



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

BARRIERS TO ECONOMIC DEVELOPMENT IN INDIGENOUS COMMUNITIES

**Report of the Standing Committee on Indigenous and
Northern Affairs**

Honourable Marc Garneau, Chair

**APRIL 2022
44th PARLIAMENT, 1st SESSION**

Published under the authority of the Speaker of the House of Commons

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Chair**

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON INDIGENOUS AND NORTHERN AFFAIRS

has the honour to present its

SECOND REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the barriers to Indigenous economic development and has agreed to report the following:

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SUMMARY

Overcoming barriers to economic development in Indigenous communities would help achieve economic reconciliation and better socioeconomic outcomes for Indigenous peoples. These barriers continue to prevent many First Nations, Inuit and Métis communities and businesses from fully participating in the Canadian economy. Barriers to Indigenous economic development include the legacy of colonialism, the failure to recognize Indigenous jurisdiction, inadequate infrastructure, administrative burdens, limited access to capital, and limited access to federal procurement opportunities. First Nations, Inuit and Métis face similar barriers to economic development, but they are also confronted with challenges that are unique to their situation and their relationship with the federal government.

In early 2022, the Standing Committee on Indigenous and Northern Affairs of the House of Commons (the committee) undertook a study on the barriers to Indigenous economic development and how to remove them. Based on what it heard from 33 witnesses over five meetings, the committee is making a series of recommendations pertaining to:

- implementing the *United Nations Declaration on the Rights of Indigenous Peoples Act*;
- overcoming administrative burdens and making economic development programs more accessible;
- improving access to capital and federal procurement opportunities;
- implementing the forthcoming national Indigenous economic strategy;
- adapting funding mechanisms and programs to account for the remoteness and isolation of some communities;
- ensuring that the government meaningfully engage Indigenous businesses and communities on major infrastructure projects in the North;
- ensuring that the Métis have access to economic development supports equivalent to those provided to First Nations and Inuit;

- amending the *First Nations Fiscal Management Act* to establish a legislative basis for a First Nations Infrastructure Institute;
- expanding First Nations fiscal powers;
- increasing the resources available to the three First Nations fiscal institutions (First Nations Finance Authority, First Nations Tax Commission and First Nations Financial Management Board) and expanding the mandate of the First Nations Finance Authority;
- eliminating barriers to economic development that stem from the *Indian Act*;
- amending the *First Nations Land Management Act*;
- redesigning the Additions to Reserve process;
- creating a Federal Advisor on the Enforcement of First Nations Laws and By-Laws;
- ensuring that postal rates do not unfairly penalize Indigenous communities; and
- supporting interested Indigenous peoples in seizing opportunities in the natural resources sector.

This report explores the testimony heard as part of this study and provides more context for these recommendations.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That, as required by section 6(1) of the *United Nations Declaration on the Rights of Indigenous Peoples Act*, the Government of Canada ensure that the preparation and implementation of the action plan to achieve the objectives of the Declaration is done in consultation and cooperation with Indigenous peoples and organizations that represent Indigenous businesses; and that the Government of Canada update the committee about progress on the action plan within six months. 13

Recommendation 2

That the Government of Canada review and consider different options and partnerships to finance home mortgages, such as an Indigenous Housing Fund or long-term loan guarantees. 15

Recommendation 3

That the Government of Canada work with the First Nations Finance Authority, the First Nations Tax Commission, and the First Nations Financial Management Board to test monetization through a pilot project on replacing diesel generation in remote communities..... 16

Recommendation 4

That the Government of Canada prioritize the creation of a navigator position in consultation with National Indigenous Economic Organizations, to help Indigenous entrepreneurs find programs relevant to their businesses..... 17

Recommendation 5

That the Government of Canada address the impact of the administrative burdens of its economic development programs on Indigenous peoples; and that it put measures in place to increase resources available to Indigenous peoples to ensure they do not miss economic development opportunities as a result of administrative delays and long wait times for obtaining funding. 18

Recommendation 6

That the Government of Canada clarify the exceptions for Indigenous beneficiaries under the Jobs and Growth Fund; and that it commit to being clear and transparent with respect to any arbitrary and discriminatory exceptions that may prevent Indigenous peoples from benefiting from the Jobs and Growth Fund. 18

Recommendation 7

That the Government of Canada, in partnership with Indigenous organizations, consider options for improving access to capital for First Nations, Inuit and Métis communities; and that options to consider include:

- **establishing a pure equity fund for use by First Nations and regional development corporations;**
- **making the 10-year grant for First Nations available to qualified Indigenous institutions; and**
- **mirroring the Government of Quebec’s Indigenous Initiatives Fund III, which gives Indigenous communities flexibility and stability in terms of funding. 22**

Recommendation 8

That the Government of Canada improve and refine its requirement that a minimum of 5% of the value of federal contracts are awarded to Indigenous businesses by:

- **requiring that at least 5% of all federal contracts valued over \$5 million come from Indigenous suppliers;**

- developing guidelines to ensure that First Nations, Inuit and Métis organizations all have the opportunity to benefit from the requirement that 5% of the value of their contracts are awarded to Indigenous-owned businesses; and
- ensuring transparency with respect to how the federal departments are meeting the requirement that 5% of the value of their contracts are awarded to Indigenous-owned businesses..... 25

Recommendation 9

That the Government of Canada create a registry of Indigenous businesses and distribute it to federal departments in order to identify possible suppliers for federal procurement. The distribution of this registry will raise awareness of the services and products offered by Indigenous businesses and ensure better communications between departments and businesses..... 25

Recommendation 10

That the Government of Canada work with the National Indigenous Economic Development Board, as well as other Indigenous organizations and education organizations that partner with First Nations, Inuit and Métis communities to support literacy, such as the Martin Family Initiative, to explore the possibility of establishing a National Indigenous Education Institution or Centre of Excellence. 27

Recommendation 11

That the Government of Canada implement the national Indigenous economic strategy that will soon be put forward by the National Indigenous Economic Development Board. 28

Recommendation 12

That the Government of Canada, in collaboration with First Nations partners (including the First Nations Finance Authority, the First Nations Tax Commission and the First Nations Financial Management Board), co-develop amendments to the *First Nations Fiscal Management Act* to establish a legislative basis for a First Nations Infrastructure Institute..... 32

Recommendation 13

That the Government of Canada increase the resources available to the First Nations Finance Authority (FNFA), the First Nations Tax Commission and the First Nations Financial Management Board to ensure that they can fulfill their mandates under the *First Nations Fiscal Management Act* (FNFMA), specifically:

- a) supporting the work of the FNFA that grants loans;
- b) increasing the upper limit of loans that FNFA can grant, for greater flexibility to engage in capital projects with high up-front costs; and
- c) working towards full recognition of FNFMA by credit unions and banks..... 32

Recommendation 14

That the Government of Canada, in collaboration with First Nations partners (including the First Nations Tax Commission), explore the possibility of expanding First Nations fiscal powers, including with respect to taxation. 33

Recommendation 15

That the Government of Canada expand the mandate of the First Nations Finance Authority to enable it to provide its services to tribal councils, self-governing Indigenous governments and economic development corporations; and that the Government of Canada ensure that the First Nations Finance Authority has the resources necessary to fulfill this expanded mandate..... 33

Recommendation 16

That the Government of Canada work with First Nations to eliminate all barriers to economic development arising from the discriminatory and constraining provisions of the *Indian Act*. 34

Recommendation 17

That the Government of Canada continue working with First Nations partners, including the First Nations Lands Advisory Board, to prepare amendments that would clarify any confusion with respect to the interpretation of the *First Nations Land Management Act*; and that the Government of Canada report to the committee on the progress made to date. 35

Recommendation 18

That the Government of Canada establish, with the Department of Justice, a Federal Advisor on the Enforcement of First Nations Laws and By-Laws; and that the position be adequately funded and empowered to work with all relevant federal departments and agencies. 36

Recommendation 19

That the Government of Canada continue the work announced in *Budget 2021* to redesign the Additions to Reserve policy with the overarching goal of accelerating and improving community access to land and resources, as well as increasing First Nations economic development opportunities. 36

Recommendation 20

That the Government of Canada ensure that Indigenous communities are not penalized by their geographic location when postal rates are being determined; and that it ensure that postal rates are fair and do not undermine economic development in all communities, whether urban, rural or remote. 37

Recommendation 21

That the Government of Canada increase ways to support those Indigenous peoples who want to actively seize opportunities arising from the natural resources extraction industry; and that the Government of Canada explore with Indigenous partners how to best reconcile the need to act on climate change with the need to ensure Indigenous peoples can pursue economic opportunities in the energy sector while ensuring a transition toward a low emitting future..... 38

Recommendation 22

That the government of Canada take into account the impact of remoteness and isolation on the funding mechanisms and the level of funding provided when designing and offering economic development programs and services to Indigenous peoples. 40

Recommendation 23

That the Government of Canada consider amending funding formulas to include local salaries in an attempt to address community economic leakage. 41

Recommendation 24

That the Government of Canada ensure that infrastructure funding reflects the realities of northern and remote Indigenous communities, as well as the importance of critical infrastructure in opening economic development opportunities; and that the Government of Canada find ways to meaningfully engage Indigenous businesses and communities on major infrastructure projects in the North. 42

Recommendation 25

That the Government of Canada work with all Métis leaders to ensure that Métis businesses and entrepreneurs have access to economic development programs such as the Aboriginal Business Entrepreneurship Program and the Canada Small Business Financing Program; and that the Government of Canada work with Métis leaders to co-develop programs and institutions to provide the Métis with economic development supports equivalent to those provided to First Nations and Inuit. 44

Recommendation 26

That the Government of Canada work with Métis leaders to re-establish the Métis Economic Development Strategy; that it recognizes and provides for the distinct and specific challenges the eight Metis Settlements of Alberta face; and that it be accompanied by sufficient capital and financing. 44



BARRIERS TO ECONOMIC DEVELOPMENT IN INDIGENOUS COMMUNITIES

INTRODUCTION

By virtue of their right to self-determination, Indigenous peoples have the right to pursue their own socioeconomic development. Yet, across Canada, First Nations, Inuit and Métis communities continue to face significant barriers to their growth and prosperity. As noted by the Minister of Indigenous Services, the Honourable Patty Hajdu, “[a]ll communities need a strong economic foundation to grow and prosper, but we recognize that there are extra barriers to [I]ndigenous economic development.”¹

When compared with non-Indigenous Canadians, Indigenous peoples experience poorer socioeconomic outcomes (lower income and wealth, lower housing values, lower education rates, lower labour force participation and lower employment rates).² These barriers are often rooted in historical and long-lasting structural inequalities, as well as in the design and application of federal programs, policies, laws and regulations. According to Dawn Madahbee Leach, Chairperson of the National Indigenous Economic Development Board,

[I]ndigenous populations continue to face deeply rooted systemic and institutional barriers embedded in the Canadian legal, education, health, governmental and economic landscape. For Canada to undo this damage, it must be understood that achieving reconciliation will not be possible without vibrant [I]ndigenous economies, characterized by economic self-sufficiency and socio-economic equality with the rest of Canada.³

On 1 February 2022, the Standing Committee on Indigenous and Northern Affairs of the House of Commons (hereafter, the committee) agreed to undertake a study on the existing barriers to Indigenous economic development and how to remove them.⁴ Obviously, removing these barriers and achieving economic reconciliation would lead to

1 House of Commons, Standing Committee on Indigenous and Northern Affairs [INAN], [Evidence](#), 11 February 2022, 1305 (The Hon. Patty Hajdu, Minister of Indigenous Services).

