the responsibilities above, Canada and Indigenous Governments will develop fiscal measures to enable them to weave their cultures, languages and heritage throughout all aspects of self-government and modern treaty implementation. Connecting with traditional culture, language and heritage, and the spirit of the land, supports Indigenous peoples to build governance approaches that are effective and culturally appropriate.

**A4-6.** The expenditure need methodology for the matters above will consider staffing needs, operational costs and unique infrastructure costs that may be required.

**A4-7.** Canada acknowledges that Indigenous peoples' cultures, languages and heritage are significantly impacted by colonial practices on the part of the Crown and other institutions. Indigenous Governments play a central role in addressing the legacy of these impacts by facilitating community-based programming, research and services to support revitalization and recovery in these areas.

**A4-8.** Canada recognizes that Indigenous Governments require adequate fiscal resources to address both on-going responsibilities and legacy impacts in the matters described above. Canada further recognizes that this work is a critical and immediate priority for Indigenous Governments and commits to work expediently to develop an expenditure need methodology in these matters.

**A4-9.** Canada will also work collaboratively with Indigenous Governments to recognize, protect and address these matters through the implementation of treaties, agreements and other constructive arrangements.

## **Annex A6: Infrastructure maintenance and replacement**

**A6-1.** Canada recognizes that Indigenous Governments have responsibility for ensuring that the infrastructure of their government and communities is maintained, upgraded and replaced as required. As well, Canada recognizes that additional infrastructure and assets may be needed by Indigenous Governments over time.

**A6-2.** This annex addresses paragraphs 58 and 59 of this policy and sets out how the calculation of an Indigenous Government's expenditure need should take into account their responsibility for infrastructure and assets. Fiscal arrangements will ensure that Indigenous Governments have access to sufficient fiscal resources to meet this expenditure need.

### **Existing assets**

**A6-3.** Canada uses a life-cycle costing approach to determine expenditure need for agreed infrastructure responsibilities of Indigenous Governments. This approach is intended to enable the establishment of a capital reserve for the replacement and major maintenance of existing community assets.

**A6-4.** Canada is committed to working with Indigenous Governments to collaboratively develop a detailed costing methodology for the management of infrastructure and community assets using a life-cycle approach.

**A6-5.** A life-cycle approach is understood to account for the cumulative sum of all major maintenance costs and replacement costs over the full life-span of the Indigenous Government's assets listed in its fiscal arrangement. The calculation methodology takes into account the purchase price or construction costs, major repair costs and remaining value, including residual or salvage value, of an asset at the end of its useful life.

**A6-6.** Typical regional life expectancies data for buildings and infrastructure systems are used in the calculations and inflation of the cost of materials and labour is also included in the calculation of projected major maintenance and asset replacement cost.

**A6-7.** Major maintenance costs are understood to include restoration of an asset to operating condition, and investments to keep an asset in its current operating condition.

**A6-8.** The expenditure need calculation is the sum of all individual asset life-cycle amounts calculated by dividing future replacement costs of each asset by their useful life, plus the sum of future major maintenance costs divided by the assets' remaining useful life. The total life-cycle costing amount is then annualized over a 35-year term and included in the expenditure need calculation as an average-annual amount for all agreed-upon assets.

**A6-9.** The life-cycle calculations also make conservative assumptions about the expected rates of return of funds invested in the capital reserve or the replacement fund and take into account projected fund withdrawals. This approach to the calculation may be adapted to account for specific circumstances related to a self-government agreement or modern treaty.

**A6-10.** Canada expects the Indigenous Government to invest the annual life cycle calculation amount in a capital reserve or replacement fund.

**A6-11.** Canada will engage with each Indigenous Government approximately every 10 years to review the status of the supported assets (including funding a renewed asset assessment if required), and the sufficiency of the capital reserve (including review of the actual cost of asset replacement versus the projected replacement cost), and consideration of other factors that may be relevant. Any deficiencies identified will be considered in future expenditure need calculations.

**A6-12.** If an Indigenous Government opts to use the life-cycle expenditure need amount in a fashion other than establishing a capital reserve as described here, the impact of this approach will be taken into account by Canada in determining future expenditure need calculations.

**A6-13.** An expenditure need approach will determine operation and maintenance costs for the assets listed in an Indigenous Government's fiscal arrangement using comparable regional or community costing levels. These costs will be reflected in the Indigenous Government's expenditure need calculations.

**A6-14.** Canada's preferred life-cycle funding approach relies on including a fixed annual amount in the expenditure need calculation. Canada is prepared to consider a variable annual amount to better accommodate individual requirements of each Indigenous Government to conduct major maintenance and replacement activities, which may be reflected in fiscal arrangements.

