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Anishinaabek



NORTHERN
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NORTHERN RECONCILIATION
RÉCONCILIATION DANS LE NORD

Research Report | Fall 2022

Rebuilding First Nations Through Sustainable Prosperity

Nation Rebuilding Series, Volume 1

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Land Acknowledgement

NPI would like to acknowledge the First Peoples on whose traditional territories we live and work. NPI is grateful for the opportunity to have our offices located on these lands and thank all the generations of people who have taken care of this land.

Our main offices:

- Thunder Bay on Robinson-Superior Treaty territory and the land is the traditional territory of the Anishnaabeg and Fort William First Nation.
- Sudbury is on the Robinson-Huron Treaty territory and the land is the traditional territory of the Atikameksheng Anishnaabeg as well as Wahnapiitae First Nation.
- Kirkland Lake is on the Robinson-Huron Treaty territory and the land is the traditional territory of Cree, Ojibway, and Algonquin Peoples, as well as Beaverhouse First Nation.
- Each community is home to many diverse First Nations, Inuit, and Métis Peoples.

We recognize and appreciate the historic connection that Indigenous peoples have to these territories. We support their efforts to sustain and grow their nations. We also recognize the contributions that they have made in shaping and strengthening local communities, the province and the country as a whole.

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Animbiigoo Zaagi'igan Anishinaabek

Our people have been present in these lands for time immemorial. Our ancestors were strong, independent people, as we are today, who moved with the seasons throughout a large area of land around Lake Nipigon. We governed ourselves using the traditional teachings we still teach our children today. Now, our community members widely scattered throughout many communities, the majority of which are located in northwestern Ontario in and around the shores of Lake Superior. We are unified by our connection to the environment, our commitment to our traditional values, and our respect for each other.



Bingwi Neyaashi Anishinaabek

The people of Bingwi Neyaashi Anishinaabek – formerly known as Sand Point First Nation – have been occupying the southeast shores of Lake Nipigon since time immemorial. Our community is dedicated to fostering a strong cultural identity, protecting Mother Earth, and to providing equal opportunities for all. Furthermore, our community vision is to grow Bingwi Neyaashi Anishinaabek's economy and become recognized as a sustainable and supportive community where businesses succeed, members thrive, and culture is celebrated.



Lac des Mille Lacs First Nation

The community of Lac des Mille Lacs First Nation is located in Northwestern Ontario, 135 km West of Thunder Bay, and encompasses roughly 5,000 HA of Mother Nature's most spectacular beauty. Our people have held and cared for our Lands and Traditional Territories since time immemorial. To fulfill our purpose and in our journey towards our vision, we, the Lac Des Mille Lacs First Nation are committed to rebuilding a strong sense of community following a holistic approach and inclusive processes for healthy community development.

Partners



Northern Policy Analytics

Northern Policy Analytics (NPA) is a community-inspired applied policy and research consulting firm based in the Yukon and Saskatchewan. Founded by Drs. Ken Coates and Greg Finnegan in response to rapidly changing conditions and opportunities in the Canadian North, NPA recognizes that Northern and Indigenous communities often experience poorer educational outcomes, higher unemployment rates, receive fewer public goods and services, and lack the economic stability needed to optimize community well-being and quality of life. Yet these communities are often located in direct proximity to some of Canada's most valuable natural resources, resulting in both opportunity and conflict.

We address both policy and economic development issues and strive to effectively bridge the gap between Indigenous communities and settler government agencies by supporting community and economic development planning, grant writing, facilitating meetings, and by supporting entrepreneurship and the development of businesses in the region. NPA also helps communities marshal the information and resources they require to improve community and economic outcomes, while mitigating the impacts of colonialism and the over-arching resource extraction sector that dominates the regional economy.



Northern Policy Institute

Northern Policy Institute is Northern Ontario's independent, evidence-driven think tank. We perform research, analyze data, and disseminate ideas. Our mission is to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts our communities, our province, our country, and our world.

We believe in partnership, collaboration, communication, and cooperation. Our team seeks to do inclusive research that involves broad engagement and delivers recommendations for specific, measurable action. Our success depends on our partnerships with other entities based in or passionate about Northern Ontario.

Our permanent offices are in Thunder Bay, Sudbury, and Kirkland Lake. During the summer months we have satellite offices in other regions of Northern Ontario staffed by teams of Experience North placements. These placements are university and college students working in your community on issues important to you and your neighbours.

About the Author

Charles Cirtwill



Charles Cirtwill is the founding President and CEO of Northern Policy Institute.

Charles joined NPI in September 2013 after twelve years with the Atlantic Institute for Market Studies.