2 INAN, [Evidence](#), 8 February 2022, 1550 (Steven Morse, Chief Executive Officer, Métis Voyageur Development Fund Inc., Métis National Council).

3 INAN, [Evidence](#), 11 February 2022, 1410 (Dawn Madahbee Leach, Chairperson, National Indigenous Economic Development Board).

4 INAN, [Minutes of Proceedings](#), 1 February 2022.



better socioeconomic outcomes in Indigenous communities.⁵ However, it would also benefit Canada as a whole: “Studies show over and over again that when [I]ndigenous communities prosper, so do the regions around them.”⁶ Notably, Canada’s gross domestic product could increase by at least \$30 billion if the socioeconomic gaps between Indigenous and non-Indigenous people were addressed.⁷

This report examines the testimony received by the committee as part of its study. First, the report looks at the general barriers to Indigenous economic development. Then, it highlights barriers that are more specific to First Nations, to remote and northern communities and to the Métis. The committee was inspired by some of the promising practices and initiatives it heard about during this study, and it shares many of those creative approaches throughout this report.

The committee wishes to thank all of the individuals and organizations who took part in this study and who shared their invaluable experience and expertise. The committee also acknowledges, as highlighted by Darrell Beaulieu, Executive Officer of Denendeh Investments Incorporated, the numerous studies conducted—and recommendations made—by Indigenous organizations and institutions on this subject over the last few decades.⁸ The committee wants to recognize their advocacy and efforts.

GENERAL BARRIERS TO INDIGENOUS ECONOMIC DEVELOPMENT

Witnesses identified multiple factors that hinder their community or organization’s economic development opportunities. Well-known barriers include a lack of access to capital, inadequate infrastructure, and limited capacity. The committee heard that barriers to Indigenous economic development are rooted in a history of colonialism and the failure to recognize Indigenous jurisdiction. Equally important are the ways that Indigenous peoples are developing, and in some cases implementing, solutions to overcome existing limitations. These approaches need to be welcomed and supported by the Government of Canada.

5 INAN, *Evidence*, 15 February 2022, 1640 (Christopher Googoo, Chief Operating Officer, Ulnooweg Development Group Inc.).

6 INAN, *Evidence*, 11 February 2022, 1410 (Dawn Madahbee Leach).

7 Ibid.; In her testimony, Ms. Madahbee Leach referred to a 2016 report commissioned by her organization to support these numbers: Fiscal Realities Economists, “[Reconciliation: Growing Canada’s Economy by \\$27.7 Billion](#),” *The National Aboriginal Economic Development Board*, November 2016.

8 INAN, *Evidence*, 15 February 2022, 1650 (Darrell Beaulieu, CEO, Denendeh Investments Incorporated).

The following sections look at the testimony provided by witnesses on some of these general barriers: the impacts of colonialism and the failure to recognize Indigenous jurisdiction, the infrastructure deficit and administrative burdens. It also explores what the committee heard about the importance of education and capacity building, as well as other promising practices.

The Impacts of Colonialism and the Failure to Recognize Jurisdiction

At the root of many barriers are colonial laws and policies. As Clarence T. (Manny) Jules, Chief Commissioner of the First Nations Tax Commission, told the committee,

Our institutions were replaced with a federal bureaucracy. Our freedom was taken, and we became hooked on programs and dependency... Our fiscal powers and lands were taken away. Parliament removed our economic freedom to get decent jobs, clean water, good health care and education, and a better future for our children. Parliament took away our freedom to enjoy the many things you take for granted as citizens of Canada.⁹

Regional Chief Terry Teegee from the British Columbia Assembly of First Nations agreed, stating that “the common theme that serves as a barrier to [F]irst [N]ations' economic development is the ongoing systemic [impact] of colonialism.”¹⁰ Systemic racism can also limit opportunities.¹¹ Harold Calla, Executive Chair of the First Nations Financial Management Board, also pointed out another systemic barrier: the fact that federal public servants, and the federal government itself, have to juggle two conflicting

9 INAN, *Evidence*, 4 February 2022, 1315 (Clarence T. (Manny) Jules, Chief Commissioner, First Nations Tax Commission).

10 INAN, *Evidence*, 8 February 2022, 1600 (Regional Chief Terry Teegee, Regional Chief, British Columbia Assembly of First Nations).

11 INAN, *Evidence*, 11 February 2022, 1500 (Adam Jourdain, Deputy Executive Director, Corporation développement économique Nikanik).



responsibilities. On one hand, they must respect their fiduciary duty¹² to Indigenous peoples; on the other, they must protect the Crown.¹³

A consequence of the history of colonialism and the failure to recognize Indigenous jurisdiction is that Indigenous peoples are frequently left out of the decision-making process or excluded from participating more generally. For example, Regional Chief Teegee told the committee that “[t]here is a lack of involvement in planning. First [N]ations must be included in strategic planning and decision-making processes for economic recovery.”¹⁴ He saw the *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP) as key to the decision-making process:

One of the core standards recognized by UNDRIP—which is law here in British Columbia and now federal law elsewhere in this country, through Bill C-15—is the need to uphold and live up to many of the articles within UNDRIP, including free, prior and informed consent. The way we see it, it would provide more certainty in terms of how decisions are made.¹⁵

Similarly, Adam Jourdain, Deputy Executive Director of the Corporation développement économique Nikanik, spoke about not having “a seat at the table” for resource development.¹⁶

In some cases, input is sought from Indigenous participants but is then put aside. Jean Paul Gladu told the committee that the Canadian Council for Aboriginal Business (CCAB) was asked to submit a proposal for the 2019 federal budget that would support Indigenous entrepreneurs. However, the 2019 budget committed \$3 million to support Indigenous entrepreneurs to a non-Indigenous organization instead. “That is not the way

12 As is explained in Library of Parliament publication, *The Duty to Consult Indigenous Peoples* (Isabelle Brideau, Publication No. 2019-17-E, 2019), “[t]he fiduciary duty to Indigenous peoples “requires that the Crown act with reference to the Aboriginal group’s best interest in exercising discretionary control over the specific Aboriginal interest at stake.” See *Haida Nation v. British Columbia (Minister of Forests)*, para. 18. The case law surrounding the fiduciary duty of the Crown to Indigenous peoples was developed in five main cases: *Calder et al. v. Attorney-General of British Columbia*, [1973] SCR 313; *Guerin v. The Queen*; *R v. Sparrow*; *Haida Nation v. British Columbia (Minister of Forests)*; and *Tsilhqot’in Nation v. British Columbia*, 2014 SCC 44.”

13 INAN, *Evidence*, 4 February 2022, 1325 (Harold Calla, Executive Chair, First Nations Financial Management Board).

14 INAN, *Evidence*, 8 February 2022, 1600 (Regional Chief Terry Teegee).

15 Ibid.

16 INAN, *Evidence*, 11 February 2022, 1505 (Adam Jourdain).

that we're going to build relationships," he said. "You need to empower the [I]ndigenous organizations that have proven track records to support our own people."¹⁷

To address some of the issues relating to colonialism and jurisdiction, Ms. Madahbee Leach requested that the Government of Canada "ensure that the implementation plan for the *UN Declaration on the Rights of Indigenous Peoples Act* is co-developed with [I]ndigenous people,"¹⁸ and "formally recognize our jurisdiction and the legal frameworks we are developing to control and participate in development in our territories."¹⁹

The committee heard that colonial laws and policies, as well as failures in some instances to recognize Indigenous jurisdiction, limit opportunities for Indigenous peoples to participate in economic development, and that UNDRIP is of critical importance to economic development. The committee recommends therefore:

Recommendation 1

That, as required by section 6(1) of the *United Nations Declaration on the Rights of Indigenous Peoples Act*, the Government of Canada ensure that the preparation and implementation of the action plan to achieve the objectives of the Declaration is done in consultation and cooperation with Indigenous peoples and organizations that represent Indigenous businesses; and that the Government of Canada update the committee about progress on the action plan within six months.

The Importance of Infrastructure for Economic Development

Infrastructure and economic development are inextricably linked. As Clint Davis, President and CEO of the Nunasi Corporation, explained, "[i]f we want to break down barriers for [I]ndigenous economic development, we need to ensure that communities have the conditions that will create a well-functioning economy, and that starts with infrastructure."²⁰ Ernie Daniels, President and CEO of the First Nations Finance Authority (FNFA), agreed that "[i]nfrastructure is a precursor to long-term economic

17 INAN, *Evidence*, 1 March 2022, 1620 (Jean Paul Gladu, Principal, Mokwateh, As an Individual).

18 Section 6(1) of the *United Nations Declaration on the Rights of Indigenous Peoples Act*, S.C. 2021, c. 14, states that "[t]he Minister must, in consultation and cooperation with Indigenous peoples and with other federal ministers, prepare and implement an action plan to achieve the objectives of the Declaration."

