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• (1305)

[*English*]

The Chair (Hon. Marc Garneau (Notre-Dame-de-Grâce—Westmount, Lib.)): Good afternoon, everyone.

I would like to call this meeting to order.

[*Translation*]

Welcome to the fifth meeting of the Standing Committee on Indigenous and Northern Affairs.

[*English*]

We're meeting to continue our study on barriers to indigenous economic development, and today we have two panels.

On the first panel we have Minister Hajdu, Minister of Indigenous Services Canada, and Minister Vandal, Minister of Northern Affairs.

Supporting the ministers in their appearances today are the Canadian Northern Economic Development Agency, the Department for Crown-Indigenous Relations and Northern Affairs, the Department of Indigenous Services, the Federal Economic Development Agency for Northern Ontario and Prairies Economic Development Canada.

[*Translation*]

The second panel will consist of Adam Jourdain, deputy executive director of the Corporation développement économique Nikanik,

[*English*]

Dawn Madahbee Leach from the National Indigenous Economic Development Board and Clint David from the Nunasi Corporation.

[*Translation*]

I want to ask everyone on site to comply with the health measures. We're very familiar with them.

[*English*]

Today interpretation services are available in English, French and Inuktitut. If interpretation is lost, please inform me immediately. The “raise hand” feature at the bottom of the screen can be used at any time if you wish to speak or alert the chair.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in the committee room. Before speaking, please wait until I recognize you by

name, and when speaking, please speak slowly and clearly. When you are not speaking, your mike should be on mute.

I'll remind you that all comments by members should be addressed through the chair.

[*Translation*]

Each minister is invited to speak for five minutes. This will be followed by a round of questions.

[*English*]

The first round of questions will allow members six minutes each. The order and the time for questioning for subsequent rounds will be as follows: Conservative, five minutes; Liberal, five minutes; Bloc, two and a half minutes; New Democratic Party, two and a half minutes; Conservative, five minutes; and Liberal, five minutes. If time expires during the round of questioning, we will complete the order.

I would now like to invite Minister Hajdu to start us off.

Hon. Patty Hajdu (Minister of Indigenous Services): Thank you very much, Mr. Chair and members of the committee. This is my first appearance before the committee, and I'm honoured to be here with you.

I'm joining you today from the Robinson-Superior Treaty territory, specifically Fort William First Nation traditional territory. Of course, many contributions were made to this area over generations by Métis people.

One of this government's highest priorities from the outset has been to build a renewed relationship with indigenous peoples in Canada. I'm continuing to build that relationship. I'm prioritizing equity, truth and self-determination as principles that are integral to a strong and healthy relationship.

[*Translation*]

Indigenous Services Canada works collaboratively with first nations, Inuit and Métis partners across the country. Our goal is to ensure a consistent, high-quality and distinctions-based approach to the delivery of services to indigenous communities.

[English]

At the heart of our work is the steadfast belief in substantive equality of opportunity and in outcomes. Canada will be stronger when everyone has a fair chance to succeed, and this includes advancing self-determination through strong economic growth and ensuring that business supports are accessible to indigenous peoples.

All communities need a strong economic foundation to grow and prosper, but we recognize that there are extra barriers to indigenous economic development. I'll talk about some of those barriers here today and ways to overcome them because, to work together on solutions, we actually have to understand what the problems are.

What are these barriers? First of all, lack of access to capital is one of the biggest challenges faced by indigenous businesses and can prevent indigenous entrepreneurs from starting or growing businesses.

To improve access to capital, the National Aboriginal Capital Corporations Association administers the aboriginal entrepreneurship program, which provides about \$25 million per year of equity capital to enable indigenous entrepreneurs to obtain affordable commercial loans. The aboriginal entrepreneurship program is also supporting the new \$150-million indigenous growth fund. This indigenous-led and designed fund is a key economic recovery initiative, which will provide indigenous businesses with a fully independent source of capital.

Indigenous businesses continue to experience negative impacts due to COVID-19 on top of the barriers they already faced before the pandemic began. While the Canadian Council for Aboriginal Business reported last week that the situation is improving, many indigenous businesses continue to have negative impacts.

To fill gaps in the mainstream COVID-19 economic recovery initiatives, our department has provided indigenous businesses with targeted supports throughout the pandemic. To date, Indigenous Services Canada has allocated approximately \$890 million in COVID-19 supports to indigenous businesses. This is on top of its regular programming to support economic development and other Government of Canada supports that can be accessed by indigenous businesses through the COVID-19 economic response plan.

One of its COVID-19 business supports is the indigenous community business fund, which provides support to eligible first nations, Inuit and Métis businesses whose revenues have been affected by the pandemic.

In British Columbia, the fund has provided over \$2 million of much-needed emergency support to the St. Eugene Golf Resort & Casino, which is owned by five first nations and is located in Cranbrook. This business is a major tourism anchor in the region and employs over 200 people, including many first nations members. Support from the fund helped to cover the fixed operating costs as well as support costs needed to adapt to COVID and to maintain its assets.

The hotel is now preparing to reopen this spring, and although the tourism sector is still in recovery, funding from the indigenous

community business fund has helped support this community-owned business and helped the communities retain jobs.

As I'm also the minister responsible for the Federal Economic Development Agency for Northern Ontario, it's very important to me that the regional relief and recovery fund continue to help indigenous businesses and organizations mitigate the impacts and recover from the COVID-19 pandemic. FedNor has played a critical role in providing meaningful support to indigenous clients in their ongoing planning, community economic development and capacity-building efforts.

Indigenous Services Canada has also made investments to help indigenous communities offset own-source revenue losses due to the pandemic. The own-source revenue and indigenous communities initiative has helped to partially offset declines in own-source revenues so that first nations, Inuit and Métis communities can continue to provide core community programs and important services to their members.

Our department has also been very active in working to reduce barriers faced by indigenous businesses when it comes to participating in federal procurement. In August, 2021 we updated the procurement strategy for indigenous businesses and announced a new government-wide mandatory procurement target to ensure that a minimum of 5% of the value of federal contracts are awarded to businesses owned and led by indigenous individuals.

We will continue to work with indigenous partners to develop a longer-term transformative approach to indigenous procurement.

[Translation]

Businesses established in the indigenous community may also face a lack of access to land and proper infrastructure. Indigenous entrepreneurs may have trouble finding physical space to conduct their business and accessing business networks. In addition, they may have unreliable access to electricity and Internet connections. Lastly, they may face challenges in getting goods to market given the remoteness and poor or unavailable road infrastructure. These are complex issues.

Our government is working closely with indigenous people and organizations across the country to address the root causes of these barriers and to improve overall economic networks.

• (1315)

[English]

The Chair: Minister, would you wrap up, please?

Hon. Patty Hajdu: Thank you, Mr. Chair.

We will continue to work together with indigenous communities to address the inequalities that indigenous entrepreneurs and businesses face. When indigenous economies and peoples thrive and flourish, in fact, all of Canada does.

Meegwetch. Marsi. Thank you. *Qujannamiik.*

The Chair: Thank you, Minister Hajdu.

Minister Vandal, you have five minutes.

Hon. Dan Vandal (Minister of Northern Affairs): Thank you. It's good to be here.

Tansi. Bonjour.

I'm speaking to you from my constituency office in Saint Boniface—Saint Vital in Winnipeg, homeland of the Métis Nation on Treaty 1 territory.

[*Translation*]

Thank you for inviting me to appear today to discuss indigenous economic development.

I'm joined by Paula Isaak, president of the Canadian Northern Economic Development Agency; Serge Beaudoin, assistant deputy minister of Northern Affairs; and Mohan Denetto, executive advisor for Prairies Economic Development Canada.

As Minister of Northern Affairs, Minister responsible for Prairies Economic Development Canada and Minister responsible for the Canadian Northern Economic Development Agency, I had the opportunity to listen to indigenous partners tell me about the barriers that they face in terms of economic development.

Access to skills development and educational opportunities is often limited by infrastructure, connectivity, housing, and so on. Our government continues to make progress in eliminating many of these barriers. I'd like to provide a few examples.

[*English*]

Access to high-quality education for young people is critical not only to individual success, but to local economies and Canada as a whole. This is an issue that's personal to me from my days as a Winnipeg city councillor where I led the development of the aboriginal youth strategy, which was the first of its kind in Canada, and as a social worker and youth worker with the Mamaweyatitan Centre in downtown Winnipeg.

We're making new investments in education in the north. We've provided funding to construct a new science building at the Yukon University and to transform Aurora College into a polytech university as well as investing \$13 million for the Dechinta Centre for Research and Learning. I have also announced a task force on post-secondary education, which will provide recommendations on ways to close the gaps in education and skills development that exists between the north and the south.