## Annex C: Fiscal capacity

**C-1.** The Government of Canada's interim policy on how the calculation of fiscal transfers to Indigenous Governments should take into account an Indigenous Government's fiscal capacity is as follows:

- a. Indigenous Government fiscal capacity will not be taken into account in the calculation of fiscal transfers to Indigenous Governments until completion of the expenditure need assessment and implementation of the resulting funding methodologies in a fiscal agreement between Canada and a particular Indigenous Government.
  - b. Completion of the expenditure need assessment means the creation of methodologies contemplated by paragraph 28, and paragraphs 33 through 65. Notwithstanding the lack of fiscal capacity consideration until after completion of the expenditure need assessment, fiscal arrangements should include provisions that are either:
    - i. the own-source revenue provisions that are already in place for that Indigenous Government  
or
    - ii. where fiscal arrangements with an Indigenous Government do not currently include own-source revenue provisions, then interim fiscal capacity provisions as negotiated between Canada and that Indigenous Government.
  - c. Pursuant to fiscal arrangements under either C-1.b.i or C-1.b.ii, Canada will require each Indigenous Government to report on their fiscal capacity in order to ensure continuity of operations and completeness of databases. In general, Canada expects fiscal capacity provisions of existing fiscal arrangements to continue, with the addition of the limitation set out in C-1.a.
- C-2.** Canada is willing to amend any fiscal agreements in effect at the time of the publication of Canada's Collaborative Self-Government Fiscal Policy to implement this interim policy effective for fiscal years beginning after March 31, 2019.

**C-3.** On completion of the expenditure need assessment:

- a. Canada will offer to each Indigenous Government, with respect to responsibilities that are already in their agreements, the opportunity to amend the current fiscal agreement to take into account the funding methodologies set out in this policy and any annexes that are not already included in the relevant fiscal agreement
- b. If a fiscal agreement is amended to take into account updated funding methodologies, it should also be amended so that fiscal transfers take into account, to the extent that they are consistent with any own-source revenue provisions of the relevant agreement, the fiscal capacity provisions set out in an update of this annex

**C-4.** Canada is committed to working collaboratively with Indigenous Governments to replace this interim fiscal capacity policy in an appropriate timeframe to coincide with the anticipated completion of the expenditure need assessment.

**C-5.** Canada expects to initiate development of the new fiscal capacity policy based on a review of the policy in effect at the time of the implementation of the moratorium on own-source revenue offsets in 2017.

**C-6.** In the policy development process described in C-5, Canada and Indigenous Governments may raise various policy topics for consideration. Indigenous Governments expect to discuss the following topics:

- a. the identification of eligible revenues and exempt revenues, the inclusion rate for various revenues, and other matters necessary to calculate fiscal capacity of an Indigenous Government
- b. how an Indigenous Government's fiscal capacity will be taken into account in calculating fiscal transfers to the Indigenous Government

- c. a potential linkage between social well-being gaps and Indigenous Government fiscal capacity
- d. whether Indigenous Government fiscal capacity should be applied to education, social or health transfers
- e. how the fiscal capacity mechanism should address any gap between the amount of the Indigenous Government's expenditure need and the fiscal transfer
- f. how Canada allocates or otherwise utilizes amounts that it deducts from fiscal transfers on account of fiscal capacity of Indigenous Governments

## Annex D: Achieving equity in socio-economic outcomes

### Annex D1: Social well-being gap-closing framework

**D1-1.** This framework elaborates on paragraphs 78 through 83 of this policy and has been developed in collaboration between Canada and Indigenous Governments. It outlines an approach, specific to Indigenous Governments, to closing social well-being gaps, in an evidence-driven, outcomes-oriented manner.

**D1-2.** Canada is committed to supporting measures to close social well-being gaps between Indigenous peoples and non-Indigenous Canadians by working with Indigenous Governments on: developing and implementing fiscal arrangements to close social well-being gaps; developing and implementing successful, evidence-driven initiatives related to social well-being that recognize culture, language and heritage as foundational

elements of social well-being; and ongoing collaboration and coordination among the federal government, Indigenous Governments and relevant provinces and territories in closing gaps.

**D1-3.** Any new investments identified by Canada to address social well-being gaps would be made available to Indigenous Governments through fiscal arrangements consistent with a government-to-government relationship. The relationship includes respecting Indigenous Governments' authority to identify funding priorities and developing mechanisms for resourcing and reporting based on agreed upon measures and monitoring and evaluation approaches. It is understood that funding support for gap-closing initiatives under this framework is based on agreed objectives and criteria, rather than a proposal process. Identifying gap-closing targets is a basis for reaching agreements on required resources.

**D1-4.** Addressing social well-being gaps will require multi-year initiatives. Sustained and consistent funding is key to supporting the effectiveness of these initiatives.

**D1-5.** Fiscal arrangements will support Indigenous Governments to develop appropriate management systems and tools for data collection and the timely sharing of relevant data collected by governments to support evidence-driven decision making.

**D1-6.** This framework will evolve over time to respond to the changing socioeconomic circumstances, policy priorities and economic conditions facing governments.

## **Developing and implementing fiscal arrangements to close social well-being gaps**



**D1-7.** Canada recognizes that gap-closing initiatives will require new and targeted investment, based on Indigenous Government plans, distinct from expenditure need. It is a 'catch-up' component, described in Figure 1: Model of fiscal arrangements for Indigenous Governments of this policy, that initially targets discrete, innovative new gap-closing initiatives unique to each Indigenous Government.