His published works focus on government structure and organization, business-government relations, inter-governmental relations, performance measurement and accountability. He has spoken across Canada and the United States on the role of think tanks in society, the appropriate assessment of government activities, and the use of school performance data to improve classroom practice and fully engage all education stakeholders.

He has had leadership and Board roles in multiple organizations including Civitas, IPAC, Scouts Canada, the Rural Ontario Institute, the Mowat Centre, several local school associations, and local homeowner's associations. He attended Dalhousie University, earning a BA in Political Science, a LLB, and a MPA with a focus on quantitative and qualitative assessment of public policy and programs.

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Introduction

The Government of Canada has repeatedly stated that they remain dedicated to “achieving a profound shift in the relationship between the Crown and First Nations, Inuit and Métis – a relationship based on the recognition of rights, respect, cooperation, and partnership” (Canada, 2019). *The Nation Rebuilding Series* explores what this commitment could mean for Three First Nations that are rebuilding in Northwestern Ontario.

Animbiigoo Zaagi'igan Anishinaabek (AZA), Bingwi Neyaashi Anishinaabek (BNA), and Lac des Mille Lacs First Nation (LDMLFN) have faced challenges in maintaining the social, economic, and cultural integrity of their nations over the last three centuries. They are now looking to rebuild, and their timing appears to be excellent.

When the Robinson-Superior Treaty was signed in 1850, AZA was not allotted any reserve land. In fact, their community was not recognized by the Canadian government until 1921. Lacking a reserve, they established offices in Beardmore, ON. In 2008, they were finally awarded a new reserve land base, but a community has not yet been built (AZA 2020).

BNA, formerly known as Sand Point First Nation, was also not allotted reserve land when the Robinson-Superior Treaty was signed. The community was forced off of their traditional lands on Lake Nipigon due to the cancellation of the community's license of occupation by the provincial government in order to build a provincial park in the area (Nokiwin Tribal Council 2013).

LDMLFN has two reserves, 22A1 and 22A2, located west of Thunder Bay. However, they have been forced to abandon those lands due to instances of extensive flooding that have occurred over the years. (LDMLFN 2020).

In 2021, the Government of Canada made large-scale commitments to stimulus funding and to post-pandemic recovery. This is a real opportunity for the AZA, BNA, and LDMLFN to move forward with rebuilding. This paper, and its companion volumes, demonstrate that, to rebuild successfully, these nations must have a foundation of sustainable economic prosperity. Canada appears willing and able to work with them to achieve that goal.

This series will identify five key steps that Canada could take to support the achievement of sustainable economic prosperity for these Three First Nations:

1. Making good on Canada's commitment to set aside a viable land base for these First Nations. This land base should include, but should not necessarily be limited to, an appropriate land base for a commercial urban reserve in or near the City of Thunder Bay in Northwestern Ontario.
2. Making the necessary investment to cover the up-front costs of creating infrastructure to meet the needs of these nations—infrastructure that does not exist now because it could not exist before.
3. Making a clear commitment that its ongoing satisfaction of its treaty obligations is not conditional on the economic performance of the First Nations. No claw back of local own-source revenues should be considered as part of this new-build effort.
4. Making a commitment to an evidence-driven, but not inflexible, path forward. Although experience in other regions and First Nations can inform, it should not dictate, the process, investment, or model by which new-build nations are put in place for these three First Nations.
5. Avoiding a one-and-done mentality in developing a path forward. Canada must understand this and commit to an ongoing partnership that is durable yet changeable as time and circumstances dictate.