19 INAN, *Evidence*, 11 February 2022, 1410 (Dawn Madahbee Leach).

20 INAN, *Evidence*, 11 February 2022, 1420 (Clint Davis, President and Chief Executive Officer, Nunasi Corporation).



development.”²¹ According to him, the infrastructure gap between First Nations communities and other communities was at least \$30 billion.²² For his part, Mr. Davis referred to the 2020 Nunavut Tunngavik Inc. report, *Nunavut Infrastructure Gap Report*²³, that “highlights deficits in such infrastructure areas as water, housing, broadband [and] reliable energy.”²⁴ The report did not include a cost estimate to close that gap. He also mentioned that Inuit Tapiriit Kanatami recently concluded that at least \$3 billion was needed for Inuit core housing and he estimated that the total infrastructure gap for Indigenous communities was \$60–\$70 billion.²⁵

With respect to housing, Shannin Metatawabin, CEO of the National Aboriginal Capital Corporations Association (NACCA), recommended that, in partnership with Aboriginal Financial Institutions (AFIs), the Government of Canada create an Indigenous housing fund.²⁶ AFIs would use that amount to leverage financing for individual and community housing. He explained that

The [I]ndigenous housing fund would emulate the successful model of the recently created indigenous growth fund, which was structured by NACCA and the Business Development Bank of Canada, and connects private investors to [I]ndigenous businesses while relying on AFIs to deploy the capital based on their unique relationships with the communities we serve.²⁷

Ms. Madahbee Leach also supported the idea of providing capital to AFIs for housing mortgages as well as addressing the existing housing shortage.²⁸

Grand Chief Jerry Daniels of the Southern Chiefs' Organization Inc. proposed that “long-term loan guarantees to [F]irst [N]ations and [F]irst [N]ations businesses for capital projects, including housing, may help this crisis.”²⁹ During the study, one committee member asked witnesses about the Canada Infrastructure Bank and its enabling

21 INAN, [Evidence](#), 4 February 2022, 1305 (Ernie Daniels, President and CEO, First Nations Finance Authority).

22 Ibid.

23 Nunavut Tunngavik Inc., [Nunavut's Infrastructure Gap](#), October 2020.

24 INAN, [Evidence](#), 11 February 2022, 1420 (Clint Davis).

25 Ibid.

26 INAN, [Evidence](#), 8 February 2022, 1645 (Shannin Metatawabin, Chief Executive Officer, National Aboriginal Capital Corporations Association).

27 Ibid.

28 INAN, [Evidence](#), 11 February 2022, 1410 (Dawn Madahbee Leach).

29 INAN, [Evidence](#), 15 February 2022, 1650 (Grand Chief Jerry Daniels, Chairman, Southern Chiefs' Economic Development Corporation, Southern Chiefs' Organization Inc.).

legislation.³⁰ Mr. Davis indicated that he was aware of the *Canada Infrastructure Bank Act*, and that the Canada Infrastructure Bank “plays a significant role in ensuring that we get capital into communities.”³¹

Mr. Daniels of the FNFA explained how monetization can support infrastructure and other economic development projects:

monetization is very similar to how towns and cities finance their infrastructure. They obtain capital to invest today, based on their ability to service debentures³² in future years. Monetization would see FNFA issue debentures in the capital markets that could be used to fund infrastructure and other economic development, taking advantage of today's prices. This would create a greater overall impact than the current federal approach.

What's missing in the equation is a sufficient revenue stream to cover debt servicing and repayment. If [F]irst [N]ations are expected to close this [infrastructure] gap, their own-source revenues will be tapped out long before the gap is closed, leaving the federal government as the obvious partner... we would like to work with the federal government to test monetization as a pilot project.

The example we've put forth is replacing diesel generation in remote communities. An agreement with Canada would allow us to issue a debenture raising the funds that would allow communities to develop reliable, sustainable and clean energy solutions. This would advance multiple government priorities. It would allow us to test the concept of monetization, and would do so at minimal, if any, cost to the government, as debt servicing would be offset by savings in diesel and transportation. All it would take is a willingness on the part of the government to try something new and innovative.³³

Based on the testimony, the committee recommends:

Recommendation 2

That the Government of Canada review and consider different options and partnerships to finance home mortgages, such as an Indigenous Housing Fund or long-term loan guarantees.

30 [Canada Infrastructure Bank Act](#), S.C. 2017, c. 20, s. 403.

31 INAN, [Evidence](#), 11 February 2022, 1505 (Clint Davis).

32 The Business Development Bank of Canada (BDC) defines a debenture as “a marketable security (a type of investment) issued by a business or other organization to raise money for long-term activities and growth. It is a form of debt capital so it is accounted for as debt on the balance sheet of the issuing company.” See: BDC, [Glossary](#), “[Debenture](#).”

33 INAN, [Evidence](#), 4 February 2022, 1305 (Ernie Daniels).



Recommendation 3

That the Government of Canada work with the First Nations Finance Authority, the First Nations Tax Commission, and the First Nations Financial Management Board to test monetization through a pilot project on replacing diesel generation in remote communities.

Administrative Burdens

The committee heard that administrative burdens are also a barrier to economic development. For example, witnesses discussed administrative challenges when accessing public funding. Mr. Jourdain told the committee that “[w]e have to submit application after application, and it's a very long time before we here back from departments. It's a constant waiting game, so we miss out on incredible opportunities because we don't have all the tools we need.”³⁴

Marie-Christine Tremblay, Strategic Advisor at the First Nations of Quebec and Labrador Economic Development Commission, indicated that there was a lack of clarity around possible exceptions to the program criteria for Indigenous businesses applying to Canada's Jobs and Growth Fund. As a result, some Indigenous businesses decided not to apply. She told the committee that

We want Canada Economic Development to show more transparency, particularly by clarifying these exceptions and the eligibility criteria for the program. That way, by simply reading the information document, applicants could determine whether they're eligible. In our view, the changes would also ensure that applicants don't think that decisions are solely based on an official's judgment instead of on specific criteria. All this would help build the trust of [F]irst [N]ations members in the government.³⁵

Since the program aims to attract Indigenous applicants, the Commission argues in its brief that “[its] guidelines should outline the situations in which these exceptions may apply, and the criteria used for determining whether or not an application is eligible should be spelled out.”³⁶

Mr. Calla explained that to reduce administrative burdens for smaller communities, the First Nations Financial Management Board was involved in a pilot project that would

34 INAN, *Evidence*, 11 February 2022, 1440 (Adam Jourdain).

35 INAN, *Evidence*, 1 March 2022, 1645 (Marie-Christine Tremblay, Strategic Advisor at the First Nations of Quebec and Labrador Economic Development Commission).

36 First Nations of Quebec and Labrador Economic Development Commission, *Submission to the Standing Committee on Indigenous and Northern Affairs*, February 2022.

“allow back-office functions to be undertaken on a collective basis, because many of the communities that are in smaller and remote areas can't attract the capacity and the human resources that are necessary.”³⁷

Noting the challenges faced by Indigenous businesses in navigating the bureaucracy, Tabatha Bull, President and CEO of the CCAB, expressed support for the creation of a navigator position that was referred to in Minister Hajdu's mandate letter.³⁸ She told the committee

When asked what skills and training indigenous businesses need, over half of the respondents selected support for grant and application proposal writing. CCAB has repeatedly highlighted the need for a navigator function specific to [!]Indigenous business to assist with the understanding and uptake of the various programs.³⁹

Such a position will “help Indigenous entrepreneurs find programs that apply to their situation.”⁴⁰ The committee had made a similar recommendation to help Indigenous businesses navigate the various federal programs related to COVID-19 in its March 2021 report.⁴¹

To address the administrative barriers which limit or prevent Indigenous communities from pursuing economic development opportunities, the committee therefore recommends:

Recommendation 4

That the Government of Canada prioritize the creation of a navigator position in consultation with National Indigenous Economic Organizations, to help Indigenous entrepreneurs find programs relevant to their businesses.

37 INAN, *Evidence*, 4 February 2022, 1330 (Harold Calla).

38 INAN, *Evidence*, 8 February 2022, 1440 (Tabatha Bull, President and Chief Executive Officer of the Canadian Council for Aboriginal Business).

39 Ibid.

40 [Minister of Indigenous Services and Minister responsible for the Federal Economic Development Agency for Northern Ontario Mandate Letter](#), 16 December 2021.

41 INAN, *COVID-19 and Indigenous Peoples: From Crisis towards Meaningful Change*, 43rd Parliament, 2nd Session, March 2021, p. 72.



Recommendation 5

That the Government of Canada address the impact of the administrative burdens of its economic development programs on Indigenous peoples; and that it put measures in place to increase resources available to Indigenous peoples to ensure they do not miss economic development opportunities as a result of administrative delays and long wait times for obtaining funding.

Recommendation 6

That the Government of Canada clarify the exceptions for Indigenous beneficiaries under the Jobs and Growth Fund; and that it commit to being clear and transparent with respect to any arbitrary and discriminatory exceptions that may prevent Indigenous peoples from benefiting from the Jobs and Growth Fund.

Federal Funding

Witnesses also told the committee that existing funding comes with its own set of barriers. Regional Chief Teegee told that committee that

what we need to see is more investment and more infrastructure in terms of [Indigenous affairs] funding [for example] policing within [F]irst [N]ations, is going from program funding to more substantial and predictable funding, and that is a really important step, and we can learn from that. Program funding doesn't work; we need more funding in terms of economic development.⁴²

Witnesses explained that federal funding for Indigenous economic development is insufficient. In particular, Ms. Madahbee Leach proposed that the Government of Canada “increase funding for [I]ndigenous economic and business development to 10% of total federal spending on [I]ndigenous peoples.”⁴³

Mr. Jourdain pointed to the limited amount of federal funding available for major projects:

The amount of federal funding allocated to major projects in indigenous communities varies between \$15 million and \$20 million. There are more than 200 indigenous communities across Canada, so it's incredibly difficult to get a piece of that funding.