**D1-8.** Canada may take a number of approaches to funding gap-closing for Indigenous peoples. This framework specifies the ways in which Canada will work with Indigenous Governments, given the distinct government-to-government relationship, to make fiscal resources available to Indigenous Governments for the purposes of social well-being gap-closing initiatives for Indigenous peoples.

**D1-9.** When Canada makes funding available to Indigenous Governments to close social well-being gaps:

- a. Canada and Indigenous Governments will work together to ensure that each Indigenous Government with identified social well-being gaps has access to the funding
- b. access to social well-being gap-closing funding will preserve the authority of an Indigenous Government to develop and modify its initiatives and apply funding to the targeted gaps at its own discretion
- c. Canada acknowledges that sustained gap-closing initiatives depend upon multi-year funding arrangements, as per D1-4 (This approach recognizes social well-being gaps as complex, and that outcome results will take several years to be achieved.)
- d. reporting requirements will include agreed measures of the initiative's stated goals and targets, and outcomes agreed upon in the logic

models, including those measures obtained in accordance with Indigenous knowledge and values.

**D1-10.** Discussions and decisions regarding long-term funding or renewal of funding for specific social well-being gap-closing initiatives will be based on assessments and evaluations using agreed upon indicators developed by Indigenous Governments and Canada, which may include Indigenous knowledge and values as well as qualitative information. Those assessments and evaluations will focus on outcomes identified in the logic models contained in this annex. Given the complexity of social well-being gaps, success of initiatives and their progress towards gap-closing outcomes will consider assumptions, external factors, and risks as outlined in the logic models.

**D1-11.** Initiatives that show a high degree of success in achieving longer-term results may be funded through ongoing financing agreements. As noted in paragraph 36 of the policy, initiatives that are applicable to all or most Indigenous Governments may be included in the calculation of expenditure need more broadly. When Canada and Indigenous Governments agree that social well-being gaps are closed, the "catch-up" portion of funding will no longer be available for those purposes.

## **Developing and implementing successful evidence-driven initiatives**

**D1-12.** Indigenous Governments are best placed to understand and respond to their members or citizens needs and to develop targeted initiatives. They will lead the design and implementation of initiatives to address the disparities of social well-being outcomes under their respective jurisdictions in their communities. Culture, language and heritage are recognized as key factors in social well-being and will be reflected in any gap-closing measures.

**D1-13.** In this framework, social well-being gaps are generally understood to be the disparities in social well-being outcomes between Indigenous peoples and other Canadians. In some self-government agreements, specific comparator populations are defined. In instances where there is no appropriate comparative dataset, Canada and the Indigenous Government will agree upon a suitable proxy.

**D1-14.** Canada will work with Indigenous Governments to develop agreed-upon indicators, flowing from the collaboratively developed logic models. This work will begin in the education and health areas, 2 priorities identified by Indigenous Governments. Indigenous Government gap-closing initiatives are not limited to these priority areas. For example, infrastructure and housing are currently not reflected in this policy annex; however, they are considered in the funding framework depicted in Figure 1: Model of fiscal arrangements for Indigenous Governments and are recognized as strong determinants of social well-being.

**D1-15.** Indigenous Governments require data systems and management tools to undertake gap-closing initiatives. Canada will ensure that Indigenous Governments have access to fiscal resources and capacity supports for these purposes.

**D1-16.** Indigenous Governments' plans for gap-closing initiatives should demonstrate the following:

- a. evidence of the gap being addressed, and rationale on how the planned initiative could succeed in reducing the gap
- b. ability to measure, track, and report on progress towards closing gaps and meeting agreed upon objectives and outcomes outlined in the logic model

- c. existing or planned Indigenous Government capacity to undertake the initiative (It is understood that this may include collaborating with other organizations, including other governments.)

**D1-17.** Indigenous Governments will monitor progress of the initiatives on an annual basis with reports for internal accountability and for sharing with Canada.

**D1-18.** Collaborative evaluation of gap-closing initiatives should occur at least every 5 years, based on agreed-upon indicators and qualitative narratives, and shared among Indigenous Governments and Canada. Monitoring and reporting will be part of a collaborative process to support initiatives, working towards common objectives and mutual learning.

## **Ongoing collaboration and coordination**

**D1-19.** Given that different governments, departments and agencies may share responsibility for programming and Indigenous data, ongoing cooperation and collaboration, at all levels including regional, provincial, territorial and federal, will be needed to achieve the best results and outcomes. Where appropriate, collaboration and cooperation may make use of existing processes and agreements.

**D1-20.** Collaboration will be required to update this framework over time. This framework describes approaches to working collaboratively to close long-standing social well-being gaps between Indigenous peoples and other Canadians. As Canada's and Indigenous Government's understandings of gap-closing evolves, so too will this framework. Modifications to this framework may be agreed and enacted by Indigenous Governments and Canada in advance of this document being updated.