CanNor has been particularly important across the territories for indigenous businesses. Over the last three years, CanNor has provided over 60% of its funding to indigenous recipients. In Nunavut, CanNor has invested in small-scale fisheries development projects, working in partnership with the hunters and trappers associations.

The project supports exploratory inshore fisheries research to develop community-owned commercial fisheries in three hamlets.

In the Northwest Territories, we have invested in the Cheetah Resources Nechalacho rare earth demonstration project, which supports sustainable resource development in collaboration with the Det'on Cho corporation, which is the economic arm of the Yellowknives Dene First Nation.

In Yukon, we're supporting a local indigenous-owned company, Grandma Treesaw's Bannock and catering services, in a one-year project to export dry bannock mix to the United States.

Our government is working with partners to manage and remediate northern contaminated sites that will promote employment, training and business opportunities for indigenous nations and northerners.

Indigenous businesses in the prairies face unique challenges. We are delivering investment programs to foster economic growth and prosperity. The indigenous business development services, IBDS, provides early-stage support for new and existing indigenous entrepreneurs and business organizations.

The Arctic Gateway Group in Manitoba is helping maintain operations of the Hudson Bay Railway located in Churchill, Manitoba. Approximately 70% of their employees are indigenous.

Recognizing that there is much to be done, we know that economic diversification and innovation are key elements to resilience and reconciliation. To achieve this, indigenous partners have to be at the table. This is why we have launched the Arctic and northern policy framework. Together, we're developing long-term opportunities to protect the north's rich natural environment, build healthier communities, respect the rights and interests of indigenous peoples and support a diversified, sustainable and dynamic economy for the north and the Arctic.

● (1320)

[*Translation*]

Once again, thank you for the opportunity to appear before the committee.

I'll be happy to answer your questions.

Qujannamiik. Merci beaucoup. Thank you.

The Chair: Thank you, Minister Vandal.

We'll now move on to the first round of questions.

[English]

Mr. Schmale, you have six minutes.

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): Thank you very much.

Good afternoon, witnesses, and thank you, ministers, for agreeing to appear before the committee today on this very important topic. As we've heard at committee and as you've pointed out in your remarks, we can never truly achieve reconciliation with indigenous people without addressing economic reconciliation.

So let's start there. We've had witnesses in the last little while tell us more about that in our first study, and how there needs to be a focus on the indigenous economy, procurement, business programming and access to market.

With that in mind, Minister Hajdu, when we're talking about business recovery programs and the aboriginal entrepreneurship program, according to your departmental results report document released earlier this month, your departmental goal was to increase indigenous businesses created and/or expanded by a modest 2%. It was missed by minus 6.92%. I do note that, under the explanation, the net number of businesses created may still show a decline due to closures of many indigenous businesses, but it is expected to rise again as some of these temporary measures are lifted.

With that in mind, Minister, can you tell us when your government will finally have a plan in place to end federal mandates and restrictions so that indigenous businesses can recover and thrive?

Hon. Patty Hajdu: Thank you very much.

COVID-19 has undoubtedly placed strains on every community and in particular businesses, especially businesses that are in often-times remote and hard-to-access communities. I first of all want to thank indigenous leaders from across the country for being so responsive in taking care of their citizens—

Mr. Jamie Schmale: A date, Minister; just a date, Minister. Thanks.

Hon. Patty Hajdu: It's hard for me to respond without giving some context, Mr. Chair.

The Chair: Go ahead, Minister.

Hon. Patty Hajdu: Thank you.

As part of those extraordinary measures, communities were supported through the COVID relief fund to be able to act quickly and swiftly to protect citizens from COVID-19. They did incredible things all across the country, with different responses.

Of course, that meant that, just like other communities, businesses struggled. Despite the fact that Indigenous Services Canada provided significant resources, in the hundreds of millions of dollars, to indigenous businesses to get them through these tough times, like other COVID recovery measures, many are still struggling. We're going to be there for indigenous businesses as they come out of this very difficult time. As public health measures change and shift, we'll continue to be there. We'll have the backs of indigenous business owners across this country for as long as it takes.

Mr. Jamie Schmale: Thank you, Minister. Do you have an approximate date on when federal mandates might be lifted?

Hon. Patty Hajdu: I will just say this. We have had, for a very long time, two goals in mind—one, to protect the health of Canadians and indigenous people, and two, to protect the economy. As the member opposite knows, you can't have a strong economy if people are sick with COVID-19.

So it's about balancing those two goals carefully to make sure that the supports are in place as our economy recovers and as people are protected from COVID-19.

Mr. Jamie Schmale: Okay, Minister.

In your departmental report, there were 1,076 newly created or supported businesses. How many newly created businesses are included in that 1,076? How much of the \$890 million went to actual new business creation versus supporting businesses and trying to keep them afloat?

Hon. Patty Hajdu: I think I'll turn to Deputy Minister Fox to speak about those specifics.

Ms. Christiane Fox (Deputy Minister, Department of Indigenous Services): Thank you very much, Mr. Chair and Minister.

I think what I would say is that, yes, indeed those are the right numbers in terms of newly created businesses. Maybe for a bit of context in terms of COVID, 3,658 businesses received some of the funding for COVID supports. Many of those businesses operated in the areas of construction or natural resources. A third of those businesses were majority owned by women.

Those are some of the facts based on the COVID supports that were provided through the various programs that the department put in place.

Thank you.

● (1325)

Mr. Jamie Schmale: Thank you.

Another area of concern, Minister, with respect to data, appears in the results in the percentage of first nations communities where non-federal government revenues represent 25% or more of total revenues. Your target of at least 18% is dramatically exceeded by 49%, which is quite the accomplishment, until you read the actual caveat, which states:

Due to gaps regarding available data and still-evolving impacts of COVID-19; a random sampling has been issued to generate an estimate

Given that sampling has been used to generate that estimate and the difference between this figure and the target.... First of all, I don't think the results are very clear.

Factoring out that the targets to be achieved in the future of 35% or 49% were either not met or available, when are we planning to fix this massive gap, which would then reduce a barrier to indigenous economic development?

Hon. Patty Hajdu: Maybe I can offer some general comments and then turn to Deputy Fox for some specifics on that particular research point.

I will just say that this government is historically investing in data and research that's indigenous-driven, -owned and -led. That is an important piece of work. In fact, for far too long, we've been working with gaps in data that are significant and a lack of investment in indigenous data that is indigenous-led through the principles of OCAP. This government has a plan to do that. It had an extremely aggressive investment in budget 2021 to be able to do that.

Maybe I can turn to Deputy Fox to talk a bit about the specifics around this particular research point.

The Chair: I'm afraid we won't have time for that. We're at six minutes.

The second speaker is Mr. McLeod for six minutes.

Mr. Michael McLeod (Northwest Territories, Lib.): Thank you, Mr. Chair.

Thank you to the two ministers for joining us. I really appreciated the presentation. It was very informative and interesting, for sure.

I've been involved in indigenous issues for most of my adult life, trying to deal with the situation in the community I live in and the communities across the north when it comes to quality of life. I was attending tribal council meetings when I was 17 years old. Some of the issues that we're talking about now are issues that I was talking about then.

A lot of effort has been made to bring back what was lost. We now have 14 tables in the Northwest Territories that are talking about land claims, land tenure, self-governance and compensation. It's all important stuff and we need to right some of the wrongs that were happening to us. We've also made a lot of progress on resource revenue sharing and on mandatory process participation. It's all important stuff.

However, we needed some changes to be made. I was really happy to see the new self-government fiscal policy come into play. It was done in a collaborative approach with indigenous people and it's a good document.

I wanted to ask the minister if she could tell me how that document—they call it the “green book”—covers economic development and how that's going to benefit the indigenous people.

Hon. Patty Hajdu: I first want to say that the member is right. I think our government has been the most intentional of any government in terms of steps towards reconciliation, with some of the highlights that he mentioned, whether it's land claims, self-compensation or the resource revenue-sharing model that is changing economic development across the country.

I will turn to Deputy Fox to answer the specifics of that question.

Ms. Christiane Fox: Thank you.

The minister and I were recently in a conversation with one of the chiefs around what self-determination can mean in terms of economic growth and employment. When the community in Whitecap, Saskatchewan, did their land code through a self-determination and self-governance agreement with the federal government, they moved from 70% unemployment to about 7%.

The opportunity is there with self-governance. We can advance on some of these economic development opportunities through land claim agreements and resource revenue sharing, and looking at it from all aspects of economic development. A number of our programs try to promote that, but it takes a whole-of-government approach in order for communities to see economic development.

• (1330)

Mr. Michael McLeod: I have another question, this one for Mr. Vandal, regarding the abandoned mine program and how that creates opportunities for indigenous businesses and people and for skill development.