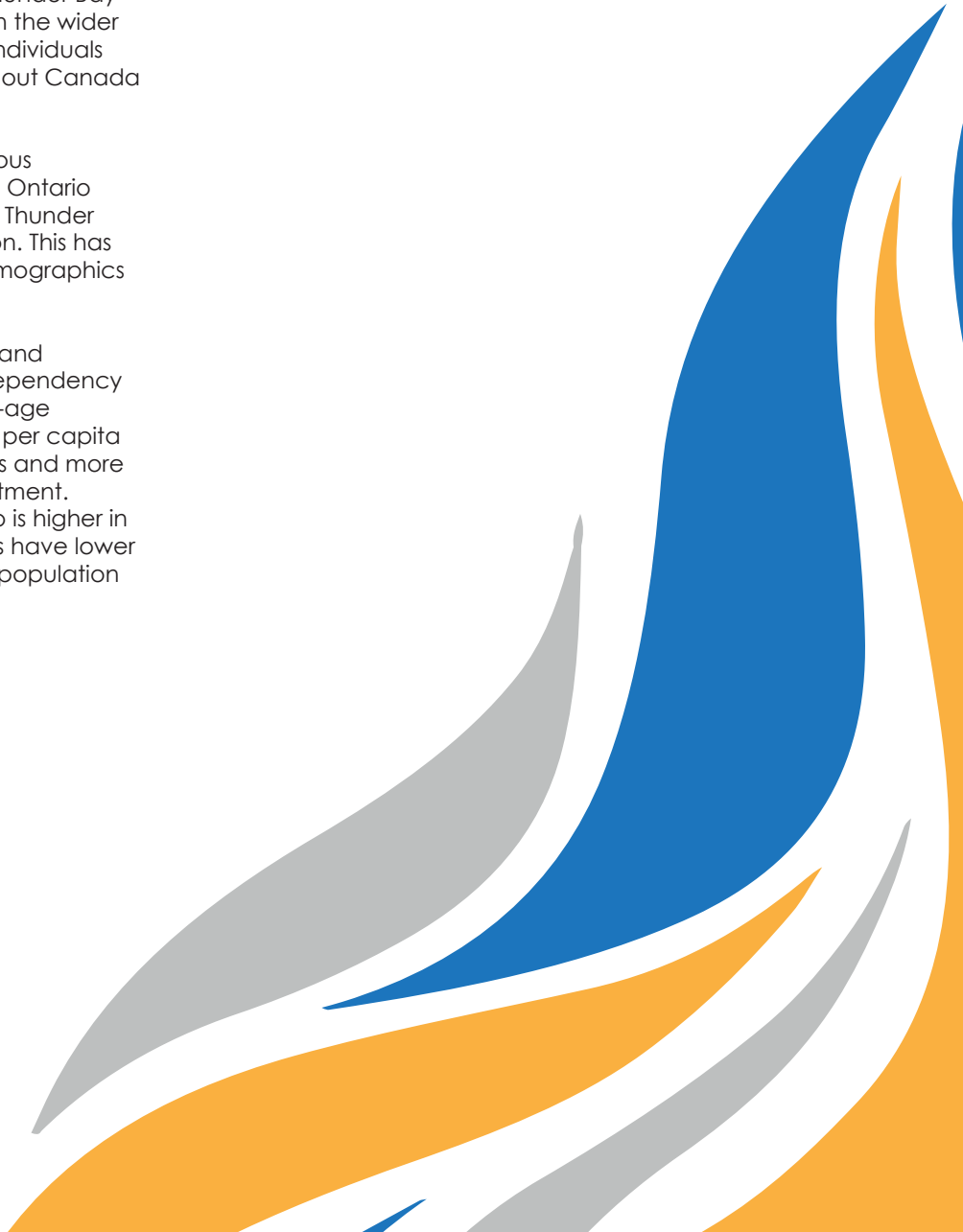
The Three Rebuilding Nations – a socio-economic profile

Before creating a road map to rebuild these Three First Nations, it is important to understand their socioeconomic context, not only in terms of the state of their individual populations but also in the context of the larger Northwestern Ontario region in which they are located. Understanding these conditions is important to ensure that the result of the rebuilding process is the right fit and accounts for the wider geographical situation.

Members of the Three First Nations are dispersed. There is a concentration of individuals living in the Thunder Bay area (plus Greenstone) and some dispersion in the wider Northwestern area. There are also clusters of individuals that live in other parts of Ontario, and throughout Canada and the United States.

It should be noted that not only is the Indigenous population projected to grow in Northwestern Ontario but also that the Indigenous population in the Thunder Bay District is younger than the total population. This has impacts for policymaking as different age demographics require different types of services.

Compared to Northwestern Ontario, Ontario, and Canada, the Three First Nations have lower dependency ratios (i.e., the ratio of dependents to working-age individuals). This means there should be fewer per capita demands for resources to support dependents and more opportunity for economic development investment. Unfortunately, although the dependency ratio is higher in Northwest Ontario as a whole, the First Nations have lower employment rates, which means the working population carries a heavier, not lighter, burden.



In terms of labour force participation and employment rates, the Three First Nations (combined) are only slightly below regional rates.¹ Despite this, they are far behind national rates, with participation and employment rates that are 10.4 per cent and 11.3 per cent lower, respectively, than the rates among all Canadians.

Only 55.9 per cent of members from the Three First Nations have graduated high school, a rate that is far worse than both the regional and national levels. Similarly, only 33 per cent of community members have completed some form of postsecondary education, compared to 55.3 per cent of Canadians. Given the very strong link between education and both income and overall well-being, improving educational outcomes, particularly high school graduation rates, should be a priority for these First Nations.

Employment for all Three First Nations is distributed across the National Occupational Classification categories.² Most people employed are concentrated in sales and service occupations, followed by the trades, transport and equipment operators sector. It is promising, from the perspective of long-term community economic sustainability, that most jobs are not tied to occupations that are liable to go through booms and busts. Some occupational sectors that are experiencing growth are those associated with government positions and investment, including health and education, and those associated with natural resources, applied sciences, and management.