42 INAN, [Evidence](#), 8 February 2022, 1605 (Regional Chief Terry Teegee).

43 INAN, [Evidence](#), 11 February 2022, 1410 (Dawn Madahbee Leach).

In the case of a project worth \$10 million or \$12 million, that's a lot of money. We don't have everything we need in our favour to be successful and obtain the necessary funding. That is why it's so important to help communities, not only by giving them financial support, but also by improving access to programs.⁴⁴

He also proposed that the federal government “provide programs tailored to the needs of each community, similar to what Quebec does with the Indigenous Initiatives Fund III.”⁴⁵

Addressing Access to Capital and Equity

One of the barriers most frequently referred to by witnesses related to access to capital and equity.⁴⁶ As Grand Chief Daniels told the committee:

Equity is important because without it the individual, community or business development corporation has an infinitely more difficult time in starting and sustaining a path to wealth creation through economic development...

Access to capital—grants and low-cost debt—especially for large economic ventures in various industries such as a host of clean energy initiatives, mining, resource development, food security, infrastructure and more remains very difficult to secure. It's very difficult in the current capital resource economy for [F]irst [N]ations to enter, and for many decades we've been behind, through a blockade on [F]irst [N]ations' ability to meaningfully participate in the agricultural sector. It has been very difficult for us to engage because of the capital required and the bureaucratic interference in [F]irst [N]ations' ability to enter these now very capital-intensive economies.⁴⁷

Chief Commissioner Jules told the committee that Indigenous peoples in Canada “face an access to capital gap of about \$175 billion.”⁴⁸ For his part, Mr. Metatawabin emphasized the mutual benefit of improving access to capital: “It's important to realize that the capital markets have plenty of money to invest into good opportunities. The indigenous community is an opportunity for them to invest into providing finance while earning interest.”⁴⁹

44 INAN, [Evidence](#), 11 February 2022, 1455 (Adam Jourdain).

45 Ibid.

46 In business and finance, the term “capital” covers the various financial assets conferring a value to their owner. Equity is a form of capital representing an ownership interest in a company or asset.

47 INAN, [Evidence](#), 15 February 2022, 1555 (Grand Chief Jerry Daniels).

48 INAN, [Evidence](#), 4 February 2022, 1315 (Clarence T. (Manny) Jules).

49 INAN, [Evidence](#), 8 February 2022, 1655 (Shannin Metatawabin).



While acknowledging economic development progress that has been made in the last 20 years, Mr. Davis spoke of the struggles associated with limited access to capital:

Impact benefit agreements have created significant value for [I]ndigenous communities, including training, development and employment, along with procurement. Some projects are providing opportunities for [I]ndigenous communities and development corporations to actually participate in the ownership of the project or a major asset.

Too often, communities just don't have the financial capital to stand shoulder to shoulder with their partner. Traditional lenders generally do not provide loans for equity, so the community will have to either pass on the opportunity or receive support from the partner or another source at a price that is often considered expensive. I think there's a real opportunity for federal Crown corporations and other institutions to provide this capital through a loan mechanism at a reasonable rate. This would enable the community to participate in the opportunity and benefit from the financial upside earlier in the process.⁵⁰

Tina Rasmussen, Corporate Development and Administration Officer for Meadow Lake Tribal Council Industrial Investments, highlighted how limited capital makes it difficult to compete:

sometimes we're not on an even playing field with organizations. For those of us in the forest industry, the companies we go up against are often international companies with very large bankrolls...

The opportunity is not there for us to access the same amount of financing, to go to the bank in the same way, to stockpile those reserves, or to make increases, advancements or changes. It's just not there.⁵¹

While Ms. Bull noted the success of AFIs, she also mentioned that most AFIs can provide a maximum loan amount of \$300,000 for a single project, commenting that that amount can sometimes pay for only one piece of equipment.⁵²

To improve access to capital, Mr. Davis explained that

the Business Development Bank of Canada ... has provided a very robust [I]ndigenous banking unit [and has] done a great job in terms of providing that debt capital to communities and development corporations and even taking on additional risk to support entrepreneurs.

50 INAN, *Evidence*, 11 February 2022, 1415 (Clint Davis).

51 INAN, *Evidence*, 1 March 2022, 1605 (Tina Rasmussen, Corporate Development and Administration Officer, Meadow Lake Tribal Council Industrial Investments).

52 INAN, *Evidence*, 8 February 2022, 1425 (Tabatha Bull).

Now, as we move into that bigger realm of having communities looking at participating in large-scale projects or even medium-scale projects, that kind of capital on the equity side is critical.⁵³

Mr. Beaulieu stressed the importance of ensuring that capital is readily accessible and managed by existing Indigenous economic institutions.⁵⁴

With respect to supporting access to capital for entrepreneurs, through its Aboriginal Entrepreneurship Program, Minister Hajdu told the committee that NACCA provides approximately \$25 million of equity capital per year so that entrepreneurs can access affordable commercial loans. That program complements the new Indigenous Growth Fund, which is Indigenous-designed and led, and “a key economic recovery initiative, which will provide [I]ndigenous businesses with a fully independent source of capital.”⁵⁵ Speaking about the Fund, Mr. Metatawabin explained

We're just looking for different innovative financial mechanisms to attract public-sector capital, because the government's unsustainable approach and inability to keep up with the growth of our community requires us to think differently, outside the box, and to co-develop different financial tools to ensure that we can do the work on the ground.⁵⁶

For his part, Grand Chief Daniels shared the following proposal with the committee:

We suggest that something like a peer equity fund be established for use by [F]irst [N]ations and regional development corporations that can access equity, to help them get a start in significant business opportunity areas—whatever areas they may be—that would not have as many strings attached as we've seen previously. This would level the playing field, because [F]irst [N]ations, for decades, have been left out of many industries and haven't been able to develop or accumulate a significant amount of capital that they can diversify to a large extent.⁵⁷

Ms. Rasmussen recommended that the Government of Canada:

Maintain access to sizeable financing or term loans with limited security. An example might be to ensure that there is financing support to indigenous businesses through term loans of \$1 million to \$5 million where there is limited security and financing is difficult to achieve and often is very expensive when you're going out into the regular

53 INAN, *Evidence*, 11 February 2022, 1435 (Clint Davis).

54 INAN, *Evidence*, 15 February 2022, 1545 (Darrell Beaulieu).

55 INAN, *Evidence*, 11 February 2022, 1305 (The Hon. Patty Hajdu).

56 INAN, *Evidence*, 8 February 2022, 1655 (Shannin Metatawabin).

57 INAN, *Evidence*, 15 February 2022, 1610 (Grand Chief Jerry Daniels).



market, especially when you're trying to lift new business opportunities off the ground.⁵⁸

Mr. Metatawabin told the committee about the 10-year grants⁵⁹ that are available “to First Nations communities that meet eligibility requirements related to financial performance and governance.”⁶⁰ He continued,

Both Canada and [F]irst [N]ations agree that there are significant benefits to these arrangements, including greater flexibility to design and deliver, greater flexibility to allocate, manage and use funding to better accommodate local needs and changing circumstances and priorities, and the ability to retain unspent funds and reduced administrative and reporting burden.

Such arrangements should also be available to [I]ndigenous institutions that have successful track records, strong financial performance and good governance. In the case of AFIs, this would allow for greater responsiveness to changing on-the-ground economic conditions and opportunities, and for long-term planning that would contribute to better program management and service delivery.⁶¹

The committee agrees that limited access to capital and equity are limiting economic development. The committee therefore recommends:

Recommendation 7

That the Government of Canada, in partnership with Indigenous organizations, consider options for improving access to capital for First Nations, Inuit and Métis communities; and that options to consider include:

- **establishing a pure equity fund for use by First Nations and regional development corporations;**
- **making the 10-year grant for First Nations available to qualified Indigenous institutions; and**

58 INAN, *Evidence*, 1 March 2022, 1535 (Tina Rasmussen).

59 For more information about the grant, see: Government of Canada, “Grant to support the new fiscal relationship for First Nations under the Indian Act” and First Nations Financial Management Board, “10-Year Grant.”

60 INAN, *Evidence*, 8 February 2022, 1645 (Shannin Metatawabin).

61 Ibid.

- **mirroring the Government of Quebec’s Indigenous Initiatives Fund III, which gives Indigenous communities flexibility and stability in terms of funding.**

Procurement

Several witnesses spoke about the importance of increasing Indigenous participation in public procurement. Minister Hajdu told the committee that as of 1 April 2022, 32 federal departments will be required to ensure that “a minimum of 5% of the value of federal contracts are awarded to businesses owned and led by [I]ndigenous individuals.”⁶² Christiane Fox, Deputy Minister, Department of Indigenous Services, explained how this will increase Indigenous business activity: “Right now, [procurement] is a barrier. It is a challenge. Sometimes we want to hire [I]ndigenous businesses, and because they’re not on a standing offer⁶³, barriers are created that we just need to remove. I think that 5% will really help us get there and make some progress.”⁶⁴

Ms. Bull had a number of recommendations with respect to procurement, for example “increase[ing] the sole-source contract opportunity from \$40,000 to \$100,000, which would allow procurement officers to go directly to an [I]ndigenous business,”⁶⁵ and requiring at least “5% of all contracts valued over \$5 million... to be from [I]ndigenous suppliers.”⁶⁶ She explained that access to procurement should be one of the pillars of an Indigenous entrepreneurship strategy, along with “access to markets and supply chain networks, and access to funding.”⁶⁷ Such a strategy “would make [I]ndigenous prosperity a priority for every federal department, agency and regulator, and provide the necessary down payment to support economic reconciliation.”⁶⁸

Mr. Davis would like to see a distinctions-based approach to the 5% procurement requirement “to ensure Inuit businesses benefit.”⁶⁹ He also told the committee that “the federal government [should] consider creating incentives for federally-regulated

62 INAN, [Evidence](#), 11 February 2022, 1340 (The Hon. Patty Hajdu).

63 Government of Canada, “Standing Offers.”

64 INAN, [Evidence](#), 11 February 2022, 1340 (Christiane Fox, Deputy Minister, Department of Indigenous Services).

65 INAN, [Evidence](#), 8 February 2022, 1700 (Tabatha Bull).

66 Ibid.

67 Ibid.

68 Ibid.

69 INAN, [Evidence](#), 11 February 2022, 1415 (Clint Davis).



companies to develop robust procurement policies for the benefit of [I]ndigenous business.”⁷⁰