## **Ongoing data collaboration and coordination**

**D1-21.** Indigenous Governments, like other governments, require timely access to data in order to inform their policy choices. Therefore, the development of data systems and management tools is essential and should be guided by the following:

- a. Indigenous Governments are supported in developing and implementing culturally-informed, evidence-driven policy and programming.
- b. Organizations, including governments and agencies, collecting and holding Indigenous data are encouraged to develop transparent methods for collecting, analyzing and sharing data that address data sovereignty and ownership, control, access and possession-related issues.
- c. Canada will work with Indigenous Governments to ensure that transparency and availability of Indigenous data will respect Indigenous sovereignty, and confidentiality.
- d. In closing social well-being gaps, data should be as community- or membership-specific as possible.

**D1-22.** At the time that this policy was published, Indigenous Governments, with federal assistance, were developing a system that allows interested Indigenous Governments to contribute and share relevant data. This system is anticipated to create standards upon which Indigenous Governments may draw to frame and define social well-being.

**D1-23.** Canada may provide other Indigenous groups with resources to build capacity to adopt processes and systems as part of their transition to self-government.

**D1-24.** Logic models have been developed to support the design, implementation and evaluation of gap-closing initiatives. In the section below called Logic models, there are three logic models developed by Canada and Indigenous Governments as guides to this process.

**D1-25.** Canada and Indigenous Governments are developing an Indicator assessment that provides detailed considerations for the selection of gap-closing indicators.

## Logic models

Logic models have been generally accepted as tools used in the design and evaluation of projects and programs leading from inputs to desired outcomes and are recognized methods by Treasury Board and the Auditor-General. This section sets out conceptual logic models co-developed by Canada and Indigenous Governments for the initial support of social well-being gap-closing initiative design, implementation and evaluation. They are presented here for information and as examples. Since it is anticipated that desired outcomes will require a number of years to achieve, activities, outputs and outcomes are phased over 25 years.

Figure D1 (with associated charts below) shows an overall logic model for closing the gaps shown in the policy framework flow chart (Figure 1: Model of Fiscal Arrangements for Indigenous Governments). Indigenous Governments have identified education and health as specific priority areas to be addressed by targeted gap-closing initiatives. Informed by (and informing) the overall model, logic models and charts for these areas are shown in figures D2 and D3.

Socio-economic initiatives by Indigenous Governments will not be limited to these 2 gap areas and models for other selected areas will follow the illustrated approach.

Using the following as guides, the Indigenous Governments, as noted in Annex paragraph D1-16.b will develop logic models specific to their initiatives.

## **Logic models for social well-being gap closing**

The overall logic model outlines the inputs, activities and expected social well-being outcomes of gap-closing initiatives under the Collaborative Fiscal Policy Development Process (see section D1-14 of this annex). The logic model was developed collaboratively by representatives from Canada and Indigenous Governments (IGs).

### **Considerations**

- The logic model is part of a process that may be refined and adjusted according to future developments of the Collaborative Fiscal Policy Development Process, as well as the needs of Indigenous Governments and their experiences with gap-closing initiatives.
- The overall logic model identifies inputs, activities and outputs required to contribute to immediate, intermediate and long-term outcomes. All outcomes should contribute to the overall objective of achieving healthy, vibrant and resilient Indigenous communities.
- Inputs, activities and outputs are the responsibility of both Canada and Indigenous Governments.
- Specific program theories, activities, outputs and immediate outcomes will be designed and implemented by the Indigenous Governments.
- At this time, the overall logic model has been designed with a focus on health and education due to their identification as primary drivers of social well-being. Culture, language, heritage, infrastructure and housing are also recognized as important determinants of social well-being.

- Culture, language and heritage is recognized as a key factor in Indigenous Government member social well-being and will be reflected in any gap-closing measures, therefore it is shown as an outcome associated with specific outcomes in the education and health logic models
- Infrastructure and housing are currently not reflected in the overall logic model. Both infrastructure and housing are considered in the funding framework flow as physical gaps separate from social well-being gaps, but are, nonetheless, recognized as strong determinants to community or membership well-being. Other models may be developed to address these specific areas
- This overall logic model is designed to provide an example and tool for Indigenous Governments to plan and evaluate social well-being gap-closing initiatives.

## Figure D1: Overall logic model for gap-closing

↓ [PDF Version](#) (534 Kb, 1 page)

### Goal and objective

Support healthy, vibrant and resilient Indigenous communities.