Outside of the marked absence in the two natural resources industries, employment is fairly distributed across industries among the Three First Nations. The most popular industries among LDMLFN community members are manufacturing, health care, and social assistance. Information, finance, and professional services are also prominent. For AZA, the two most popular categories are wholesale and retail trade, and public administration. The most popular industry category for BNA members is information, finance, and professional services. Employment opportunities in Northwestern Ontario and in the census metropolitan area³ of Thunder Bay show that the region has suffered considerable job loss in key sectors such as manufacturing, trades and transportation, and primary resources.

In Northwestern Ontario, self-employed workers represented 7.9 per cent of the labour force, but the First Nations rate of self-employment was 2.7 per cent. This is well below the national and Ontario rates for First Nations self-employment. If the private sector is expected to sustain job creation and wealth growth, then there is presently little chance that First Nations entrepreneurs in Northwestern Ontario are likely to be leading that charge.

Finally, in Ontario's Northwest regions the Indigenous population in 2016 was heavily underrepresented in house ownership (14.9 per cent) compared to the non-Indigenous community (85.1 per cent). Band housing represents 6.1 per cent of all households, but 25.9 per cent of all Indigenous households. Band housing is not owned or controlled by the household, thus these families lack the security and wealth that is built up via home ownership.

Sustainable economic prosperity, supported by education and training, asset ownership, and economic opportunity, is the only truly permanent solution to these challenges. Canada and the Three First Nations must continue to invest funds in mitigating the impacts of the past and present while simultaneously investing in a better future.

¹For participation and employment rates in Northwestern Ontario, it is 60.4 per cent and 54.8 per cent, respectively. Comparatively, the Three First Nations, when combined, are 54.8 per cent and 48.9 per cent, respectively.

² Occupations are categorized into different levels based on skill and education (0, A, B, C, or D). For example, senior management would be NOC 0 as it requires postsecondary while a cashier would be NOC D as it does not require higher education to perform.

³ A census metropolitan area or CMA "is formed by one or more adjacent municipalities centred on a population centre... A CMA must have a total population of at least 100,000 of which 50,000 or more must live in the core" (Statistics Canada 2018).



Additions to Reserve – prosperity depends on a viable land base

The foundational relationship between land and First Nations peoples has been, and will continue to be, a central tenet in community prosperity. That relationship underlies all the research and analysis in the *Nation Rebuilding Series*.

The Additions to Reserve (ATR) Policy in Canada has become a key tool for First Nations to pursue sustained, self-determined social and economic development. In short, an ATR is a way for a First Nations community to add land that is either contiguous to or located farther away from their reserve. The location of a non-contiguous addition can be in a rural or urban setting and is usually driven by social need or economic opportunity.

Developed through the ATR process, the Treaty Land Entitlement option has been used by First Nations primarily in Manitoba and Saskatchewan to regain land for communities that did not receive full land allotment.

Although the ATR process enabled First Nations to address legal and economic needs, and to provide improved services to members both on and off their original reserves, the process also had significant liabilities and constraints, and carried considerable time and financial costs. Properly done, however, the ATR system gives First Nations another means of addressing long-standing social and economic needs and emerging opportunities.

By understanding the ATR process, First Nations now have another tool that can be used in the pursuit of sustained socioeconomic development. In the context of the BNA, AZA, and LDMLFN, this means an ATR of land near the City of Thunder Bay. Such a location—and there are viable land options available—would create economic opportunity for the three nations where very few exist now. It would also provide the opportunity for each community to service their off-reserve population bases in a more effective and efficient manner.



An Urban Reserve – It's about economic opportunity

Although urban reserves have not been a quick remedy for First Nations seeking economic opportunity and job creation, they have generally been a positive force for change, such as improving relations with non-Indigenous people. The motivations of First Nations who have applied for an urban reserve are as varied as the nations themselves.

Urban reserve plans are largely driven by the constraints and opportunities facing proponents and host communities. Outcomes from these reserves vary across the country depending on size, location, and purpose (i.e., residential, commercial, governance, or a blend of all three). Equally, First Nations have shown substantial diversity in the design and operation of urban reserves, adopting legal and financial structures to meet local needs and opportunities.

For investors, the calculus of whether to locate on an urban reserve is equally complex. For Indigenous businesses, there is the opportunity to capitalize on tax benefits, local relationships, and a welcoming community. For non-Indigenous businesses, it could be corporate social responsibility, access to new markets and labour, capitalizing on First Nations regulatory benefits, and so on (Blackman 2017). Indeed, according to Indigenous Works, the Indigenous market's GDP is worth \$32 billion in Canada. Accessing that market is one big reason to consider working with First Nations pursuing economic growth on an urban reserve.