Grand Chief Daniels questioned the value of the 5% procurement requirement, stating that “[p]rocurement opportunities still remain abysmal when it comes to [F]irst [N]ations. Regardless of the policy direction that's given through Ottawa, it is not always benefiting the [F]irst [N]ations that really need to be given the opportunity to have investment in our communities.”⁷¹

Thomas Benjoe, President and Chief Executive Officer of File Hills Qu’Appelle Developments, also expressed concern about the effectiveness of the 5% procurement requirement:

We're told that there are [I]ndigenous procurement policies in place and that they're going to spend so many dollars with [I]ndigenous companies and employ so many [I]ndigenous people, but the experience that I've had in my five years as CEO is that a lot of times policy dictates sometimes negative relationships, where organizations are willing to do just enough in order to secure a contract or to meet the premise of [I]ndigenous procurement policies. On the labour side of the coin, we see major projects where it's just enough to get an [I]ndigenous person a job for a period of time for a project, versus actually building and developing capacity for our own people.⁷²

Ms. Rasmussen stated that the Government of Canada procurement process is very cumbersome.⁷³ Ms. Tremblay explained that some federal employees responsible for procurement lacked awareness of what Indigenous businesses existed, and that not all Indigenous businesses knew how to access information about procurement opportunities.⁷⁴ When they did come across those opportunities, they were discouraged by the paperwork involved.⁷⁵

70 Ibid.

71 INAN, [Evidence](#), 15 February 2022, 1555 (Grand Chief Jerry Daniels).

72 INAN, [Evidence](#), 15 February 2022, 1650 (Thomas Benjoe, President and Chief Executive Officer of File Hills Qu’Appelle Developments).

73 INAN, [Evidence](#), 1 March 2022, 1540 (Tina Rasmussen).

74 INAN, [Evidence](#), 1 March 2022, 1655 (Marie-Christine Tremblay).

75 Ibid.

To address issues relating to procurement, the committee recommends:

Recommendation 8

That the Government of Canada improve and refine its requirement that a minimum of 5% of the value of federal contracts are awarded to Indigenous businesses by:

- **requiring that at least 5% of all federal contracts valued over \$5 million come from Indigenous suppliers;**
- **developing guidelines to ensure that First Nations, Inuit and Métis organizations all have the opportunity to benefit from the requirement that 5% of the value of their contracts are awarded to Indigenous-owned businesses; and**
- **ensuring transparency with respect to how the federal departments are meeting the requirement that 5% of the value of their contracts are awarded to Indigenous-owned businesses.**

In addition, to improve Indigenous procurement, the committee recommends:

Recommendation 9

That the Government of Canada create a registry of Indigenous businesses and distribute it to federal departments in order to identify possible suppliers for federal procurement. The distribution of this registry will raise awareness of the services and products offered by Indigenous businesses and ensure better communications between departments and businesses.

Education and Capacity Building

Several witnesses spoke about the importance of education and capacity building. As Grand Chief Daniels told the committee, “[t]he cycle of poverty must be broken through education, training, business opportunities and proper housing.”⁷⁶ When he appeared before the committee, the Honourable Dan Vandal, Minister of Northern Affairs, explained that “[a]ccess to high-quality education for young people is critical not only to individual success, but to local economies and Canada as a whole.”⁷⁷ Steven Morse, Chief Executive Officer, Métis Voyageur Development Fund Inc., agreed, stating that

76 INAN, *Evidence*, 15 February 2022, 1550 (Grand Chief Jerry Daniels).

77 INAN, *Evidence*, 11 February 2022, 1315 (The Hon. Dan Vandal, Minister of Northern Affairs).



“[o]ne of the big drivers for economic development in the long-term is going to be education,” and that investment in education was required.⁷⁸ Both Chief Commissioner Jules and Christopher Googoo, Chief Operating Officer of Ulnooweg Development Group Inc., stressed the importance of science, technology, maths, engineering education for Indigenous children and youth.⁷⁹

Ms. Madahbee Leach said discussions were underway about an education institute, to “look at the leading practices across the country on education and helping our people to achieve higher education levels.”⁸⁰ To support Indigenous business education, Dr. Carlana Lindeman, Education Program Director for the Martin Family Initiative, told the committee that the Martin Family Initiative “has developed a suite of programs to introduce business education to [F]irst [N]ations elementary school students, [I]ndigenous high school students and [I]ndigenous adults across Canada.”⁸¹ Speaking to progress in education, Dr. Lindeman explained:

I think there's a real focus now in many school boards and many schools to support [I]ndigenous students, which for sure wasn't there decades ago. I think the fact that we have data, that we're asking students, “what do you want, what's going to be best for you and what are the supports you need?”, means that we're not making decisions on their behalf but having them as part of the team and better involving families, parents and extended family as well.⁸²

Together with elementary and secondary education for Indigenous students, there is a need for training opportunities and talent development to build capacity in Indigenous communities. Mr. Benjoe explained how File Hills Qu'Appelle Developments was developing talent alongside existing opportunities:

[W]e are taking the time to understand the work and the careers that are to be built. We're not here to just fill numbers for organizations. We are here to actually build careers, so our team of [I]ndigenous HR specialists works with organizations to develop more thorough plans on how we're going to see the opportunity, see the careers...

If we work with an organization, and let's say 10 years out they're going to need a certain type of engineer or a certain type of skill set, we want to begin doing the career coaching and mentorship that is necessary with organizations to build relationships

78 INAN, [Evidence](#), 8 February 2022, 1630 (Steven Morse).

79 INAN, [Evidence](#), 4 February 2022, 1405 (Clarence T. (Manny) Jules); INAN, [Evidence](#), 15 February 2022, 1600 (Christopher Googoo).

80 INAN, [Evidence](#), 11 February 2022, 1430 (Dawn Madahbee Leach).

81 INAN, [Evidence](#), 15 February 2022, 1705 (Dr. Carlana Lindeman, Education Program Director, Martin Family Initiative Lindeman).

82 Ibid.

between those organizations and our [N]ations, and between our businesses and those individuals, so that when our youth are looking at opportunity for the future, at least they know we're there supporting them and trying to find opportunity that isn't just another training program for the sake of training; we're actually training them for career opportunities.⁸³

Based on the testimony, the committee recommends:

Recommendation 10

That the Government of Canada work with the National Indigenous Economic Development Board, as well as other Indigenous organizations and education organizations that partner with First Nations, Inuit and Métis communities to support literacy, such as the Martin Family Initiative, to explore the possibility of establishing a National Indigenous Education Institution or Centre of Excellence.

Other Solutions

Ms. Madahbee Leach explained to the committee that more than 20 Indigenous organizations have been working on a national Indigenous economic strategy for Canada:

This strategy is our vision for economic reconciliation and is built upon the four strategic pathways of people, land, infrastructure and finance. The strategy includes calls to economic prosperity that speak to all levels of government, corporate Canada, small businesses, all institutions across the country and our own people.⁸⁴

In a follow-up letter to the committee, she provided more details about the strategy, which would include “[s]upporting Indigenous-led institutions to build the Indigenous knowledge-base, administrative, and service delivery capacity for the provision of public services,” “[d]eveloping new legislation to eliminate the requirement that Indigenous Rights Holders extinguish their inherent and/or Treaty Rights as a prerequisite for an agreement,” and “[p]rioritiz[ing] provision of broadband services in rural and remote communities.”⁸⁵ Ms. Madahbee Leach asked that the Government of Canada implement this strategy. Mr. Gladu agreed that an overall strategy for the Indigenous economy is needed.⁸⁶

83 INAN, *Evidence*, 15 February 2022, 1655 (Thomas Benjoe).

84 INAN, *Evidence*, 11 February 2022, 1410 (Dawn Madahbee Leach).

85 Letter from NIEDB with follow-up to questions 18 February 2022.

86 INAN, *Evidence*, 1 March 2022, 1620 (Jean Paul Gladu).



The committee agrees that implementing a national Indigenous economic strategy for Canada would support self-determination and help to consolidate knowledge and leadership. Such a strategy would also ensure that Indigenous economic development is prioritized so that communities can support the infrastructure, education, health and other needs of their members. The committee recommends therefore:

Recommendation 11

That the Government of Canada implement the national Indigenous economic strategy that will soon be put forward by the National Indigenous Economic Development Board.

BARRIERS SPECIFIC TO FIRST NATIONS

In addition to the general barriers covered in the previous section, First Nations face their own set of unique barriers to economic development. This section starts by exploring the evidence received with respect to the *First Nations Fiscal Management Act* (FNFMA) and *First Nations Land Management Act* (FNLMA), two statutes which enable participating First Nations to partially remove themselves from the *Indian Act* with respect to fiscal and land management. It then explores proposed changes to ensure fair shipping costs for First Nations located near urban centres and calls for more involvement of First Nations in the natural resources industry.