Minister Vandal, a large part of your ministry is the northern abandoned mine reclamation program, which I think has around \$2.2 billion allocated in budget 2019 to clean up these sites.

That includes a number of mines. Giant Mine is one of them, and probably one of the more prominent ones. Last August, you signed some agreements with the Yellowknives Dene. There are others, such as the Silver Bear mine and Norman Wells oil fields that are going to undergo reclamation. There's going to be a lot of reclamation in the Northwest Territories.

Could you perhaps update us on what these types of agreements you've signed with the Yellowknives Dene will result in? How important are these types of projects to indigenous businesses and to northern economic success?

Hon. Dan Vandal: The government has a 10-year, \$2.2 billion program to clean up contaminated and abandoned mines throughout the north. Significant investments have been made and will continue to be made. The programs are intended to ensure that the lands and the waters are remediated and are healthy for future generations. When the mines are cleaned up, it's incumbent on us to ensure that the jobs, the procurement and the benefits of the cleanup go to indigenous nations in and around the mines and to other locals who live in the north.

Over the last couple of years, you and I, and Minister Bennett who has done a tremendous job on this, have formed a very good partnership with the Yellowknives Dene for the Giant Mine remediation. It was really one of the saddest parts of Canadian history, where the land was mined and the arsenic was simply thrown all over the land and the water and ingested by indigenous peoples. It's a very sad part of Canadian history, which was, frankly, ignored for too long.

We're no longer ignoring it. We're at the tables with the Minister of Crown-Indigenous Relations: me; you as a local MP; and most importantly, the Yellowknives Dene. Speaking as one person, one MP, I won't be satisfied until the Government of Canada issues an apology to the Yellowknives Dene.

We're working in partnership. There's great local leadership with you and the Yellowknives Dene. We're going to continue working with the Minister of Indigenous Services, the Minister of Crown-Indigenous Relations and the Prime Minister on this very important program.

The Chair: Thank you, Minister; and thank you, Mr. McLeod.

[Translation]

Ms. Gill, you have six minutes.

Mrs. Marilène Gill (Manicouagan, BQ): Thank you, Mr. Chair.

First, I want to thank the ministers for their presentations.

My first question is for Minister Hajdu.

Ms. Hajdu, you said that a key requirement for first nations economic development is access to capital. I would add that this has been the case since 1876.

I want to know whether her government plans to overcome the barriers to economic development, specifically in terms of legislative changes.

[English]

Hon. Patty Hajdu: Thank you very much, Madame Gill.

First of all, yes, our government has been very focused on self-determination, using every tool in the tool box, including legislation, including equity in funding, including closing gaps in a number of different ways that have existed for far too long for indigenous people.

I am profoundly aware of the importance of this position in not just our Liberal government's focus on reconciliation, but the Government of Canada's obligations through treaties and other promises made to indigenous people since the point of contact. I feel that this is our responsibility to honour those commitments and to do everything in our power to help communities decolonize, for lack of a better word.

• (1335)

[Translation]

Mrs. Marilène Gill: Everything that you're saying now is very informative, Minister Hajdu. However, my question was more specific. You have obligations, of course, but do you have a plan? Are you willing to make legislative changes?

[English]

Hon. Patty Hajdu: It is a broad question. I'm not sure if the member means specific.... Obviously, yes, we do. As you know, we have child welfare legislation that has been passed through this House. We have proposed co-developed health legislation. There is legislation that is being contemplated and worked on around policing. In fact, all of this is with the primary goal—

[Translation]

Mrs. Marilène Gill: Minister Hajdu, I was speaking specifically about a plan for the future. We could certainly talk about what has been done in the past, which I imagine will help with first nations economic development. However, what are the plans for the future?

[English]

Hon. Patty Hajdu: Madam Gill, through the chair, this is in fact about the future. This is in fact about creating strong and vibrant communities that have the tools they need to determine for themselves according to the promises made to indigenous people by European settlers so many years ago. Individual communities are working through a self-determination lens, sometimes in groups, sometimes individually, to create stronger futures for their children and their grandchildren through mechanisms that include legislation that will empower self-determination of critical aspects such as education, health care and child welfare.

[Translation]

Mrs. Marilène Gill: Thank you, Minister Hajdu. I'm sorry to keep rushing you, but we have so many questions. We'd love to take our time, but we can't.

I see that there's no real plan for the legislative agenda. I'll address some other topics with you.

For example, you spoke about equity. I wondered whether there was equity in the assistance provided. It can be financial assistance, but it can also be in the form of programs or policies. Maybe there are distinctions among not only first nations communities, but also Métis and Inuit communities.

It would be more difficult to talk about equality here. However, can you tell us whether this assistance is equal, at least, or whether there are really disparities among the communities? If so, what are those disparities and why are they there?

[English]

Hon. Patty Hajdu: Mr. Chair, that's a very big question. Of course there have inequalities in and among indigenous communities and between non-indigenous and indigenous communities. In and among indigenous communities, there are a number of factors that contribute—

[Translation]

Mrs. Marilène Gill: Minister Hajdu, that wasn't my question. Sorry to interrupt you, but I just want to rephrase it.

I wasn't talking about disparities between indigenous and non-indigenous people. I was referring to disparities among first nations, Métis and Inuit communities.

[English]

Hon. Patty Hajdu: Mr. Chair, I think I answered that in the first part of my answer. Yes, there are inequities in and among indigenous peoples, and there are a variety of factors related to those inequities, including things like how far away someone is from a metropolitan centre, what kinds of trauma they've experienced, whether or not communities have been relocated, how they've been able to interact with—

[Translation]

Mrs. Marilène Gill: Minister Hajdu, I want to know what inequities are caused by differences in programs or differences in funding from the government. Is the government causing these inequities among the different communities? At the same time, how is the government planning to address these inequities?

[English]

Hon. Patty Hajdu: Yes, the government does work to reduce inequities. There are formulas that provide funding based on a variety of metrics, but we also work with communities that are struggling with self-governance models to support communities in self-determination, in community healing and moving forward from an economic development perspective in a variety of different ways.

The question is a very broad one, Mr. Chair, so it's very difficult for me to answer in a very granular way, but I would be happy to spend time with the individual member and get her a briefing, if she's interested in that kind of work.

[Translation]

Mrs. Marilène Gill: If you could share some figures regarding the inequities among the various programs for first nations, Métis and Inuit groups, that would provide an overview. If I have any further questions, I would be happy to contact your office. Thank you for offering this assistance, Minister Hajdu.

• (1340)

[English]

The Chair: Thank you very much.

[Translation]

Thank you, Ms. Gill.

[English]

We will go on to the next speaker.

Ms. Idlout, you have six minutes.

Ms. Lori Idlout (Nunavut, NDP): *Qujannamiik.* Thank you so much.

First of all, I just wanted to thank both the ministers for appearing. My first question to Minister Hajdu, which I'll be asking in Inuktitut, will be focusing on the statement that you made that a lack of access to capital is a main barrier to economic development.

[Member spoke in Inuktitut as follows:]

Δοῖνδῶν ἄλλοις ἄνθρωποις ἕνα πρῶτον ἀποκρίσασθαι. Ἐπειδὴ ἡ ἐρώτηση ἀφορᾷ τὴν ἀνεπιπέδωση τῶν ἀποδοχῶν, ἡ ἐρώτηση ἀφορᾷ τὴν ἀνεπιπέδωση τῶν ἀποδοχῶν. Ἐπειδὴ ἡ ἐρώτηση ἀφορᾷ τὴν ἀνεπιπέδωση τῶν ἀποδοχῶν, ἡ ἐρώτηση ἀφορᾷ τὴν ἀνεπιπέδωση τῶν ἀποδοχῶν.

[Inuktitut text interpreted as follows:]

I see you have many responsibilities. Your department has been active in removing barriers to procurement within the Inuit organizations. Can you describe what these active measures have been and what problems you have run into?

[English]

Hon. Patty Hajdu: Thank you very much. Through the chair, I really am looking forward to working with you, MP Idlout. I think there is a lot we can do together, especially for the people of your region and with your vast knowledge.

I think you're on to something when you say that procurement is a real game-changer, and the Government of Canada, as you know, is a large procurer. Now we have set targets and ambitious targets. For example, 5% of every department is to be procured from indigenous businesses and entrepreneurs. Thirty-two departments go live, by the way, as of April 1. This 5% target is an annual target. It is a really exciting initiative because it gives indigenous businesses and entrepreneurs a very large customer base from which they can then grow their base.

Maybe I can turn to Deputy Fox to speak a little bit about the work internally within the Government of Canada, to make sure that we do reach those targets.