Of all the economic tools a First Nation can use to provide revenue for their community, an urban reserve is certainly one of the stronger options, especially for those nations not blessed with natural resource endowments or physical proximity to larger markets. In instances when economic opportunity, social timing, and the capacity of a First Nation can be aligned, an urban reserve can create opportunities where few existed before. The resulting socioeconomic benefits and spillovers are greater for a community than those that can be achieved using alternate tools. Although the case of Squamish First Nation in British Columbia is exceptional, for example, it highlights just how far an urban reserve can push the boundary of possibility if the conditions are right.



Urban Reserve – a road map for moving from concept to action

The establishment of an urban reserve is a process and not a single event. The participating First Nations are making a careful and considered decision that has the potential to be of significant economic and social importance to them. Potentially, it can even be transformative, but it is almost always contentious.

An effort to create an urban reserve usually seeks to combine nation building, community-wide job creation, and wealth building. The reserve will be, in most cases, the physical focal point for a First Nation, especially where no existing land base or functioning reserve exists.

The path forward is both straightforward and fraught with peril, where each decision not only builds on the previous one but also creates an opportunity to derail the entire effort, regardless of how far along the community is in the process. Openness, dialogue, and clarity of purpose will be key.

The road map includes, at a minimum, the following nine decision points:

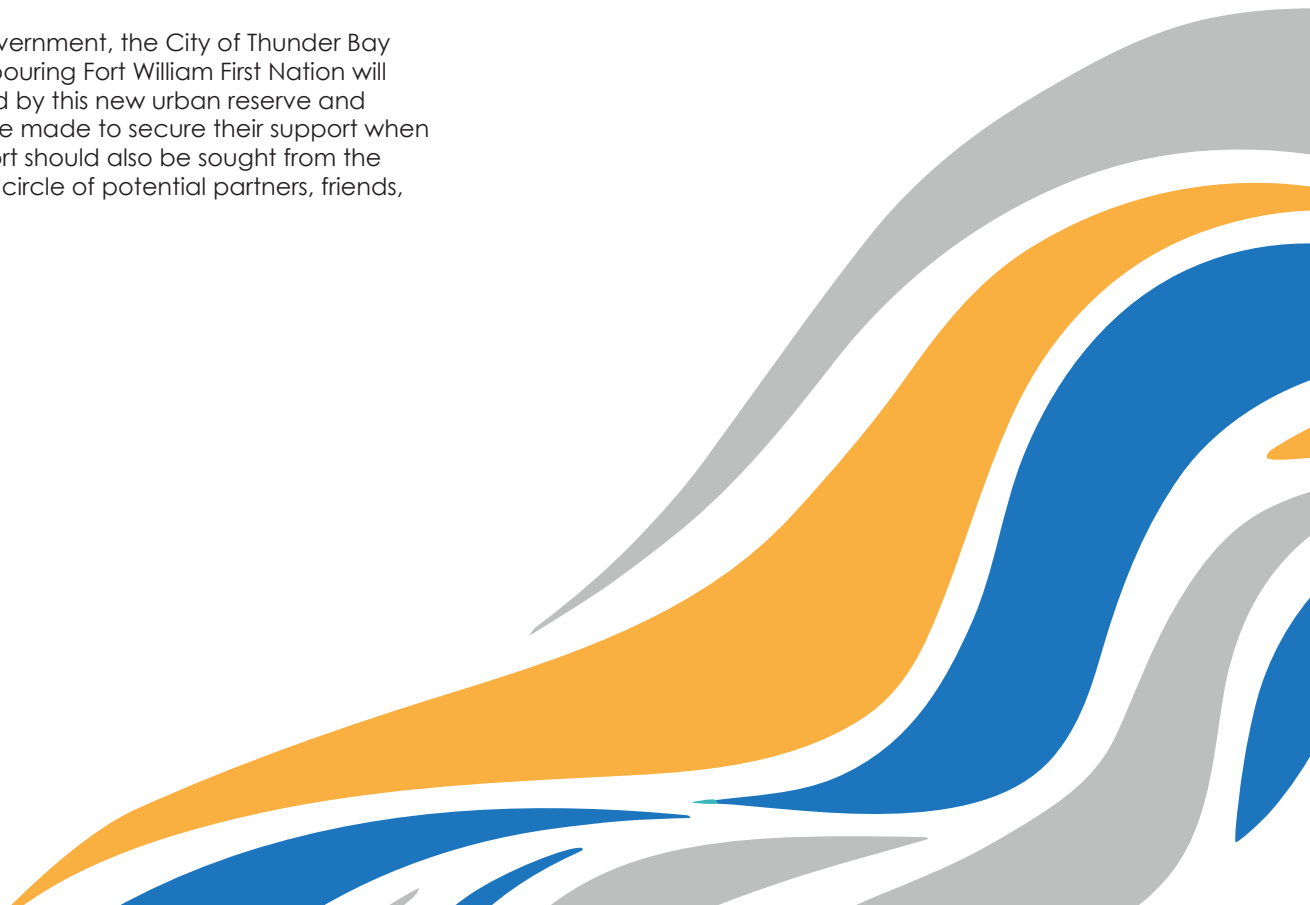
1. Do you need urban land to achieve your desired community purpose?
2. If you need urban land, how do you pick the actual location?
3. How can you maximize an urban reserve's competitive advantage?
4. What Indigenous partners are you going to involve?
5. What non-Indigenous partners are you going to involve?
6. How will you build the management expertise needed to succeed?
7. How will you fund the urban reserve?
8. When and how do you engage with the Crown and other affected parties?
9. How do you go about measuring and maximizing the benefits?