First Nations Fiscal and Land Management

Fiscal Management

Enacted in 2005, the FNFMA created opt-in financing, property tax and borrowing regimes for First Nations to address economic development and fiscal issues on reserves. To that end, the FNFMA established three First Nations institutions:

- the First Nations Tax Commission (FNTC), which “regulates and streamlines the approval of property tax and new local revenue laws of participating First Nations, builds administrative capacity through sample laws and accredited training, and reconciles First Nation government and taxpayer interests”;
- the First Nations Financial Management Board (FNFMB), “which assists First Nations in strengthening their local financial management regimes and provides independent certification to support borrowing from First Nations Finance Authority and for First Nations economic development”; and,
- the First Nations Finance Authority (FNFA), which “permits qualifying First Nations to work co-operatively in raising long-term private capital at preferred rates through the issuance of bonds, and also provides investment services to First Nations.”⁸⁷

87 Government of Canada, [*First Nations Fiscal Management*](#).



The committee heard that the FNFMA allows First Nations to override the financial provisions of the *Indian Act*.⁸⁸ The committee did, however, also hear about some limitations of the FNFMA regime. For instance, Mr. Jourdain noted that financial institutions remain reluctant to provide funding to First Nations, even when they have adhered to the Act: “The First Nations Finance Authority... is the only institution to recognize that fact and to grant loans.”⁸⁹ And yet, the committee was told that the FNFA has reached the limits of what it is possible to do under the current model:

There’s demand for us to do a great deal more, but [F]irst [N]ations are limited in their ability to generate their own-source revenues that fuel our model. It’s a vicious cycle: Economic activity generates those revenues, but those revenues are needed to invest in economic activity in the first place. That’s why we believe it’s time to look at how we can work with the federal government to take things to the next level and significantly accelerate infrastructure and economic investment in [F]irst [N]ations.⁹⁰

Mr. Calla of the FNFMB explained that the government must ensure that the three First Nations financial institutions have sufficient resources to fulfill their mandate:

We can do it, but we can’t do it if all of us don’t have the resources to be able to do it. That was a big problem in the very beginning of this legislation. When you create institutions you need to ensure that they have sufficient resources to reach the [I]ndigenous communities across the country. I think that’s a critical piece that we need right now.⁹¹

Another limitation of the FNFMA is that the FNFA, FNTC and FNFMB can only work with individual First Nations operating under the *Indian Act*. Mr. Daniels stated that Canada needs to move beyond that approach and allow for several First Nations to collaborate on the same project.⁹² For his part, Mr. Beaulieu suggested expanding the mandate of the FNFA to enable it to provide services to First Nations corporations and organizations, not just First Nations governments; he noted that self-governing First Nations and organizations such as his own cannot access the supports provided by the FNFA.⁹³

88 INAN, [Evidence](#), 11 February 2022, 1425 (Adam Jourdain).

89 Ibid.

90 INAN, [Evidence](#), 4 February 2022, 1305 (Ernie Daniels).

91 INAN, [Evidence](#), 4 February 2022, 1325 (Harold Calla).

92 INAN, [Evidence](#), 4 February 2022, 1410 (Ernie Daniels).

93 INAN, [Evidence](#), 15 February 2022, 1550 (Darrell Beaulieu).

Ms. Rasmussen also recommended expanding the FNFA’s mandate to tribal councils and economic development corporations.⁹⁴

Chief Commissioner Jules explained that moving past a pilot project on monetization would require legislative amendments to the *FNFA*, including establishing a First Nations Infrastructure Institute.⁹⁵ The creation of a First Nations Infrastructure Institute was an idea raised by Mr. Calla as well.⁹⁶ The committee had made the same recommendation in its March 2021 report.⁹⁷ In its response to that report, the government had noted that Indigenous Services Canada has already provided \$3.1 million to support the development of a First Nations Infrastructure Institute. According to Mr. Jules, this new institute “will complement our existing institutions to help interested [N]ations build the necessary environmental and economic infrastructure to support sustainable communities. It will help lower insurance premiums, improve our access to capital and build better infrastructure faster.”⁹⁸ In his view, the creation of the First Nations Infrastructure Institute should be done through legislation to ensure that First Nations jurisdiction is fully recognized.

According to Chief Commissioner Jules, such legislation would allow First Nations to move beyond programs and look after themselves by exercising their own jurisdiction.⁹⁹ But, Chief Commissioner Jules said, to exercise that jurisdiction, First Nations need a source of stable income¹⁰⁰ and expanded fiscal powers: “We’re proposing a [F]irst [N]ations resource charge in our ancestral lands. Implementing our fiscal powers is the fastest way to end colonial-era dependency.” “We need tax jurisdiction just like every other government,” he added.¹⁰¹ He stated that Indigenous peoples “face a fiscal power gap of about \$32 billion,” and that taxation needs to be considered “as a very fundamental economic and jurisdictional tool.”¹⁰² “The federal and provincial

94 INAN, *Evidence*, 1 March 2022, 1535 (Tina Rasmussen).

95 INAN, *Evidence*, 4 February 2022, 1425 (Clarence T. (Manny) Jules).

96 INAN, *Evidence*, 4 February 2022, 1425 (Harold Calla). For more details, see: First Nations Infrastructure Institute.

97 INAN, *COVID-19 and Indigenous Peoples: From Crisis towards Meaningful Change*, 43rd Parliament, 2nd Session, March 2021, p. 76.

98 INAN, *Evidence*, 4 February 2022, 1315 (Clarence T. (Manny) Jules).

99 Ibid.

100 Ibid.

101 Ibid.

102 Ibid.



governments have to give taxation and jurisdictional room for [F]irst [N]ations to occupy, so that we would be able to look after ourselves,” he continued.¹⁰³

When it comes to expanding First Nations’ taxation powers, Regional Chief Teegee explained

It's really important to understand and know that if it's in their self-determination, their sovereignty, to tax within their lands or perhaps their administration within their [F]irst [N]ations community, it's their prerogative. It really comes down to the [F]irst [N]ations' rightful place and the rights holders to administer what they deem necessary to be part of the economic fabric, if you will, of their respective territory.¹⁰⁴

Mr. Jules asked for an expansion of First Nations’ taxation jurisdiction to include tobacco, cannabis, fuel, excise and income tax, noting that these topics could be addressed in the Budget Implementation Act by the summer.¹⁰⁵

Based on the testimony, the committee recommends:

Recommendation 12

That the Government of Canada, in collaboration with First Nations partners (including the First Nations Finance Authority, the First Nations Tax Commission and the First Nations Financial Management Board), co-develop amendments to the *First Nations Fiscal Management Act* to establish a legislative basis for a First Nations Infrastructure Institute.

Recommendation 13

That the Government of Canada increase the resources available to the First Nations Finance Authority (FNFA), the First Nations Tax Commission and the First Nations Financial Management Board to ensure that they can fulfill their mandates under the *First Nations Fiscal Management Act (FNFMA)*, specifically:

- a) **supporting the work of the FNFA that grants loans;**

103 Ibid.

104 INAN, [Evidence](#), 8 February 2022, 1615 (Regional Chief Terry Teegee).

105 INAN, [Evidence](#), 4 February 2022, 1430 (Clarence T. (Manny) Jules).

- b) **increasing the upper limit of loans that FNFA can grant, for greater flexibility to engage in capital projects with high up-front costs; and**
- c) **working towards full recognition of FNFMA by credit unions and banks.**

Recommendation 14

That the Government of Canada, in collaboration with First Nations partners (including the First Nations Tax Commission), explore the possibility of expanding First Nations fiscal powers, including with respect to taxation.

Recommendation 15

That the Government of Canada expand the mandate of the First Nations Finance Authority to enable it to provide its services to tribal councils, self-governing Indigenous governments and economic development corporations; and that the Government of Canada ensure that the First Nations Finance Authority has the resources necessary to fulfill this expanded mandate.

Land Management

Enacted in 1999, the FNLMA ratified the *Framework Agreement on First Nation Land Management*¹⁰⁶ and created an opt-in regime allowing participating First Nations to replace the land provisions of the *Indian Act* with their own land codes. The FNLMA also established two institutions: the First Nations Lands Advisory Board and the First Nations Land Management Resource Centre. According to these institutions,

Unlike under the *Indian Act*, First Nations completing the Framework Agreement process enjoy a regulation-backed lands registry system that is priority based, paperless, and instant. This means greater land certainty, reduced or eliminated transaction costs and increased financing options for infrastructure, housing, capital and economic development projects.¹⁰⁷

106 First Nations Lands Advisory Board and First Nations Land Management Resource Centre, [*Framework Agreement*](#).

107 First Nations Lands Advisory Board and First Nations Land Management Resource Centre, [*A history of the Framework Agreement on First Nation Land Management*](#).



Among other things, the committee heard that the *Indian Act* is a major barrier to economic development for First Nations.¹⁰⁸ In its brief, the First Nations Lands Advisory Board explained that the *Indian Act* is an impediment to economic activity due to:

- poor land certainty and lack of consistent document standards and cadastral data to back land tenure;
- a substandard land registry based on deeds and not backed by formal regulation;
- complicated policies and slow decision-making processes;
- insufficient environmental and land protection on reserves; and
- a lack of critical infrastructure investments on reserves.¹⁰⁹

The *Indian Act* has been amended on numerous occasions since 1876, but it clearly remains a significant barrier to economic development. The committee therefore recommends:

Recommendation 16

That the Government of Canada work with First Nations to eliminate all barriers to economic development arising from the discriminatory and constraining provisions of the *Indian Act*.

The committee heard from Robert Louie, the Chairman of the First Nations Lands Advisory Board, who listed several remaining barriers to economic development even though the FNLMA gives participating First Nations jurisdiction over land management. First, there are different interpretations of the Framework Agreement and the FNLMA have caused confusion, but this problem is expected to be addressed through legislative amendments.¹¹⁰ Second, First Nations face difficulties when they try to have their laws enforced:

Enforcement is a broad issue. You cannot have government—a successful government—
toothless. You need a government that has powers that are backed up by courts... If the

108 INAN, [Evidence](#), 8 February 2022, 1605 (Regional Chief Terry Teegee); INAN, [Evidence](#), 11 February 2022, 1505 (Adam Jourdain).

109 First Nations Lands Advisory Board, [House of Commons Standing Committee on Indigenous and Northern Affairs: Study on Barriers to Indigenous Economic Development](#), March 2022.

110 INAN, [Evidence](#), 1 March 2022, 1530 (Robert Louie, Chairman, First Nations Lands Advisory Board).

RCMP [Royal Canadian Mounted Police] doesn't back up the laws, we have a problem. We have a problem with overall governance, because you cannot have a government that doesn't have the enforcement. You're going to miss out on economic development opportunities and all the other major things that happen.¹¹¹

In his view, enforcement issues are also deterring communities from opting into the FNLMA. Mr. Louie said, "Canada needs to appoint a permanent special advisor to the federal Minister of Justice to help solve enforcement challenges."¹¹² In June 2021, the committee had recommended the same thing in a report on the enforcement of laws on reserve.¹¹³

Mr. Louie also raised issues with the Additions to Reserve process¹¹⁴, which he described as complicated, slow, expensive and unnecessary: "Hundreds of millions of dollars in untapped economic development opportunity has been lost."¹¹⁵ He recommended having a First Nations-led entity lead the process and he noted that there must be statutory deadlines for settlement, stronger, faster dispute resolution mechanisms, and "different partnerships or arrangements with neighbouring provincial and municipal governments to better tackle joint planning."¹¹⁶ In *Budget 2021*, the government "propose[d] to provide \$43 million over three years, starting in 2021–22, to work with Indigenous partners and other stakeholders to redesign the federal Additions to Reserve policy and to accelerate work on existing requests from First Nations across the country."¹¹⁷

Based on the testimony, the committee recommends:

Recommendation 17

That the Government of Canada continue working with First Nations partners, including the First Nations Lands Advisory Board, to prepare amendments that would clarify any confusion with respect to the interpretation of the *First Nations Land Management Act*;

111 Ibid.

112 Ibid.

113 INAN, *Collaborative Approaches to Enforcement of Laws in Indigenous Communities*, 43rd Parliament, 2nd Session, June 2021.