Ms. Christiane Fox: We have a number of programs that are really targeted at removing those barriers to economic development. There's the entrepreneurship program. We have a community opportunity readiness program, as well as the strategic partnerships initiative. We have a number of programs, really, with the goal of increasing economic activity in indigenous communities in a distinctions-based way.

I would say that the 5% target for the federal government will increase that economic activity by mandating that these government departments procure their goods and services from indigenous-led businesses. As Minister Hajdu noted, 32 departments are part of phase one. As of April 1, 2022, they will be required, and it will be publicly available information, to procure for their department at 5%. Then, over the next three years, we will onboard other departments. At the end of that process, all departments will have that 5%, and we should see an increase in opportunity.

Right now, it is a barrier. It is a challenge. Sometimes we want to hire indigenous businesses, and because they're not on a standing offer, barriers are created that we just need to remove. I think that 5% will really help us get there and make some progress.

Mr. Gary Vidal: Sorry, my time is so limited. I don't want to be rude.

Let's go to the procurement target for a second. That target was in the mandate letters of the Minister of Indigenous Services in the past, and it's not in your target. The only place that shows up in the mandate letters is in the letter of the Minister of Public Services and Procurement.

We're talking about the things that are going on now, and this plan. It sounds exciting, to be honest with you. That 5% target is not a new target; it's been around for some time. What are we currently achieving? What is the actual percentage of procurement that is being achieved at this point?

Hon. Patty Hajdu: I'll turn to Minister Vandal in one moment, because he may want to add something, but I'll say again that a 5% target is an ambitious target, and it is a reportable target, as the deputy minister pointed out. There will be a measurement available for all Canadians to read, in terms of how the government is reaching that target with indigenous people.

• (1350)

Mr. Gary Vidal: What is it now, Minister?

Hon. Dan Vandal: Can I answer?

Mr. Gary Vidal: If you'll be brief, please. I have another really important question I want to get to.

Where are we at on the 5% target?

Hon. Dan Vandal: Every minister is committed to the procurement process. I'm a member of the indigenous caucus with Mr. McLeod and Vance Badawey, and we've been pushing the administration for a long time. I know that we have significant improvements to make, but our government is committed. Every minister has reconciliation, and in reconciliation, I believe, is economic—

Mr. Gary Vidal: I'm sorry, Minister. I don't mean to cut you off, but you're obviously not going to answer my question, and I want to get my last one in.

We heard from the members of the First Nations Financial Management Board about the concept of monetization and how that is a tool that could be used very significantly to increase investments in the very lacking infrastructure in first nations and other indigenous communities. That, along with the concept of the first nations infrastructure institute, is a concept that's been around for a couple of years as well, yet we don't seem to be making the progress of using the leveraging of those own-source revenues.

Can you tell me if there's a specific plan to actually utilize monetization and the first nations infrastructure institute to close the infrastructure gap?

Hon. Patty Hajdu: Let me say that of the meetings I've been able to have in these first few months of being the minister, the first nations management board was one of the most impressive in terms of the work they're doing with first nations communities to stimulate economic development.

Yes, I directed my deputy—I know that she was on this beat before I was—to be really aggressive in supporting the work of the first nations management board and accelerating the work.

Perhaps, Deputy Minister Fox, you could speak a little bit about that.

The Chair: Be very quick, please. We're over the five minutes.

Ms. Christiane Fox: Just on the monetization question, for instance, our first nations and Inuit health branch now has the authorities and program terms and conditions that would allow individual first nations to monetize long-term transfer payments with financial institutions. That includes with the first nations financial authority.

That's part of how we're trying to make changes on the monetization front.

The Chair: Thank you, Mr. Vidal.

Ms. Atwin, you have five minutes.

Mrs. Jenica Atwin (Fredericton, Lib.): Thank you, Mr. Chair.

Thank you to our ministers and their team members for joining us today.

I'll start with you, Minister Vandal. You mentioned the need for high-quality education. For someone who has a background as a teacher, that certainly spoke right to my heart. It's something that I feel has been a bit lacking in our conversations around barriers to economic development.

I would love it if you could speak a little bit more about the aboriginal youth strategy that you were a part of, and maybe more broadly about the necessity of high-quality education for indigenous youth.

Thank you.

Hon. Dan Vandal: We all know it's a universal principle that the key to a better life is a better education. Unfortunately, for indigenous nations and peoples, because of the effects of colonization and the government policy of beating the Indian out of the person, there have been horrendous effects that have affected education attainment.

As Minister of Northern Affairs, I know our government is committed. First, we've invested tens of millions of dollars through budgets in the past few years. There's been \$13 million over five years for the Dechinta Centre for Research and Learning and \$26 million over five years for a new science building at the Yukon University.

As important as that, about a year ago, we launched an independent task force on improving post-secondary education in the north, which was part of budget 2019. We have representations from all territories in the north, including the Arctic, northern Manitoba and, I believe, northern Ontario. Their goal and their mandate is to do consultations, talk to the public service, talk to the educators and really give our government some recommendations on what we need to do to improve post-secondary education outcomes in the north. However, it's hard to separate post-secondary from elementary education, because if you don't have a good base, then you're not going to have a good post-secondary system, so it's all connected. In order to have a good base, you need to make sure society is delivering good social determinants of health.

One thing that's apparent is the use of technology. If this pandemic has taught us anything, it is that we need to connect the country. We have a very ambitious universal broadband fund. We want to get 100% of Canada connected by 2030, I believe. That connectivity is so important for education, but also for health, for long-distance health care, which could be very valuable, and for commerce and business. That's something that we're depending on now.

You asked about the aboriginal youth strategy in Winnipeg. That was quite a few years ago. The main idea was that the city of Winnipeg's workforce was aging. We had an aging workforce on this side, and on the other side we had young indigenous people, the fastest-growing population in the city of Winnipeg. We needed to connect the two through mentorships, training programs and co-operative working arrangements, including education systems. I'm a bit out of the loop now as to where that is, but at the time, it was something that landed positively. It's something that our country needs to be doing.

• (1355)

Mrs. Jenica Atwin: Thank you so much.

Mr. Chair, how are we doing for time?

The Chair: You have about 40 seconds.

Mrs. Jenica Atwin: I'll take the opportunity again to thank you for the information that you shared with us today.

You mentioned specifically exports for pre-packaged bannock, so I'll give a shout-out to a local entrepreneur here from New Brunswick. Her business is called Jenna's Nut-Free Dessertery. She also provides pre-packaged bannock from New Brunswick. She's a Wolastoqey woman, so I wanted to give her a nice shout-out as well.

Thank you so much for your time today.

The Chair: Thank you, Ms. Atwin.

[*Translation*]

Ms. Gill, you have two and a half minutes.

Mrs. Marilène Gill: Thank you, Mr. Chair.

Minister Hajdu said that COVID-19 has obviously affected indigenous businesses. Does she know whether they were affected differently from non-indigenous businesses and, if so, how?

Does she plan to conduct a differentiated analysis to determine how to further assist indigenous businesses in times of crisis such as the current one?

[*English*]

Hon. Patty Hajdu: Thank you very much.

I think the real difference for indigenous businesses is that often-times they have a much more fragile financial footprint. That's why our department invested almost \$900 million—correct me if I'm wrong, Deputy Fox—to support indigenous businesses through COVID-19.

Just like every other business, we knew that the more businesses that could be supported through a variety of different public health measures, the more they would come out strong at the end, and sustain that economic footprint in communities and regions that really struggle to get those footprints in place to begin with.

For example, one area in which I can say that indigenous people were maybe overrepresented or, at least, were very significantly impacted was the tourism sector. Many indigenous communities have a strong tourism aspect to their economic development. Of course, tourism was significantly impacted through COVID-19.

[*Translation*]

Mrs. Marilène Gill: Minister Hajdu, do you think that a differentiated analysis would be appropriate?

You said that their economic footprint was more fragile. However, I don't think that we would be here if it weren't.

We may need to look for things further down the road to see where we can strategically and persistently support indigenous communities and their entrepreneurship.

[*English*]

Hon. Patty Hajdu: Absolutely, I think the more we understand the effects of COVID-19 on businesses and on communities the better, because we'll want to be able to learn from these experiences and to be able to be even more adaptive should we see a similar public health threat in the future.

It also gives us a really good insight into the different strengths and capacities of communities to be able to adjust and adapt, because there are many success stories of indigenous communities and businesses, just like non-indigenous businesses, that pivoted quickly, adapted very quickly and were able to continue operating in a difficult situation.

• (1400)

[*Translation*]

The Chair: Thank you, Ms. Gill. Your time is up.

[*English*]

Ms. Idlout, you have two and a half minutes.