### Long-term outcomes (15 to 25 years)

- Education outcomes of Indigenous peoples are at least equal to those of non-Indigenous people
- Strong culture, language and heritage in Indigenous communities
- Physical, mental, spiritual and emotional health outcomes for Indigenous peoples are at least equal to those of non-Indigenous people

### Intermediate outcomes (5 to 15 years)



- Indigenous students achieving improved outcomes at all levels and in all areas of formal education
- Improved experiences in education institutions
- Strengthened Indigenous peoples' identity, culture and well-being
- Indigenous peoples are increasingly engaged in healthy choices
- Improvement in health prevention, diagnosis, treatment and support

## **Immediate outcomes (0 to 5 years)**

- Indigenous Government specific outcomes linked to the intermediate outcomes above
- Immediate outcomes from sub-logic models developed for each intervention areas linked to the intermediate outcomes above

## **Yearly activities and outputs**

- Key Indigenous Government activities and outputs are linked to the immediate outcomes above
- Coordination between Indigenous Governments and organizations, relevant partner organizations and other governments
- Ongoing data gathering, monitoring and evaluation intervention initiative (qualitative and quantitative data collection)
- Key indicators and data are reviewed and shared between governments at regular, agreed intervals
- Cultural safety is embedded within all programming and activities
- Determination of whether to scale up successful initiatives
- Gap-closing performance measurement and framework are established and working well from both federal and Indigenous Government perspectives

## **Inputs**

- Financial resources

- Human resources and leadership
- Agreements, policies, frameworks, guidelines, reports and data

## **Assumptions**

- Indigenous Government programs are culturally relevant and reflect community needs
- Health and education are primary drivers of social well-being
- Gaps in health and education are influenced by other areas of social well-being
- Activities and outputs are flexible to reflect Indigenous Government specific initiatives
- Initiatives will be targeted at outcomes
- Program theories are linked to intermediate and long-term outcomes

## **External influences**

- Education and health gaps are significantly influenced by gaps in other areas of social well-being (for example infrastructure and housing)
- Stability of national economic conditions will influence outcomes

## **Risks**

- Timely release and coordination of fiscal policy processes including securing funding and agreeing on performance measurement objectives
- Use of logic model as an evaluative tool requires supporting data
- Long-term capacity, momentum and support for fiscal policy is required for long-term outcomes

## **Overall logic model narrative**

This overall logic model for gap-closing indicates that the objective of achieving "healthy, vibrant and resilient Indigenous communities" could be attained if accurate assumptions are taken into account at all stages of design and implementation of programs/projects, external factors are controlled, risks are mitigated, activities are implemented, outputs are produced, and outcomes are achieved. Attribution of responsibility to, or influence on, outcomes by Indigenous Governments and/or Canada is reduced as inputs and activities/outputs transition to long-term outcomes. While culture, language and heritage has not been treated as a specific social well-being gap in this analysis, it is recognized as a key factor in social well-being and will be reflected in any gap-closing measures, therefore it is shown as an outcome associated with specific outcomes in the education and health logic models.

**Inputs:** It is assumed that before long-term gap-closing work can begin, Indigenous Governments will complete internal priority-setting and strategic planning, including baseline data gathering and the identification of initial indicators. This will allow for measurable, targeted actions to close gaps through Indigenous-Government-specific programs/projects. In addition to Indigenous-Government-specific gap-closing initiatives, agreements and policies need to be in place to allow the flow of funds and to support the transparency and collaboration needed for this work. Human resources, leadership, and financial resources are also required to undertake and oversee these activities in a mutually respectful and supportive way.

**Activities and outputs:** Activities will take place and outputs will be generated in two areas, and need to be coordinated and interconnected: i. (roman numeral 1)) fiscal policy related activities, and; ii. (roman numeral 2)) Indigenous-Government-specific activities. Fiscal-policy-related activities will take place on an ongoing basis, and will include the flow of funding to

run Indigenous-Government-led gap-closing programs/projects, intergovernmental coordination, ongoing data gathering, monitoring and evaluation, performance management, and assessments in order to scale up successful projects. Indigenous-Government-specific activities are related to initiatives that will be developed and implemented by Indigenous Governments with the objective of closing social well-being gaps.

**Immediate outcomes** begin to occur within 1 to 2 years. They are expected to come directly from outputs (products and services) delivered by Indigenous Government-specific gaps-closing initiatives. These immediate outcomes will include improvements in the areas of learning, knowledge, attitude, and skills of Indigenous people related to education, health, and culture, language and heritage. Indigenous Governments will have the opportunity to determine initiative specific immediate outcomes that contribute to realizing the identified intermediate outcomes.

**Intermediate outcomes** begin to occur after 5 years, and are related to changes/improvement in behavior and action. It is expected that if, for Education, there is improvement in learning, knowledge and attitudes among Indigenous students and staff resulting from gap-closing initiatives, then Indigenous students will achieve improved outcomes at all levels and in all areas of formal education there will also be improvement in experiences in education institutions. In the Health outcome area, improved learning, knowledge, attitude, and skills of Indigenous peoples and health workers is expected to lead to increased engagement in healthy behaviors, as well as improvement in prevention, diagnosis, treatment and support. These outcomes are a combination of Indigenous-Government-specific initiatives in these areas and other external factors.

**Long-term outcomes** are anticipated in a 15 to 25 year timeframe and deal with changes/improvement in education, social, health status or condition. For education, it is expected that if Indigenous students thrive in all levels and in all areas of formal education and their experience in education institutions is improved, then education outcomes can be at least equal to those of non-Indigenous people. In the health area, if Indigenous peoples increase engagement in healthy behaviors and there is an improvement in health prevention, diagnosis, treatment and support, then physical, mental, spiritual and emotional health outcomes of Indigenous peoples will be at least equal to those of non-Indigenous people. This ultimate outcome will heavily depend on other factors like infrastructure, housing, and other socioeconomic conditions.