Each one of these decisions is difficult and crucial to the long-term viability of the urban reserve. The process is exciting and potentially transformational, but it must be approached carefully. Although case studies and the experience of other First Nations can provide directions/ suggestions in each of the areas noted above, the final determination must align with the First Nations' aspirations and priorities, and it must have a legitimate opportunity to succeed. That success rests squarely on funding.

Preliminary Conclusions when Applying this Road Map to the Three First Nations

Based on a preliminary analysis and extensive discussions with the First Nations Advisory Group over the last 16 months, the research team would make the following recommendations to the Three First Nations in terms of the specific subgoal of creating an urban reserve:

1. A commercial urban reserve would create real economic opportunities that you currently do not enjoy.
2. It should be in or near the City of Thunder Bay in Northwestern Ontario, even though that is not the most favourable location from a purely commercial perspective.
3. Green technology, zero emissions, internet speeds in line with European targets, and strong transportation connectivity should be priority considerations to overcome some of the competitive disadvantages of locating in Northwestern Ontario.
4. A three-nation urban reserve offers a unique opportunity for collective success and reduces overall risk of failure.
5. The Ontario government, the City of Thunder Bay and the neighbouring Fort William First Nation will all be impacted by this new urban reserve and efforts should be made to secure their support when possible. Support should also be sought from the widest possible circle of potential partners, friends, and investors.
6. Local, provincial, and national expertise exists in urban reserve design and operation. AZA, BNA, and LDMLFN should access those resources while seeking to become a source of that expertise in the future.
7. AZA, BNA, and LDMLFN should enter negotiations with the federal government to secure the needed land and start-up capital for an urban reserve. Those negotiations should be part of a larger discussion around rebuilding these nations.
8. The 2021 federal budget opened a window of opportunity to creatively rebuild these Three First Nations and that window should not be missed.
9. Although commercial benefits are the stated primary community goal, the value that commercial success can contribute to other community objectives should not be lost now or in the future.



Rebuilding Nations and Gaps in Current Funding Models

The financial relationship between First Nations and the Government of Canada continues to change over time. Indeed, the differing views on prosperity between Canada and First Nations make this ongoing evolution almost inevitable. On one hand, the Government of Canada has prioritized personal achievement. On the other, First Nations typically emphasize collective capitalism or community ownership. This leads to ongoing systemic failures in many current Canadian funding programs.

Specialized Canadian funds for economic development are routinely available, upon application, and could be used to support the establishment of rebuilt nations. Securing this money can, however, be difficult. It requires a considerable amount of time and effort and requests often must be tailored to suit evolving Canadian program priorities. These processes can be long and complicated and do not carry a strong assurance of success.

Settlement funds provide Indigenous nations with optimum flexibility, but often with strongly competing demands on the money. These funds are typically one-time only allocations and must be used with exceptional care and attention to long-term community needs and immediate political realities.

The administrative burden carried by most First Nations allows little time or money to be used for rebuilding. Although the Canadian public and even the Government of Canada have the impression that large sums are being 'given' to First Nations, the reality is that the money that is being spent is tied directly to the history of colonialism, paternalism, and government mistreatment of Indigenous peoples. Or it is, in many cases, much like the funds available to all Canadians. That is basic, per-capita, amounts for health care, education, water, wastewater, waste management, fire, police, and other local services. Amounts that are, in most cases, comparable to costs incurred by nearby

Canadian communities. Funding for new-build nations, however, must often compete with other urgent financial requirements. The result is that short-term needs usually relegate long-term financial requirements to the sidelines.