Ms. Lori Idlout: [*Member spoke in Inuktitut as follows:*]

I'm delighted to be joining you today to discuss a topic close to my heart: indigenous economic development. I'm particularly interested in economic development. I quickly realized, during my career, that it's the main tool available to indigenous communities to ensure our emancipation and improve our living conditions and the psychosocial situation of our members. Unfortunately, while the concept of economic development may seem simple and applicable to all, clearly, for indigenous communities, there's still a long way to go. For the next while, I'll focus on the topic of this meeting, which is the barriers to indigenous economic development. That said, I want to start by showing that economic development is possible in the communities.

In 2014, when I arrived in Wemotaci, an Atikamekw community of 2,000 people, to take up the position of executive director of the Corporation développement économique Nikanik, the situation was bleak and we were in a deep hole. For example, there had been no gas in the community for over eight months. The residents had to get their gas in La Tuque, which was 115 kilometres away. For the community as a whole—which had no development plan, strategy or goals—the annual project amount was about \$250,000 and the development budget of \$40,000 barely covered my salary. Limited partnerships were in trouble, unemployment was very high and there were fewer than 10 private businesses.

It took the election of a new council with a clear vision for economic development to start the wheels of progress and to launch new projects that mainly addressed the basic needs of the community. We first installed fibre optics to bring us out of isolation, refurbished the gas station to ensure gas supply, and built a business centre for our entrepreneurs. Most importantly, we developed and implemented a realistic recovery plan with clear and achievable goals.

As a result of this plan, I'm proud to say that we turned things around and helped improve the living conditions of a number of community members. Today, we're talking about \$182 million in projects, a \$300,000 economic development budget, an ever-increasing number of stable jobs, 32 private entrepreneurs and a lower unemployment rate. The recovery plan has enabled us to dream big and prove to everyone that, despite lingering prejudices, we can carry out major projects.

Since today is mainly about the barriers encountered, I'll list a few things that, in my experience, hinder economic development in our communities.

The 10% capital investment needed for any new project in an indigenous context is a federal and provincial requirement that doesn't really take into account the financial capacity of communities and individuals. In terms of the search for funding from private institutions, with some exceptions, they're still wary of our organizations.

The administrative burden of the Quebec and Canadian governments is a real obstacle that compromises the fulfillment of many opportunities. Workforce training programs aren't adapted to the realities of potential workers. The remoteness of the communities leads to additional supply costs and inequalities among communities in terms of access to funding programs and allocated amounts. Natural resource development is inequitable.

My time is limited to five minutes, which is really too short.

I'd be happy to clarify each barrier during the round of questions.

I'll conclude by reminding you that we, the indigenous people, have a rich history of trade relations that goes back to well before the arrival of the first Europeans on our lands. We must reconnect with our past instincts and build what I'll call the "Indigenous People Inc." of tomorrow. However, to do so, we must identify and overcome all the barriers that stand in our way. To this end, governments, financial institutions, civil society and all other entities involved must become facilitators and real partners. This is in everyone's interest.

Tshinashkumitin.

• (1410)

The Chair: Thank you, Mr. Jourdain.

[*English*]

I'll now pass the microphone to Dawn Madahbee Leach.

You have five minutes, Ms. Leach.

Ms. Dawn Madahbee Leach (Chairperson, National Indigenous Economic Development Board): [*Witness spoke in Anishinaabemowin and provided the following text:*]

Aanii - Biidaabin dezhnikaaz, jiijaak dodem, mnidoo mnising ndoonjibaa.

[*Witness provided the following translation:*]

Hello. My name is Sunrise. I come from the Crane clan. My homeland is Manitoulin Island in the traditional territory of the Anishinabek Nation.

[*English*]

Meegwetch and thank you for allowing me to speak with you today on the barriers to indigenous economic development.

I'm the chair of the National Indigenous Economic Development Board, which is a ministerial-appointed, non-political organization mandated to provide advice to the federal government on issues related to indigenous economic development.

The board was established in 1990 and is comprised of first nations, Inuit and Métis business and community leaders from across Canada. To help inform your work, I invite you to check our board's website, which includes our series of national indigenous economic progress reports. Our next report will be released in 2023.

I also invite you to review our board's report entitled "Reconciliation: Growing Canada's Economy by \$27.7 Billion", as well as the 2019 OECD report on linking indigenous peoples to regional development, and the upcoming national indigenous economic strategy for Canada. If these reports were implemented, many of the economic barriers would be addressed.

All Canadians have become more aware of the truth of Canada's treatment of the indigenous peoples of this land. While the effects of colonialism have been devastating to the social, physical and mental health of our communities, one of its most nefarious objectives was the deliberate exclusion of indigenous peoples from sharing in the wealth of this country.

I cannot stress strongly enough that indigenous 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 indigenous economies, characterized by economic self-sufficiency and socio-economic equality with the rest of Canada.

Studies show over and over again that when indigenous communities prosper, so do the regions around them. Look at the recent reports outlining the billions in annual indigenous contributions to the economies of Atlantic Canada, Manitoba and Alberta. If indigenous peoples had the same education, income and employment levels and business opportunities as those experienced across Canada, the GDP would increase by \$30 billion to upwards of \$100 billion annually.

In addition to the reports already mentioned, the NIEDB is recommending solutions that can pave the path to economic reconciliation.

One, ensure that the implementation plan for the UN Declaration on the Rights of Indigenous Peoples Act is co-developed with indigenous people.

Two, formally recognize our jurisdiction and the legal frameworks we are developing to control and participate in development in our territories.

Three, support the development of indigenous-led institutions to help build indigenous economic capacity, share leading practices, and deliver programs and services. Work is already under way for institutes for community infrastructure and indigenous business procurement.

Four, support the network of aboriginal financial institutions with capital to support the growth and expansion of the indigenous business sector, increase employment and provide housing mortgages, and help alleviate the backlog of indigenous housing that currently exists.

Five, increase funding for indigenous economic and business development to 10% of total federal spending on indigenous peoples, in part to make up for past funding shortfalls and to recognize the fact that each dollar spent on indigenous economic development leverages important community and social benefits and enhances regional economies across Canada.

Finally, implement the soon-to-be-released national indigenous economic strategy for Canada, which is a collaborative effort involving more than 20 national indigenous organizations. 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.

• (1415)

In conclusion, you have an opportunity to help remove the impediments to indigenous economic inclusion. In addressing the solutions offered, your work requires addressing the disparities of the past, a change of mindset, the political will and real financial investment, which we know will benefit all of Canada.

Meegwetch. Thank you.

The Chair: Thank you very much, Ms. Madahbee Leach.

The third speaker will be Mr. Clint Davis, from the Nunasi Corporation.

Mr. Davis, you have five minutes.

Mr. Clint Davis (President and Chief Executive Officer, Nunasi Corporation): Thank you, Mr. Chair; and thank you, members of the committee.

It's a real honour to be here, and certainly in the presence of my dear friend Dawn Madahbee Leach as well, and Adam. You did a great job.

I'll begin by giving you a bit of a background on Nunasi Corporation and then I'll speak to three barriers I see that continue to impede the growth of indigenous business and communities.

In terms of personal background, I am Inuk, Inuit from Labrador and it's an honour for me to lead Nunasi Corporation, which is a storied Inuit corporation, over the last two years. Nunasi is a Nunavut Inuit birthright corporation, owned by two regional Inuit associations and one Inuit regional development corporation. This structure ultimately means that Nunasi is owned by all the individual beneficiaries under the Nunavut agreement, one of whom I think is actually on this committee right now.

It has a very interesting story. In fact, it's the oldest Inuit development corporation in the country. It was started in 1976 by the Inuit Tapirisat of Canada, now ITK, as a vehicle to ensure Inuit participation in the economic opportunity that was expected once Inuit land claims were resolved. It was involved in a variety of different business activities from various industries and some of these operating companies are still around today—in particular, Nunasi's investment in the medical accommodations that are located in Ottawa, Winnipeg, Edmonton and Yellowknife. These facilities, known as “largas”, provide culturally appropriate and safe lodging for those Nunavummiut who require medical treatment in southern hospitals.

Nunasi today is focused on health services, to build on the success of those largas; energy, which includes a focus around the development in renewable energy for Nunavut; infrastructure; transportation; and federal procurement.

Now I'll share with you some of my thoughts on some of the barriers. One is access to equity capital. Indigenous and Inuit business look very different today than even just 20 years ago. The rights that are crystallized in modern land claim agreements, along with the recognition of indigenous rights through successful court challenges, have led to greater engagement of indigenous communities in development activities on traditional lands.

Phrases such as “the duty to consult” and “free, prior and informed consent” have become common parlance in some industries. Impact benefit agreements have created significant value for indigenous communities, including training, development and employment, along with procurement. Some projects are providing opportunities for indigenous 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.