**Objective and goal:** It is expected that if the appropriate inputs and activities/outputs are implemented in areas of health and education, Indigenous peoples will see improved outcomes and experiences in the immediate, intermediate, and long-term. These improvements should contribute to the overall objective of closing health and education gaps between Indigenous and non-Indigenous peoples in Canada and contributing to healthy and vibrant Indigenous communities. This objective will also be influenced by external factors and risks like infrastructure, housing and other socioeconomic condition.

## Figure D2: Education logic model

↓ [PDF Version](#) (528 Kb, 1 page)

### Long-term outcomes (15 to 25 years)

- Education outcomes of Indigenous peoples are at least equal to those of non-Indigenous people

## **Intermediate outcomes (5 to 15 years)**

- Indigenous students achieving improved outcomes at all levels and in all areas of formal education
- Improved experiences in education institutions

## **Immediate outcomes (0 to 5 years)**

- Indigenous Government specific immediate outcomes linked to the intermediate outcomes above
- Improved results in student achievement
- Increased use of education services
- Improved access for children, students and families to Indigenous language, culture and land-based education programming, tailored support services, programming that meets delivery standards and early childhood development programs
- Improved support and training for teachers and faculty

## **Ongoing activities and outputs**

- Key Indigenous Government activities and outputs are linked to the immediate outcomes above
- Coordination between Indigenous Governments and organizations, school boards, relevant partner organizations and other governments
- Ongoing data gathering, monitoring and evaluation of initiatives
- Key indicators and data are reviewed between governments at regular, agreed intervals
- Determination of whether to scale-up successful initiatives

## **Input**

- Indigenous Government specific initiative inputs
- Financial resources
- Human resources and leadership

- Agreements, policies, framework, guidelines, reports and data

## Assumptions

- Indigenous Government initiatives are culturally relevant and reflect community needs
- Gaps in education may be influenced by other areas of social well-being
- Initiatives will be targeted at outcomes
- Activities and outputs should be flexible to reflect Indigenous Government-specific initiatives
- Teachers and faculty may include families as early educators

## External influences

- Education gaps may be influenced by other areas of social well-being (for example infrastructure and housing)
- It may be difficult to attribute successes and challenges in outcomes of initiatives
- Stability of national economic conditions will influence outcomes

## Risks

- Timely release and coordination of fiscal policy gap-closing processes including securing funding and agreeing on performance measurement objectives
- Use of logic model as an evaluative tool requires supporting data
- Long-term capacity, momentum and support for fiscal policy will be required for long-term outcomes

## Education logic model narrative

The Education Logic Model for gap-closing outlines the vision of achieving education outcomes among Indigenous peoples that are at least equal to those of the non-Indigenous people. This long-term outcome could be attained if accurate assumptions are made and taken into account at all stages of design and implementation of initiatives/projects, external factors are controlled, and risks are mitigated. Activities must also be implemented, and outputs produced, to achieve the desired outcomes. Attribution of responsibility or influence on outcomes becomes more complicated as inputs and activities/outputs transition to long-term outcomes.

**Inputs:** It is assumed that before long-term gap-closing work can begin, Indigenous Governments will each have done internal priority-setting and strategic planning, including baseline data gathering and identification of initial indicators. This will allow for measurable, targeted action to close education gaps through Indigenous-Government-specific initiatives/projects. In addition to these initiatives/projects, agreements and policies need to be in place to allow the flow of funds and to support the transparency and collaboration needed for this work. Human resources, leadership, and financial resources are required to undertake and oversee these activities in a mutually respectful and supportive way.

**Activities and outputs:** Activities will take place and outputs will be generated in two interconnected areas: i.(roman numeral.1)) fiscal policy related activities, and ii.(roman numeral.2)) Indigenous-Government-specific activities. Fiscal-policy-related activities will take place on an ongoing basis, and will include the flow of funding to run Indigenous-Government-led gap-closing initiatives/projects, intergovernmental coordination, ongoing data gathering, monitoring and evaluation, performance management, and assessments in order to scale up successful project-specific activities are related to education



initiatives/projects that will be developed and implemented by Indigenous Governments with the objective to close the education gap. It is acknowledged that some Fiscal Policy activities/outputs will need to take place in order for some Indigenous-Government-specific activities/outputs to occur.

**Immediate outcomes** begin to occur within 1 to 2 years. They are expected to come directly from outputs (products and services) delivered by Indigenous-Government-specific initiatives/services. These immediate outcomes will include increased access and use of education services for Indigenous peoples at the individual and family level, improvements in educational achievements, and improved supports for teachers and faculty. Indigenous Governments will have the opportunity to determine program-specific immediate outcomes that contribute to realizing one or both of the identified intermediate outcomes.