Current federal government funding programs such as Band Support Funding, the Health Facilities Program, and Indigenous Business Development are designed to finance operating First Nations, Métis governments, Inuit agencies and other Indigenous organizations. Funding for specific elements of rebuilding nations and related activities can be obtained from a wide variety of other federal government programs, however, the funding can only be used for those specific elements, which leaves significant gaps for new-build nations. Even where funding can be secured for parts of the rebuild process, the programs tapped rarely align directly with Indigenous needs and carry substantial opportunity costs for the First Nations. This means that even when dollars are available, they are not without costs and are inflexible.

These programs were not, of course, established for rebuilding nations, let alone targeted for specific First Nations. Modern treaties, specific claims settlements, and financial agreements arising from legal challenges have, on the other hand, been more effective in achieving change that is more favourable to First Nations and more in keeping with their definition of progress and sustainability.



New Funding Opportunities Building off Recent Success

In 2021, the Government of Canada made large-scale commitments to stimulus funding and to post-pandemic recovery. The coincidence of the stimulus program and the rebuilding of AZA, BNA, and LDMLFN could prove to be fortuitous, although it will inevitably require extensive grant applications and negotiation processes.

The Government of Canada must act in a fair, just, and systematic manner to provide the required support, authority, and financial backing. A part of the *Nation Rebuilding Series* examines a broad range of economic and commercial options available to Canadian governments to assist AZA, BNA, and LDMLFN efforts to expand and sustain their economic footprint.

The Government of Canada should:

- Shift to a 'whole of government' approach in dealing with Indigenous peoples and rights.
 - Negotiate a comprehensive multiyear funding agreement that reflects the needs and aspirations of the Three First Nations. Such agreements have been put in place across the country and would provide a vital starting point for the Three First Nations.
 - Provide a substantial one-time payment to rebuild the public finances of the Three First Nations, including paying for the necessary physical infrastructure for new First Nations governments.
 - Provide a substantial one-time payment to create an economic development fund, or funds, to be administered through an Indigenous economic development corporation, or corporations, that would provide funding on a business case basis for emerging Indigenous businesses.
 - Consider ongoing funding requests from the Three First Nations with a view to establishing a substantial and sustainable revenue-sharing opportunity. This assessment must consider an evaluation of the potential impact of the ongoing Robinson-Superior Treaty court case, with a view to identifying long-term and sustainable funding opportunities.
- Negotiate an appropriate revenue-sharing arrangement among the Three First Nations and, if appropriate, other affected First Nations.
 - Commit to expediting the establishment of urban reserves as activities of the individual First Nations, or as a collaborative venture, with consideration given to the identification of diverse geographic locations of high potential commercial value.
 - Negotiate a coordinated request with the Three First Nations for multiyear funding for an Indigenous commercial incubator. This should be done within the context of the 2021-2022 stimulus funding allocations, and with an emphasis on serving a geographically diverse population that is well-placed to capitalize on diverse economic opportunities throughout Ontario and Canada.
 - Encourage, as appropriate, the engagement of private sector lenders to identify institutions (e.g., the First Nations Bank of Canada) that could support emerging Indigenous businesses associated with the Three First Nations.
 - Capitalize on its convening capabilities and authority to identify opportunities for collaborative activities between First Nations, and for involving First Nations in municipal and provincial joint ventures, including those in health and education.

The governments of Canada and Ontario should:

- Promote, in the context of broader provincial and national initiatives, the Three First Nations' eligibility for Canadian government procurement contracts at all levels.
- Identify, on an individual or collective First Nations basis, areas of Government of Canada and Government of Ontario program responsibility that might be 'outsourced' over the next decade. This effort should identify a preferred timeline for the assumption of responsibility and an appropriate budget for these duties.
- Create new 'economic space' for Indigenous peoples that recognizes the immense costs associated with the long-term dispossession of the Three First Nations. This could take many forms (e.g., tree-farm or mining licences, carbon capture arrangements, specialized recreational licences, a percentage of spectrum rentals), but it would provide contemporary solutions to historic injustices.



Innovative Design is at the Heart of Sustainable Re-Built First Nations

Successful infrastructure development goes together with economic and social success. This will be of utmost importance for Indigenous and non-Indigenous communities across Canada as they set their sights on recovery and prosperity in a post-COVID world. This applies as much, if not more, to rebuilding nations as it does to other communities.