On social procurement, on January 31 of this year, the federal government announced that Nasittuq, a majority-owned Inuit company, was successful in winning the contract for the operation and maintenance of the north warning system. This contract is valued at nearly \$600 million for seven years, and if the extensions are awarded, the contract has the potential to be \$1.3 billion. The Inuit shareholders of Nasittuq include Nunasi, as well as the regional development corporations across Inuit Nunangat. It's great news for Nunasi and our colleagues, and frankly, it's an example of economic reconciliation at work.

The federal government has made a commitment of 5% to help expand indigenous business, which would represent over \$1 billion annually. While the commitment has been made, I strongly encourage the government to move quickly towards implementation and

to use the distinctions-based approach to ensure Inuit businesses benefit.

I would also recommend that the federal government consider creating incentives for federally regulated companies to develop robust procurement policies for the benefit of indigenous business. As we've seen in this country, the more successful procurement processes are normally in those companies in the resources sector, which really makes sense when you consider the nature of their business, operating in traditional territories.

However, these best practices should extend to other companies in different industries. Indigenous businesses are diverse, and if given the opportunity, they will meet the procurement needs of these companies.

● (1420)

The last thing, Mr. Chair, I want to comment on is the investment in infrastructure.

In October of 2020, Nunavut Tunngavik Incorporated in Nunavut released the “Nunavut Infrastructure Gap Report”. The report highlights deficits in such infrastructure areas as water, housing, broadband, reliable energy and so on.

The community needs these basic elements of infrastructure to create an environment that is conducive to entrepreneurialism and that can attract investment. There were no cost estimates associated with the Nunavut report, but the most recent funding announcement by the federal government of \$4.3 billion indigenous community infrastructure fund, from which Inuit received over \$500 million, is certainly a step in the right direction.

However, a 2016 report by the Canadian Council for Public-Private Partnerships identified an infrastructure deficit for first nations only at \$30 billion. Seven years later one can only assume that this number is also higher.

Just recently the Inuit Tapiriit Kanatami has calculated that it would take over \$3 billion to meet Inuit core housing needs.

So, when you take into account the numbers on housing alone and you add the infrastructure deficit with the first nations, it's easy to assume that the infrastructure deficit for indigenous communities in general is probably closer to \$60 billion to \$70 billion.

If we want to break down barriers for indigenous economic development, we need to ensure that communities have the conditions that will create a well-functioning economy, and that starts with infrastructure.

Thank you for your time today. I look forward to your questions.

Nakurmiik.

The Chair: Thank you, Mr. Davis.

We'll now proceed with the first round of questions.

Mrs. Stubbs, you have six minutes.

Mrs. Shannon Stubbs (Lakeland, CPC): Thank you, Chair.

Let me just say what a pleasure it is to listen to this powerful and inspiring testimony from our witnesses.

I'm so glad that you have been able to give your time to us today.

I represent a rural riding in northeast Alberta, and I'm very proud to represent all of the constituents in Lakeland, including nine first nations and Métis communities, which I work with on a regular basis to try to figure out real, tangible ways that we can do things exactly like the things we are talking about today. Of course, it won't surprise you that nearly every community in my region, in that part of Alberta, has a long history of private sector proponent partnership, partnerships with academic institutions and all levels of government to responsibly develop the resources in that area, primarily oil and gas and heavy oil, and they are also the leading contractors and business owners certainly in the service supply area of the industry throughout the region.

I'm always looking forward to hearing testimony like yours as to how we can continue to advance on economic reconciliation. I am inspired by the communities that I represent. They create jobs not only for their own communities but for people all around their communities throughout the region and throughout the province.

I am seized with many of the challenges that you've talked about. These are, primarily, access to capital, capacity building in communities so that they can effectively participate in the regulatory process, and the necessity for the Crown to meet their obligations for two-way dynamic consultation with indigenous communities rather than just checking it off on a list instead of sending a decision-maker to the table, certainly as the last witness was talking about, to rapidly meet the basic infrastructure challenges that hold back indigenous communities.

Adam, I think you wanted to get into this a little bit more. Maybe I'll do a two-for-one and then each of you can address these questions in turn.

I would just love to give you the opportunity to expand in specifics on two fronts. One is recommendations to deal with the risk aversion of the Crown or the government, rolls upon rolls of red-tape barriers that can be reduced, and the other is more specific recommendations for access to capital.

• (1425)

[Translation]

Mr. Adam Jourdain: I'll first answer your second question.

Tools already exist. The First Nations Financial Management Act enables us to override the Indian Act, but only financially. In Wemotaci, we decided to adhere to this legislation, which enables us to obtain capital, but only through the First Nations Financial Authority. We then have access to cash flow that helps us develop certain projects, as a result of favourable interest rates. Our most recent interest rate was around 2.3%.

It should be noted that banking or financial institutions are still reluctant to give us funding, even though we've adhered to this legislation. We must always provide justification, which constitutes a

barrier. However, we have excellent viable projects that meet the goals of our community.

It's very challenging if the interest rates are close to 7%, 8% or 9% for certain projects. It was already a major barrier to the development of communities, especially remote communities such as Wemotaci.

I hope that I've answered your question.

[English]

Mrs. Shannon Stubbs: Thank you.

I would invite the other witnesses to comment as well.

Ms. Dawn Madahbee Leach: I'd be happy to speak to your two questions as well.

It was really great to hear my good friend Harold Calla speak about the balance that has to be played between the government's fiduciary responsibility and the fact that there's a lot of risk aversion. One of the things that I feel can help to address that is the path to supporting the development of indigenous institutions. We need to be responsible for our own activity and our own actions.

I really feel strongly that the supports need to be there, as I mentioned in one of our recommendations, to support indigenous-led institutions and centres of excellence. I think those are really critical ways to help remove the issues around the government being worried about the risk of some of the decisions they make. I think our own people are prepared and we have the capacity now to address areas and make those decisions ourselves. I would strongly support that devolution of programs and services and the resources, the full amount of resources necessary, to support indigenous institutions.

I spoke about, and we heard earlier about, the idea of an indigenous infrastructure institute. I think that's really critical as well to addressing the areas of our needs.

In respect to access to capital, I think a couple of things need to be understood. We have a really great success story in Canada that other countries don't have, and that's the aboriginal financial institutions. Those institutions should be supported. No other country has the types of institutions that we have, but they're limited in their capacity. Most of them can provide loans of only up to \$300,000 for one project. Well, one piece of equipment costs that. You can't even build a decent building for that amount of money anymore.

So additional capital is really important. We know the success of these aboriginal financial institutions, which have been able to invest \$3.3 billion into the Canadian economy through investing in indigenous businesses and helping with the start-up of new indigenous businesses. We have capacity. We'll need that to address the whole procurement issue and to address the contracts we're talking about to reach that 5% procurement target. We need more indigenous businesses and to help build them up so they can compete effectively for a lot of those contracts.

Plus, we need—

• (1430)

The Chair: Thank you. We have to go to the next speaker.

Ms. Dawn Madahbee Leach: Okay. Sorry.

The Chair: No problem. Thank you very much.

Next we have Mr. Weiler.

You have six minutes.

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Mr. Chair.

I'd like to thank all the witnesses for joining our committee meeting today and just for the fascinating testimony already.

First, Ms. Madahbee Leach, just building on what you were mentioning before, one of the solutions you identified with regard to the economic barriers currently in place right now is to formally recognize indigenous jurisdiction and legal frameworks. I was hoping you could elaborate a little bit more on this point, in particular on the importance of self-government agreements and what type of change that would drive for economic reconciliation.

Ms. Dawn Madahbee Leach: I can give you one really good example in my own area. The first nations have collaborated to develop a legal framework on aquaculture in our region. For example, we have indigenous-owned aquaculture operations, but we also have non-indigenous aquaculture operations. Previously, before we had this framework, there was no reporting or monitoring provided to the indigenous communities, who rely on the water resource around us. By having these legal frameworks in place, we were actually benefiting from the social licence that we offered to those operations in our area.

One of the things this framework will do is to have the first nations that are impacted in any developments, including our own aquaculture businesses, issue the licences. We've been working very closely with the first nations, as well as the Province of Ontario and Fisheries and Oceans Canada, to have this legal framework recognized. I'll tell you that it's very complementary to existing legal requirements at the provincial and federal levels. It's really helping to include indigenous people in activating our jurisdiction and our authorities in this area.

Mr. Patrick Weiler: That's a very fascinating point.

One of the other items you mentioned is co-developing the action plan on implementing UNDRIP. I'm curious how you see those two aspects kind of fitting together, where you can have multiple orders of government being able to partner on issues just like that.

Ms. Dawn Madahbee Leach: I think it's a co-operative approach that we're looking at. When we look at co-developing the implementation plan for the United Nations Declaration on the Rights of Indigenous Peoples Act, it's really important that we be involved in that.