114 The Additions to Reserve process allows for land to be added to existing reserves or for the creation of new reserves.

115 INAN, *Evidence*, 1 March 2022, 1530 (Robert Louie).

116 Ibid.

117 Government of Canada, *A Recovery Plan for Jobs, Growth, and Resilience: Budget 2021*, 2021, p. 256.



and that the Government of Canada report to the committee on the progress made to date.

Recommendation 18

That the Government of Canada establish, with the Department of Justice, a Federal Advisor on the Enforcement of First Nations Laws and By-Laws; and that the position be adequately funded and empowered to work with all relevant federal departments and agencies.

Recommendation 19

That the Government of Canada continue the work announced in *Budget 2021* to redesign the Additions to Reserve policy with the overarching goal of accelerating and improving community access to land and resources, as well as increasing First Nations economic development opportunities.

Shipping Costs

With the Internet becoming omnipresent, businesses and customers are increasingly relying on it for the provision of goods and services. Yet, the committee heard that

First Nations businesses and members in certain communities pay significantly higher shipping costs than do residents of neighbouring cities and towns. This situation, due in part to the pricing policies of major shipping companies, further hinders economic development in First Nations communities, especially given the growth in e-commerce.¹¹⁸

Ms. Tremblay explained that for First Nations, higher shipping costs are often due to the fact that they have rural postal codes, even when they are located near urban centres such as Wendake (an enclave in Quebec City) and Kahnawake (south of the Island of Montreal).¹¹⁹ In Canada, postal codes are composed of six characters divided in a prefix (the Forward Sortation Area) and a suffix (the Local Delivery Unit). According to Canada Post, the prefix is used to identify “a major geographic area in an urban or a rural location.” The suffix is used to identify a more targeted area (for example, a specific

118 First Nations of Quebec and Labrador Economic Development Commission, [Submission to the Standing Committee on Indigenous and Northern Affairs](#), February 2022.

119 INAN, [Evidence](#), 1 March 2022, 1715 (Marie-Christine Tremblay).

block or building in an urban area). In Canada, all rural postal codes have the numeral 0 as their second character.¹²⁰

In their brief, her organization proposed two solutions:

The first would be to change the postal codes of urban Indigenous communities from rural to urban, but this would require coordination of different levels of government with band councils, businesses and individuals. A simpler alternative would be for the government to require carriers to include the full postal code (prefix and suffix) in the charters used to set pricing policies.¹²¹

The committee therefore recommends:

Recommendation 20

That the Government of Canada ensure that Indigenous communities are not penalized by their geographic location when postal rates are being determined; and that it ensure that postal rates are fair and do not undermine economic development in all communities, whether urban, rural or remote.

Natural Resources Industry

The committee also heard that “[First Nations] communities benefit from involvement in oil and gas... There isn't another industry in the country that has engaged [I]ndigenous peoples as meaningfully in terms of scale of own-source revenue as oil and gas.”¹²² According to Stephen Buffalo, President and CEO of Indian Resource Council Inc., “[t]he biggest barrier you can eliminate in [I]ndigenous economic development is to stop hampering or choking out the oil and gas sector.”¹²³ He noted that millions of dollars in revenues had been lost by First Nations during the pandemic and due to the price difference between the Western Canadian Select and Brent Crude.¹²⁴

120 Canada Post, [Addressing guidelines: Postal codes](#).

121 First Nations of Quebec and Labrador Economic Development Commission, [Submission to the Standing Committee on Indigenous and Northern Affairs](#), February 2022.

122 INAN, [Evidence](#), 1 March 2022, 1540 (Stephen Buffalo, President and CEO, Indian Resource Council Inc.).

123 Ibid.

124 The Western Canadian Select is a crude oil blend used by the [Government of Alberta](#) to determine the average price of an oil barrel in the province (Alberta is Canada's largest oil producing province). The Brent Crude is another crude oil blend often used as a benchmark for the global price of an oil barrel, alongside the West Texas Intermediate.



Mr. Calla said that “there is a role for [F]irst [N]ations to be engaged in the natural resource extraction industry in this country and in establishing the standards under which these projects will be undertaken and to minimize the impact on the environment of doing so.”¹²⁵ Chief Gregory Desjarlais of the Frog Lake First Nation also called for more involvement of First Nations in natural resources extraction projects:

If you involve the [F]irst [N]ations, you allow them to build homes, you allow them to send kids to school, you allow them to send people to treatment, you allow them to deliver water to these homes, you allow them to remove mold. That's problem solving.¹²⁶

Finally, the committee was told that Indian Oil and Gas Canada, a special operating agency within Indigenous Services Canada that manages and regulates oil and gas resources on reserves, has not been effective as a regulator. According to Mr. Buffalo, “they are in fact one of the major barriers to our economic development and energy development.”¹²⁷

Based on the testimony, the committee recommends:

Recommendation 21

That the Government of Canada increase ways to support those Indigenous peoples who want to actively seize opportunities arising from the natural resources extraction industry; and that the Government of Canada explore with Indigenous partners how to best reconcile the need to act on climate change with the need to ensure Indigenous peoples can pursue economic opportunities in the energy sector while ensuring a transition toward a low emitting future.

125 INAN, [Evidence](#), 4 February 2022, 1345 (Harold Calla).

126 INAN, [Evidence](#), 1 March 2022, 1630 (Chief Gregory Desjarlais, Frog Lake First Nation).

127 INAN, [Evidence](#), 1 March 2022, 1540 (Stephen Buffalo).

BARRIERS SPECIFIC TO NORTHERN AND REMOTE COMMUNITIES

Northern and remote communities also face additional, unique barriers. This section looks at the impact of remoteness on economic development, and the important infrastructure needs in northern and remote communities.

The Impact of Remoteness on Economic Development

The committee heard about the negative impact of remoteness on economic development. Not all remote and northern communities in Canada are Inuit communities, but “there are over 50 Inuit communities across the country” and “[a]ll of them are isolated, except in the northern part of the Northwest Territories. Virtually all of them are on diesel with no access... or very limited access to road infrastructure.”¹²⁸ According to Andy Moorhouse, Vice-President of Economic Development at the Makivik Corporation, “[r]esiding in fly-in only communities makes it tremendously hard for many of our [Inuit] communities to even begin to create businesses that would otherwise benefit the communities they are in.”¹²⁹

Mr. Jourdain explained that “some [I]ndigenous communities are close to urban centres, while others are quite remote. They are two completely different worlds. When the time comes to hand out funding, that reality has to be understood and taken into account.”¹³⁰ Remoteness significantly increases the costs of transportation and materials, making economic development projects more expensive.¹³¹ The same capital simply cannot achieve the same results in remote and northern communities. Mr. Moorhouse said that

With most programs, you mostly get limitations on the amount of funding that you can get access to. As I mentioned, our costs in developing infrastructure in the [N]orth can go up to five times higher as compared to the south. All of these challenges and programs need to be geared towards specific regions, or specific groups of people in order to maintain the support and impact that are required to ensure the best benefit goes to each of the respective groups or regions.¹³²

With respect to public funding and programs, Mr. Beaulieu said that Indigenous businesses and communities in the North are at the mercy of the territorial

128 INAN, *Evidence*, 11 February 2022, 1450 (Clint Davis).

129 INAN, *Evidence*, 15 February 2022, 1700 (Andy Moorhouse, Vice-President, Economic Development, Makivik Corporation).

130 INAN, *Evidence*, 11 February 2022, 1440 (Adam Jourdain).

131 Ibid.

132 INAN, *Evidence*, 15 February 2022, 1725 (Andy Moorhouse).



government's decisions, that the "[N]orth is not always eligible for funding that is available through national [I]ndigenous organizations" and that "[e]xisting funding programs have not been effective in stimulating the economic needs of the [N]orth."¹³³ He added that

You need a stable, recurring revenue stream, accessible capital and a cash-flow mechanism for investment in [I]ndigenous economic development in the [N]orth rather than the existing proposal-based funding models that are not dependable and clearly do not provide for capacity and stability to take advantage of opportunities.¹³⁴

Mr. Beaulieu also criticized the fact that "[m]ost federal and territorial programs will not fund salaries but will provide funding to hire consultants and contractors. This does not contribute to local capacity; it results in community economic leakage."¹³⁵

Ms. Bull also emphasised that many rural and remote businesses do not have access to traditional lending banks and that at the start of the COVID-19 pandemic, many of the existing branches closed: "We saw a lot of cash flow issues specifically in remote communities."¹³⁶ She added that geography has an impact on the financial aspect.¹³⁷

As noted previously, due to the unique challenges Northerners face, Mr. Davis stressed the need for the federal government's procurement policy for Indigenous businesses to adopt a distinctions-based approach to ensure that Inuit businesses benefit as well.¹³⁸

Based on the testimony, the committee recommends:

Recommendation 22

That the government of Canada take into account the impact of remoteness and isolation on the funding mechanisms and the level of funding provided when designing and offering economic development programs and services to Indigenous peoples.

133 INAN, [Evidence](#), 15 February 2022, 1545 (Darrell Beaulieu).

134 Ibid.

135 Ibid.

136 INAN, [Evidence](#), 8 February 2022, 1710 (Tabatha Bull).

137 Ibid.

138 INAN, [Evidence](#), 11 February 2022, 1415 (Clint Davis).

Recommendation 23

That the Government of Canada consider amending funding formulas to include local salaries in an attempt to address community economic leakage.

Infrastructure Needs in the North

As noted above, infrastructure is a condition to generating wealth. As Mr. Davis told the committee, communities need “these basic elements of infrastructure to create an environment that is conducive to entrepreneurialism and that can attract investment.”¹³⁹ The infrastructure deficit in the North is significant in virtually all areas, including water and wastewater, housing, telecommunications, transportation and reliable energy. This deficit further contributes to the high cost of living.