**Intermediate outcomes** begin to occur after 5 years, and are related to changes/improvement in action and behaviour. It is expected that if there is improvement in access and use of educational services, then Indigenous students will achieve improved educational outcomes at all levels and in all areas of formal education. It is expected that increased access to educational programs and services will increase the use of the education services. Further, if there is increased support for teachers and faculty, then students and families will see improved experiences in educational institutions. These outcomes are a combination of Indigenous-Government-specific initiatives/projects in these areas.

**Long-term outcomes** are anticipated in a 15 to 25 year timeframe and deal with more changes/improvements in educational outcomes and experiences. It is expected that if educational achievements and

experiences among Indigenous students improve over the long-term, outcomes of indigenous students will be equal to those of non-Indigenous students in Canada.

It is expected that if the appropriate inputs and activities/outputs are implemented Indigenous peoples will see improved educational outcomes and experiences in the immediate, intermediate, and long-term. These improvements should contribute to the overall objective of closing the education gap between Indigenous and non-Indigenous peoples in Canada. This objective will, however, also be influenced by external factors and risks like education, social, economic and environmental conditions.

### **Figure D3: Health logic model**

[!\[\]\(339a16584d5da0f0a3ca4e9ec17bf6a1\_img.jpg\) PDF Version \(598 Kb, 1 page\)](#)

#### **Long-term outcomes (15 to 25 years)**

- Health outcomes of Indigenous peoples are at least equal to those of non-Indigenous people in terms of chronic disease and infections, self-reported health and health conditions and status

#### **Intermediate outcomes (5 to 15 years)**

- Improvement in prevention, diagnosis, treatment and support
- Strengthened Indigenous peoples' identity, culture and well-being
- Indigenous peoples are increasingly engaged in healthy behaviours

#### **Immediate outcomes (0 to 5 years)**

- Indigenous Government specific immediate outcomes are linked to the intermediate outcomes above
- Improved knowledge of Indigenous peoples' health care issues and barriers, health and wellness goals and priorities

- Improved quality of health care and training for staff on culturally competent care
- Improved participation in health and wellness services and supports, including culture and language activities
- Improved access to traditional medicines and healthy foods
- Improved access to health and mental wellness services and supports

## **Activities and outputs**

- Key Indigenous Government activities and outputs are linked to the immediate outcomes above
- Coordination between Indigenous Governments and organization, health organization and other governments
- Ongoing data gathering, monitoring and evaluation of intervention (qualitative and quantitative data collection)
- Determination of whether to scale up successful initiatives
- Key indicators and data are reviewed and shared between governments at regular, agreed intervals

## **Inputs**

- Financial resources
- Human resources and leadership
- Agreements, policies, frameworks, guidelines, reports and data

## **Assumptions**

- Indigenous Government initiatives will be culturally relevant and reflect community needs
- Initiatives will be targeted at outcomes
- Program theories will be linked to intermediate and long-term outcomes

- Activities and outputs should be flexible to reflect Indigenous Government-specific initiatives
- Mental wellness and healthy food choices are determinants of overall health

## External influences

- Health gaps may be influenced by other areas of social well-being (for example infrastructure and housing)
- It may be difficult to attribute successes and challenges in outcomes of initiatives
- Stability of national economic conditions will influence outcomes

## Risks

- Timely release and coordination of fiscal policy processes including securing funding and agreeing on performance measurement objectives
- Use of logic model as an evaluative tool will require supporting data
- Long-term capacity, momentum, and support for fiscal policy will be required for long-term outcomes

## Health logic model narrative

The Health Logic Model for gap-closing outlines the vision of achieving health outcomes among Indigenous peoples that are at least equal to those of the non-Indigenous people, particularly in areas of chronic disease and infections, self-reported health, health condition/status, and culture and language. This long-term outcome could be attained if accurate assumptions are made and taken into account at all stages of design and implementation of gap-closing initiatives, external factors are controlled, and risks are mitigated. Activities must also be implemented, and outputs

produced, to achieve the desired outcomes. Attribution of responsibility or influence on outcomes to Indigenous Governments or Canada reduces as inputs and activities/outputs transition to long-term outcomes.

**Inputs:** It is assumed that before long-term gap-closing work can begin, Indigenous Governments will each have done internal priority-setting and strategic planning, including baseline data gathering and identification of initial indicators. This will allow for measurable, targeted actions to close health-related gaps through Indigenous Government-specific initiatives. In addition to these initiatives, agreements and policies need to be in place to allow the flow of funds and to support the transparency and collaboration needed for this work. Human resources, leadership, and financial resources are required to undertake and oversee these activities in a mutually respectful and supportive way.

**Activities and outputs:** Activities will take place and outputs will be generated in in two interconnected areas: i.(roman numeral.1)) fiscal policy related activities, and ii.(roman numeral.2)) Indigenous-Government-specific activities. Fiscal-policy-related activities will take place on an ongoing basis, and will include the flow of funding to run Indigenous-Government-led gap-closing initiatives, intergovernmental coordination, ongoing data gathering, monitoring and evaluation, performance management, and assessments in order to scale up successful projects. Indigenous-Government-specific activities are related to health initiatives that will be developed and implemented by Indigenous Governments with the objective to close the health gap. Some fiscal policy activities/outputs will need to take place in order for some Indigenous-Government-specific activities/outputs to occur.