There are 13 references to economic development in the declaration, but there's nothing really specific on it, so the national indigenous organizations have talked with each other about how we can activate and unlock the potential of indigenous economic development by helping with the co-development and making sure that

we're included in the Canadian economy at the level that we should be. I think that's really important and critical to moving forward.

We have a lot to offer, and I think the national indigenous economic strategy that I spoke about will be helpful to that exercise.

Mr. Patrick Weiler: Definitely. That kind of leads me to my next question.

You mentioned all the different partners that are working together on this national economic strategy. On that strategy, do you have a few high-level points or recommendations that relate to the federal government that you'd like to share with this committee at this point?

Ms. Dawn Madahbee Leach: A couple of recommendations popped in my mind right now. One is the idea of having a right of first refusal on the sale of any properties that the federal government might be selling, so that the indigenous peoples have the opportunity to purchase those properties and be part of.... That would open a door when we have those kinds of initiatives in place.

We talk about, as I mentioned, institutional development. I think we need our own institution on procurement. Indigenous peoples are already collaborating on a business plan for that so that we can take over a lot of those services within the government and have a certified database of indigenous businesses and help our businesses to be able to compete more effectively for a lot of those procurement opportunities.

We're talking about an education institute, so we could look at the leading practices across the country on education and helping our people to achieve higher education levels. We still have huge gaps between our people and mainstream Canadians in terms of education levels.

We're also talking about some of the recommendations that I already provided. We do need that investment toward economic reconciliation. There are over 100 calls to economic prosperity in this strategy.

• (1435)

Mr. Patrick Weiler: Thank you for that.

For my next question, I'd like to turn to Mr. Davis.

You highlighted three main barriers that we should be looking at here. The first one was looking at a solution really with federal Crown corporations being able to provide access to loans at a reasonable rate.

When you're thinking of this, are you thinking of existing Crown corporations or the creation of new ones? If it is an existing corporation, I'm wondering if you have identified some of those ones that we should be looking at.

Mr. Clint Davis: In particular, when I'm talking about access to capital, yes, it would be in the form of loans, but it would be specifically for equity.

I just wanted to make a really quick comment on access to capital. In the past, we've seen challenges whereby there are too many communities and development corporations. Even today, there are still challenges for individual indigenous entrepreneurs having access even to debt capital. That's why the AFIs that Dawn talked about earlier are such a fundamental part of the ecosystem to support indigenous business, but they do still have caps. That's a huge challenge.

I think there's a tremendous opportunity there, but not necessarily for the creation of a new Crown corporation. The Business Development Bank of Canada is a perfect example. It has provided a very robust indigenous banking unit, following along the lines of what you see with TD Bank, Bank of Montreal, RBC and CIBC. I think they've 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.

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. This isn't a brand new thing. This is something that has actually happened in another jurisdiction, namely in Ontario through the Green Energy Act, which I thought was just an absolutely brilliant program. It was the initiative on the part of the Government of Ontario to ensure that it was going to have indigenous engagement with green energy projects. It provided a guarantee to enable financial institutions to lend equity for first nations and Métis to participate. I think something like that would be an incredible opportunity.

Mr. Patrick Weiler: Thank you.

The Chair: We're going to the next person.

[*Translation*]

Ms. Gill, you have the floor for six minutes.

Mrs. Marilène Gill: Thank you, Mr. Chair.

Kwe, utshimau Jourdain.

I'm pleased that all the participants here today can shed more light on how to remove barriers to first nations economic development.

Mr. Jourdain, I'm glad that you're here. I admire and appreciate you. I was pleased to hear you speak about Indigenous People Inc. You're an example of empowerment.

You spoke about the situation as it stood in 2014, when you arrived, and the situation as it stands now. You have very concrete and long-term experience with economic development. We rarely hear from people who are really on the ground. We had ministers here earlier, of course. That said, you're adding to our discussion today.

You said that your speaking time was too short. I would have liked you to elaborate on the issues that concern the federal government. I'm thinking in particular of geographical remoteness, which is a reality for the Atikamekw people, but also for the communities in our area, on the north shore. You referred to the community of Uashat, in Sept-Îles, which makes up 15% of the city's population. This figure keeps growing, obviously. We could also talk about the

community of Chisasibi. This is also the case in Abitibi. In short, all communities are affected.

I'll let you talk about this issue, Mr. Jourdain.

• (1440)

Mr. Adam Jourdain: *Tshinashkumitin*, Mrs. Gill.

For any economic development project, whether it involves building a gas station, homes or buildings, we are at a disadvantage from the get-go—that's for sure. The costs of transportation and materials are exponentially higher. From the outset, undertaking a project in the community of Wemotaci or Chisasibi, or on the north shore is more expensive than it would be in Montreal or Ottawa, say. That is the reality.

I also mentioned the red tape. We 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. We need funding support and programs to operate properly and carry out construction projects, whether oriented towards economic development or housing.

At the end of the day, we are dependent on the federal apparatus. Is it possible to decentralize some of that authority? That is the question we should be asking.

Down payments are another factor. In our community, people practically live below the poverty line, even if they work for the council. Someone talked about housing earlier. It's impossible for people in Wemotaci to buy a home because the materials are unaffordable. People can't afford to build a \$250,000 home.

We need to think about things differently, and indigenous communities have to be involved in the process, not just Ottawa. I always point to the fact that some indigenous 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.

Mrs. Marilène Gill: *Tshinashkumitin*, Mr. Jourdain.

You pointed to the remoteness of communities, down payments and red tape as barriers.

You also mentioned the mistrust financial institutions have towards you. Can you tell us more about the challenges you face on that front?

Mr. Adam Jourdain: As I explained earlier, for us, in Wemotaci, participation in the First Nations Fiscal Management Act has meant that we are no longer subject to the Indian Act in relation to financial matters. Financial institutions don't always recognize that, however, whether it be credit unions or banks. The First Nations Finance Authority, an indigenous body, is the only institution to recognize that fact and to grant loans.

The Government of Canada has provided some reasonably decent approaches through NRCan on what to do in terms of some funding support for capacity building and so on to try to support the development of green energy. In many cases like this, Ms. Idlout, what you will see is a rash of applications coming into a program and all of us trying to fit within a certain deadline, again not necessarily considering the reality of the north.

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 north and have 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.

• (1450)

Ms. Lori Idlout: Thank you so much.

I have a follow-up question for all three witnesses. I am wondering if you're all aware of the Canada Infrastructure Bank Act. This morning I was at a press release with my fellow MP Niki Ashton, who is proposing amendments to that act. I wonder if you could just quickly say yes or no to that question.

The Chair: Perhaps we could start with Nunasi.

Mr. Clint Davis: Sorry, what was the nature of the amendment to the act, Ms. Idlout?

Ms. Lori Idlout: Just if you're aware of the Canada Infrastructure Bank Act?

Mr. Clint Davis: Yes, very much so, and very much aware of the activity that it's doing with indigenous communities across the country. Yes.

The Chair: Did you want Nikanik also to respond, Ms. Idlout?

Ms. Lori Idlout: Yes, please.

[Translation]

The Chair: Go ahead, Mr. Jourdain.

Mr. Adam Jourdain: I don't think I'm familiar with that program. We are a small Atikamekw community, but I would like to get some information in order to find out more about it.

[English]

The Chair: Ms. Madahbee Leach, did you want to answer that question?

Ms. Dawn Madahbee Leach: Yes, I am familiar with that as well. Moving forward one of the things, as I mentioned, we plan to see, and hope for support for, is a national indigenous infrastructure institute that would work closely under this act and help with implementation with respect to indigenous peoples.

The Chair: That's your time, Ms. Idlout.

We'll start the second round.

I understand, Mr. Schmale, that you've agreed to let Mr. Powlowski go first because he has an airplane to catch. Is that correct?

Mr. Jamie Schmale: That is correct, on the caveat that we do get our full time, that we're not cut off due to time.

The Chair: Yes. You won't be cut off.

Mr. Jamie Schmale: Thank you.

The Chair: Mr. Powlowski, you have five minutes.

Mr. Marcus Powlowski (Thunder Bay—Rainy River, Lib.): Thank you. To the Conservatives, I really appreciate it.

I really did want to ask a question to Mr. Davis.

Do I have it right, you're from Labrador? If yes, which community?

Mr. Clint Davis: Yes, I'm from Labrador. Happy Valley-Goose Bay is where I was born, my mom is from Cartwright and my father is from Rigolet, which is the Inuit community in Nunatsiavut.

Mr. Marcus Powlowski: I want to get down to a granular level, because here we have lofty conversations, which is great, because we are the parliamentary committee and we talk about leveraging equity and procurement contracts and fiduciary duty, but for someone like me who is not an economist, sometimes it doesn't mean that much.