Inadequate infrastructure “compounds the challenges that many of the Inuit communities face,” notably by limiting the services available in these regions which mostly rely on air transport due to the short shipping season.¹⁴⁰ Mr. Davis called for additional infrastructure to be built around ports and airstrips “to ensure that we have that flow of goods and services.”¹⁴¹ He also talked about the importance of connectivity:

The Internet is becoming this ubiquitous thing around the world that so many of us take for granted, but for Inuit Nunangat, it's not a reality. Let's be honest, depending on the types of services or goods that you provide through [I]ndigenous business, the Internet can be critical. The pandemic demonstrated how this level of business activity can take place virtually anywhere.¹⁴²

Finally, Mr. Davis explained that the reality of Inuit Nunangat is “not necessarily fully considered” in the current green transition: “We have, obviously, very different construction time frames, very different climate realities, very different geography and so on, but that doesn't mean to say that we should not be given that opportunity to participate in renewable energy. Some of that activity has been taking place right now.”¹⁴³ He further explained:

I think what would be incredible would be to see the federal government pull together its current dollars around green energy as it pertains to the [N]orth and have

139 Ibid.

140 INAN, *Evidence*, 15 February 2022, 1700 (Andy Moorhouse).

141 INAN, *Evidence*, 11 February 2022, 1450 (Clint Davis).

142 Ibid.

143 Ibid.



a fund that has a high level of flexibility that would enable indigenous organizations and Inuit organizations to be able to apply. The fund should have a much longer time frame to ensure that those dollars go to fundamental projects that can really be successful.¹⁴⁴

Based on the testimony, the committee recommends:

Recommendation 24

That the Government of Canada ensure that infrastructure funding reflects the realities of northern and remote Indigenous communities, as well as the importance of critical infrastructure in opening economic development opportunities; and that the Government of Canada find ways to meaningfully engage Indigenous businesses and communities on major infrastructure projects in the North.

144 *ibid.*

BARRIERS SPECIFIC TO THE MÉTIS

During this study, the committee heard from Mr. Morse, who works at a Métis capital corporation. He explained that

The Métis capital corporations are the principal Métis institutions operating in business development. They seek to equalize access for Métis entrepreneurs by taking on higher debt-to-equity financing and accepting the higher costs that come with that. They also seek to drive volume by charging at, or below, market rates, so they're not taking into account the higher cost.¹⁴⁵

Just like First Nations and Inuit, the Métis have a lower level of equity and wealth when compared to non-Indigenous Canadians. However, the Métis also face their own unique barriers to economic development. Mr. Morse explained that these barriers are often related to the “later recognition of Métis rights” when compared to First Nations and Inuit, in Supreme Court of Canada decisions such as *Powley* in 2003 (which provided clarity on Métis rights) and *Daniels* in 2016 (which determined that Métis affairs fall under federal jurisdiction).¹⁴⁶ According to Mr. Morse, this later recognition led to “a later start-up of Métis institutions or no Métis institution equivalent to institutions that serve [F]irst [N]ations and Inuit.”¹⁴⁷

The Métis have been historically excluded from federal programs offered to First Nations and Inuit, such as land development and economic development programs and services. According to Mr. Morse, the Métis continue to lack access to programs and services. He also noted that the Métis do not benefit from an institution equivalent to the FNFA. “I think there is a great deal of institutional development that needs to be done on the Métis side to provide critical access to the programming and institutions that are available to the other [I]ndigenous peoples but not to the Métis,” he explained, noting that this limits Métis’ access to capital and their capacity to participate in economic activities.¹⁴⁸

Mr. Morse recommended that the Métis and the federal government co-develop programs and initiatives to address gaps.¹⁴⁹ He also highlighted the need to develop

145 INAN, *Evidence*, 8 February 2022, 1555 (Steven Morse).

146 Ibid.

147 Ibid.

148 Ibid.

149 Ibid.



meaningful data and statistics initiatives to guide these efforts. Finally, he recommended re-establishing the Métis Economic Development Strategy and ensuring:

- The proper capitalization of Métis capital corporations (to avoid them being forced to borrow);
- The growth of the Aboriginal Entrepreneurship Program, which provides access to capital and business opportunities, to meet demand;
- Access to the Canada Small Business Financing Program¹⁵⁰ and
- The establishment of regulated, commercial-sector Métis institutions.¹⁵¹

Based on the testimony, the committee recommends:

Recommendation 25

That the Government of Canada work with all Métis leaders to ensure that Métis businesses and entrepreneurs have access to economic development programs such as the Aboriginal Business Entrepreneurship Program and the Canada Small Business Financing Program; and that the Government of Canada work with Métis leaders to co-develop programs and institutions to provide the Métis with economic development supports equivalent to those provided to First Nations and Inuit.

Recommendation 26

That the Government of Canada work with Métis leaders to re-establish the Métis Economic Development Strategy; that it recognizes and provides for the distinct and specific challenges the eight Metis Settlements of Alberta face; and that it be accompanied by sufficient capital and financing.

150 The [Canada Small Business Financing Program](#) is a federal program aimed at helping small businesses (with gross revenues of \$10 million or less) secure loans of no more than \$350,000 to purchase or improve land or buildings used for commercial purposes; to purchase or improve equipment; and, to purchase leasehold improvements.

151 INAN, [Evidence](#), 8 February 2022, 1605 (Steven Morse).

CONCLUSION

During this study, the committee learned about the many barriers to economic development faced by Indigenous peoples in Canada, as well as how to overcome them. Mr. Gladu explained that it is “incredibly important that Canadians understand that the success of our country is closely tied to the relationship with [I]ndigenous communities.”¹⁵² Similarly, Ms. Madahbee Leach concluded her remarks as follows:

Canada's future is linked to building [I]ndigenous capacity, to become engaged in the economy, because sustainable development in Canada requires our involvement, mitigating climate change requires our involvement, opening the doors to international trade requires our involvement, addressing the labour shortages in Canada requires our involvement, reducing social spending with a focus on increasing economic productivity requires our involvement, and providing access to basic services throughout Canada's remote and rural areas requires our involvement. Finally, improving Canada's global standing on human rights issues requires our involvement.¹⁵³

Indigenous peoples' future and Canada's future are deeply intertwined. As such, the committee calls on the federal government to pay particular attention to this report and the recommendations put forward by Indigenous experts and community leaders that it contains.

152 INAN, [Evidence](#), 1 March 2022, 1620 (Jean Paul Gladu).

153 INAN, [Evidence](#), 11 February 2022, 1510 (Dawn Madahbee Leach).

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
First Nations Finance Authority Steve Berna, Chief Operating Officer Ernie Daniels, President and Chief Executive Officer	2022/02/04	3
First Nations Financial Management Board Harold Calla, Executive Chair	2022/02/04	3
First Nations Tax Commission Clarence T. (Manny) Jules, Chief Commissioner	2022/02/04	3
British Columbia Assembly of First Nations Regional Chief Terry Teegee	2022/02/08	4
Canadian Council for Aboriginal Business Tabatha Bull, President and Chief Executive Officer	2022/02/08	4
Métis National Council Steven Morse, Chief Executive Officer Métis Voyageur Development Fund Inc.	2022/02/08	4
National Aboriginal Capital Corporations Association Shannin Metatawabin, Chief Executive Officer	2022/02/08	4
Canadian Northern Economic Development Agency Paula Isaak, President	2022/02/11	5
Corporation développement économique Nikanik Adam Jourdain, Deputy Executive Director	2022/02/11	5

Organizations and Individuals	Date	Meeting
Department of Crown-Indigenous Relations and Northern Affairs Serge Beaudoin, Assistant Deputy Minister Northern Affairs Eric Marion, Director General Fiscal Branch, Treaties and Aboriginal Government Hon. Dan Vandal, P.C., M.P., Minister of Northern Affairs	2022/02/11	5
Department of Indigenous Services Christopher Duschenes, Director General Economic Policy Development, Lands and Economic Development Christiane Fox, Deputy Minister Hon. Patty Hajdu, P.C., M.P., Minister of Indigenous Services Jessica Sultan, Director General Economic and Business Opportunities, Lands and Economic Development	2022/02/11	5
Federal Economic Development Agency for Northern Ontario Manon Brassard, Interim President	2022/02/11	5
National Indigenous Economic Development Board Dawn Madahbee Leach, Chairperson	2022/02/11	5
Nunasi Corporation Clint Davis, President and Chief Executive Officer	2022/02/11	5
Prairies Economic Development Canada Mohan Denetto, Executive Advisor Economic Inclusion	2022/02/11	5
Denendeh Investments Incorporated Darrell Beaulieu, Chief Executive Officer	2022/02/15	6
File Hills Qu'Appelle Developments Thomas Benjoe, President and Chief Executive Officer	2022/02/15	6
Makivik Corporation Andy Moorhouse, Vice-President Economic Development	2022/02/15	6

Organizations and Individuals	Date	Meeting
Martin Family Initiative Carlana Lindeman, Education Program Director	2022/02/15	6
Southern Chiefs' Organization Inc. Grand Chief Jerry Daniels, Chairman Southern Chiefs' Economic Development Corporation	2022/02/15	6
Ulnooweg Development Group Inc. Christopher Googoo, Chief Operating Officer	2022/02/15	6
As an individual Jean Paul Gladu, Principal Mokwateh Robert Louie, Chairman First Nations Lands Advisory Board	2022/03/01	7
First Nations of Quebec and Labrador Economic Development Commission Marie-Christine Tremblay, Strategic Advisor	2022/03/01	7
Frog Lake First Nation Chief Gregory Desjarlais	2022/03/01	7
Indian Resource Council Inc. Stephen Buffalo, President and Chief Executive Officer	2022/03/01	7
Meadow Lake Tribal Council Industrial Investments Tina Rasmussen, Corporate Development and Administration Officer	2022/03/01	7

APPENDIX B LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

First Nations Finance Authority

First Nations Lands Advisory Board

First Nations of Quebec and Labrador Economic Development Commission

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 3, 4, 5, 6, 7, 12 and 13](#)) is tabled.

Respectfully submitted,

Hon. Marc Garneau
Chair