**Immediate outcomes** begin to occur within 1 to 2 years. They are expected to come directly from outputs (products and services) delivered by Indigenous-Government-specific initiatives. These immediate outcomes may include improved knowledge and attitudes surrounding Indigenous peoples' health care barriers and wellness goals, improved access to traditional medicines and healthy foods, improved participation in health and wellness services and supports including culture and language activities, improved quality and culturally competent health care training for staff, and improved access to health and mental wellness services and supports. Immediate outcomes related to culture and language will also support other immediate outcomes. Indigenous Governments have the opportunity to determine initiative-specific immediate outcomes; Indigenous Governments may also choose to develop programs which focus more specifically on immediate outcomes identified above which may contribute to realizing one or more identified intermediate outcomes.

**Intermediate outcomes** begin to occur after 5 years, and are related to changes/improvements in action and behaviour. It is expected that if there is improved knowledge and attitudes surrounding Indigenous peoples' health care barriers and wellness goals, then there will be improvements in prevention, diagnosis, treatment and support. If the quality of health care and training for culturally competent care—and improved participation in health and wellness services and supports including culture and language activities—are improved, then Indigenous peoples' identity, culture and well-being will be strengthened. Finally, if there is improved access to traditional medicines, healthy foods and health and mental wellness services, then Indigenous peoples may increasingly engage in healthy behaviours.

**Long-term outcomes** are anticipated in a 15 to 25 year timeframe and deal with more changes/improvements in health outcomes and experiences. It is expected that with improved diagnosis, treatment, and support, strengthened culture and identity, and increasingly healthy behaviours, health outcomes of Indigenous peoples will be equal to those of non-Indigenous people in Canada.

If the appropriate inputs and activities/outputs are implemented, Indigenous peoples will see improved health outcomes and experiences in the immediate, intermediate, and long-term. These improvements should contribute to the overall objective of closing the health gap between Indigenous and non-Indigenous peoples in Canada. Long-term outcomes will, however, also be influenced by external factors and risks like infrastructure, housing and other socioeconomic conditions.

## Indicator assessment

Using these education and health logic models, indicators, both qualitative and quantitative, of outcome achievement may be developed. Canada and Indigenous Governments are engaged in an effort to develop selection criteria for potential indicators built on accepted best practices that will result in a manageable number of indicators that may be used for monitoring and evaluation of gap-closing initiatives. An Indicator identification and development framework has been co-developed as a technical guide to inform this work. Phase 1 outlines a process for filtering and selecting indicators, including consideration of a labelling protocol, description of the associated concept, methodology, comparability, relevance, simplicity, transparency, feasibility and reliability. Phase 2 is the description and classification of the indicator, including data collection

methodologies, potential limitations, indicator statues (core, secondary, etc. (et cetera)), responsibility and targets. It is undergoing review at present and is available upon request.

## **Annex D2: Closing infrastructure gaps**

**D2-1.** This annex addresses paragraphs 84 through 86 of the policy.

**D2-2.** This policy will establish a standard set of infrastructure and assets which is reflective of infrastructure and assets found in comparable communities in Canada, and also accounts for distinct features of Indigenous Government communities. This standard set will be made available when complete.

**D2-3.** Further policy development will focus on the following tasks:

- a. identification of infrastructure and asset gaps between the list found in Schedule 1 and an Indigenous Government's communities
- b. a method for estimating incremental accommodation costs as a result of additional staff expected to be hired due to funding increases arising from the assessment of expenditure need
- c. development of a costing approach to address assets that may be identified in asset assessments as requiring immediate replacement

**D2-4.** The combination of the standard set of infrastructure and asset categories or type set out in Schedule 1 and the specific Indigenous Government asset assessments will make potential infrastructure gaps readily identifiable. Gaps may be of 2 types:

- a. **quality gaps:** where an asset exists but is not of sufficient capacity, quality or state of repair to meet the service standard required; closure of these gaps may require renovation or replacement of the existing asset



b. **quantity gaps:** where an asset found on the standard list (Schedule 1) does not exist in a specific Indigenous Government community; closure of these gaps may require construction of infrastructure or purchase of an asset.

The full standard list may not be applicable to every community, depending on location or circumstance.

**D2-5.** Canada intends to address gaps identified above through budgetary measures and fiscal arrangements from time to time. Where a gap demonstrably results from the policy choices of an Indigenous Government, this situation will be among the considerations in determining federal transfers.

**Date modified:** 2019-08-27

Contact us

Departments and agencies

Public service and military

News

Treaties, laws and regulations

Government-wide reporting

Prime Minister

How government works

Open government

▸ • Social media

▸ • Mobile applications

- • [About Canada.ca](#)
- • [Terms and conditions](#)
- • [Privacy](#)

Canada 