I want to ask about Labrador generally. If you can apply it to Nain, that would be great for me because I worked for three years in Nain. I thought Nain was a fantastic community. I really love Nain. I was a doctor there. But I know there wasn't a lot of economic prosperity in Nain. There wasn't a lot of business. There wasn't a lot of employment.

As our colleague on this panel from northern Quebec has said, the cost of everything up there is much higher. When I look at Labrador and all your communities that are scattered along the shore with no roads between them, and where the cost of everything is really high, I wonder how they can and would economically prosper.

Could you bring together all the things you've said about economic development and the barriers to economic development, and tell me about it in Labrador, specifically, if possible, in northern communities up at the top, Nain, Hopedale, Davis Inlet. What has gone right, what hasn't gone right, and what are your hopes? If you can't apply it up there, just tell me about the other communities in Labrador.

Mr. Clint Davis: Thank you.

You can't get more granular than that to try to get right down at the community level, so I appreciate the question.

As you can imagine, there are over 50 Inuit communities across the country. All of them are isolated, except in the northern part of the Northwest Territories. Virtually all of them are on diesel with no access, for the most part—if you take out Tuktoyaktuk—or very limited access to road infrastructure and so on.

In terms of the business activity that we see for Inuit communities, it relies on whether there is going to be an application for federal contracts and federal procurement. In some instances there are, when you take into account some of the larger centres of Inuit communities across Inuit Nunangat, including Iqaluit, and even Nain, for that matter, where you do have a federal presence. The fact that we just won the north warning system contract is an example of being in the territory and the region and having that business opportunity and business success.

The other piece that is pretty critical is that element of infrastructure and the need for critical infrastructure. Despite the fact that we don't have roads that connect, we need that additional infrastructure around deepwater ports, as well as airlines and necessary airstrips to ensure that we have that flow of goods and services.

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 indigenous business, the Internet can be critical. The pandemic demonstrated how this level of business activity can take place virtually anywhere. We can be sitting in our pajamas, ordering things and receiving them.

The fact that you don't have quality telecommunications and Internet, as Ms. Idlout was talking about earlier, something like that—even though it may sound a little lofty—would have a profound impact on individual small businesses and even the development of corporations in those particular regions.

• (1455)

Mr. Marcus Powlowski: It is probably impossible—

The Chair: You have about 20 seconds, Mr. Powlowski.

Mr. Marcus Powlowski: What is your number one ask economically for Labrador?

Mr. Clint Davis: Nunasi represents Nunavut, so I'm not necessarily here with a number one ask for Labrador, but for Inuit Nunangat, it's infrastructure. It's the critical investment in infrastructure, which so many Canadians take for granted.

Qujannamiik.

The Chair: Thank you, Mr. Davis.

Thank you, Mr. Powlowski.

It's now the Conservatives for five minutes. Please go ahead, Mr. Shields.

Mr. Martin Shields (Bow River, CPC): Thank you, Mr. Chair. I appreciate that.

I appreciate the witnesses today.

Mr. Jourdain, you have thrown in the word “independence”. When you talked about bureaucracy, was the funding you received program-oriented?

[*Translation*]

Mr. Adam Jourdain: Yes, we received funding through federal programming, in particular, for a major project. We were able to access funding for a sawmill that cost \$3 million.

It's important to understand something, though. 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.

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.

[*English*]

Mr. Martin Shields: I needed to clarify, and you've answered that it's grants that we're talking about.

Ms. Leach, have you submitted the reports that you mentioned to the committee?

Ms. Dawn Madahbee Leach: Not specifically, but they can be made available to the committee.

We talked about providing a summary of the national indigenous economic strategy that's soon to be released, so we'd be happy to provide some of those reports.

Mr. Martin Shields: Please do.

When you talk about the 10% federal indigenous spending, are you talking about grant funding?

Ms. Dawn Madahbee Leach: There is a variety of programs and services, for sure, but when you look at the level of indigenous spending on economic development in the whole federal government, it's a small percentage right now. I've heard of numbers between 2% and 4% of the total federal government spend on indigenous economic development.

• (1500)

Mr. Martin Shields: Are you asking for it to be 10% that you apply for by grants? That's what I'm asking.

Ms. Dawn Madahbee Leach: I see. I think that some of it can be in the form of loans. We currently deliver loan programs for indigenous businesses through the aboriginal financial institutions network, but there's also a need, of course, for grant programs—a combination.

Mr. Martin Shields: That's with the understanding that grants mean that you apply year by year and then they're basically funded on the application that you compete with, as Mr. Jourdain said.

Ms. Dawn Madahbee Leach: There are longer-term projects.

We need a new fiscal arrangement in Canada. Again, I want to emphasize how important it is for indigenous institutions to be involved in the delivery of these programs going forward.

Mr. Martin Shields: I got that, but you understand where I'm going here.

Mr. Davis, for what you are talking about in the sense of finances, are we talking about grant funding?

Mr. Clint Davis: No.

In terms of the recommendations I provided, I wasn't necessarily talking about grant funding. I was talking about—

Mr. Martin Shields: I know you didn't, but I'm asking you in the sense of what you're receiving now from the federal government. Are you receiving and applying for grant funding?

Mr. Clint Davis: As Nunasi Corporation?

Mr. Martin Shields: As whatever you're involved with.

Mr. Clint Davis: Okay. It's an interesting question.

Yes, we've applied for grant funding in the past. We've applied in the SREP program for renewable energy for Nunavut to see if we can actually help to spur some development opportunities in the territory. We've received federal support under COVID just like any other business across the country, so that's—

Mr. Martin Shields: I got that part, but if we're talking about independence and you're talking about financial...and you making the decisions, we've heard from several indigenous witnesses saying grant funding does not work for independence. For decisions being made by indigenous people, they need to receive the funds and make the decisions—not accessing them on a rotating grant basis or fighting with others for them.

I'm going to quickly go back to Madame Leach.

Would you prefer block funding with no strings attached for that 10%?

Ms. Dawn Madahbee Leach: Yes. As I mentioned, I think we have the capacity now to deliver our own programming.

A new fiscal arrangement is really critical with respect to indigenous programming.

Mr. Martin Shields: Thank you to the witnesses.

The Chair: Thank you, Mr. Shields.

[*Translation*]

We now go to Mrs. Gill for two and a half minutes.

Mrs. Marilène Gill: Thank you, Mr. Chair.

I have a question for *Utshimau* Jourdain.

In your opening statement, you mentioned a number of barriers, and you talked about bias. That really struck me. You said that deep-rooted bias was hurting the economic development of first nations.

I'd like you to elaborate on that. Could you give us examples of situations that you or people you know have experienced?

Mr. Adam Jourdain: That's a good question.

When I arrived, in 2014, economic development in the community of Wemotaci was at its lowest level, so we decided to do something about it. The bias against our community was hurting our

ability to get projects off the ground. When we put forward our first projects, we would get laughed at during our presentations, even though the projects were well-thought-out and supported by business plans prepared by experts and reviewed by us. It was a very tough time.

Over the years, we gained credibility with federal and provincial institutions, and even financial institutions. Now, when we propose projects, we are taken seriously. We are professional in what we do, and we put together high-quality documentation.

Regardless, bias and fears persist. That's clear even from the interest rates financial institutions offer us. There is still some trepidation, even when the project is sound.

Here's the question: what happens when a non-Indigenous person and an indigenous person bring forward the same project? Are they treated the same? The two realities are entirely different. Let's tell it like it is.

• (1505)

Mrs. Marilène Gill: Thank you for saying so. There are two sets of rules.

Are there things the government can do to reduce, if not eliminate, that deep-rooted bias? Of course, we all want to see it wiped out.

Now that Wemotaci is leading by example, other communities may wish to do the same.

How can the government help in that regard? Talk a bit about that, if you would.

Mr. Adam Jourdain: Bands are governed by rules, but the Indian Act is a major barrier. I think Mr. Davis and Ms. Madahbee Leach will agree with me on this. The Indian Act is a huge barrier to communities' economic development.

I would also say that the natural resource development happening all over the country, regardless of the region, is inequitable. We don't necessarily have a seat at the table when it comes to resource development. We'd like to be able to develop forest resources or take advantage of wind and water resources, but that's very difficult. The programs that exist prevent us from following our dreams. For example, I would love for us to have four or five dams that we could manage ourselves.

We have to look to the future, and to do that, we need to work together and advance the dialogue, as we are doing today. I feel good about the future.

The Chair: Thank you, Mr. Jourdain.

[*English*]

Ms. Idlout, you have two and a half minutes.

Ms. Lori Idlout: [*Member spoke in Inuktitut as follows:*]

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