The *Nation Rebuilding Series* includes several Indigenous and non-Indigenous case studies that examine approaches to effective infrastructure design, such as:

- Yale First Nation, Seabird Island First Nation, and Keewaywin First Nation all faced challenges with their on-reserve housing supply. These problems included overcrowding, mould, substandard building quality, high occupancy turnover, and materials not suited to local climates. The City of Welland was also experiencing a shortage of seniors housing.
- T'Sou-ke Nation, Gull Bay First Nation, Oujé-Bougoumou, Peguis First Nation, Fisher River Cree Nation, and the City of North Bay all had the goal of greater energy autonomy and incorporation of green technologies where possible. Some nations were previously reliant on basic build energy infrastructure such as diesel generators. Others had grid connection but felt there were more environmentally friendly and efficient ways of producing energy for their nations.
- The Manitoulin Hotel and Conference Centre, the Squamish-Lil'wat Cultural Centre, and the Timmins Public Library and Coalition Centre all identified a need for improved public facilities to address local circumstances. The examples identified included spaces for tourism, for increasing cultural and community visibility, and for expanding services and resources.
- Lytton First Nation, Keewaytinook Okimakanak (KO) Tribal Council, and the Town of Innisfil all faced the challenge of aging infrastructure that was unable to meet the needs of their populations. These needs included providing clean drinking water and keeping up with projected community growth. Both Lytton First Nation and KO Tribal Council experienced periodic and long-term drinking water advisories due to inadequate, aging infrastructure and the lack of funding to operate a community water system.
- Shorter winter road seasons leave people with shorter windows to transport essential supplies. Ever-rising sea levels threaten the bridges that provide crucial linkages. The case studies and innovative technologies examined, such as the Inuvik to Tuktoyaktuk all-season highway, new winter road maintenance techniques, and the use of airships and hovercrafts, provide examples and practices that should be studied further.



Whether involving housing, water service, transportation, energy, or public buildings, the best practices, and practices to avoid, were remarkably consistent.

The **best practices** identified in the case studies included:

- Extensive community participation to identify the current situation, needs, preferences, and other cultural aspects of the community;
- Designs that are specific to the selected community's needs and take advantage of local opportunities, as identified through extensive community conversations;
- Full, but delayed, community ownership of high-cost infrastructure such as energy, transportation, or water projects;
- The use of design and construction firms local to the community and, where not possible, offering training and capacity-building opportunities to community members;
- Construction of the infrastructure by local community members, thus building capacity;
- Community education initiatives to establish an understanding and sense of ownership over the new technologies and their proper uses and benefits;
- Flexible designs that are conducive to future growth and modification of the system(s), such as a modular system;
- The use of locally available construction materials;
- Environmentally friendly design and construction practices;
- Planning for climate change effects on transportation infrastructure; and
- Adoption of resilient materials and construction techniques specific to the local climate.

The practices that should, when possible, be **avoided** were:

- Timelines that do not account for the innovative nature of the technologies, and/or a community's northern and/or remote location;
- Reluctance to switch from the basic build status quo infrastructure due to the high upfront costs of making the change;
- Projects that are not 'driven by and for' the community;
- Systems that rely too heavily on outside actors for installation, maintenance, and upgrade;
- Systems that are difficult for the community to use, and for the community to train residents to operate;
- Third-party project facilitators and operators that take capacity-building opportunities away from community members;
- Surface-level ('bandage') solutions to aging infrastructure that instead need to be replaced entirely;
- Unwillingness to explore new technologies due to lack of pre-existing research;
- Attempts to entirely replace transportation infrastructure, such as winter roads, with innovative technologies. Often, these technologies are used best to supplement existing infrastructure;
- Attempts to implement a design external to the community based on the assumption that culture and needs between First Nations are synonymous; and
- The exclusion of a community's cultural and traditional practices in public building design and construction.



Infrastructure Costs Money - Innovative Funding Models

Just as the term infrastructure is no longer confined to bricks and mortar, so too have the means to finance infrastructure become more diverse and flexible. First Nations, like other nations, now use a combination of methods, such as P3s, corporate funding, and Canadian government funding sources, to build large-scale infrastructure. Some First Nations do continue to use strictly Canadian government funding, while others have gone so far as to crowd source for major projects. Peter Ballantyne Cree Nation (PBCN) has used Treaty Land Entitlements (TLEs), legal settlements, and previous own-source revenues (OSRs) to fund several successful commercial urban reserves, for example.

To achieve best outcomes, First Nations need to be prepared to use more than one funding model and to make use of a variety of partners to reach their economic development goals. To make that possible, both the federal government and First Nations must make important changes.

The federal government should:

- Be prepared to deliver one-time payments to First Nations looking to start rebuilding;
- Facilitate the monetization by First Nations of multi-year transfers by Canada (and the provinces). This should be done through the First Nations Finance Authority wherever it is reasonable and prudent to do so.
- Improve nation-to-nation engagement to discuss solutions to funding gaps;
- Develop a comprehensive online resource to showcase all funding and financing models available to First Nations, along with all pertinent information; and
- Reconsider the First Nations Financial Transparency Act, including who it aims to serve and its logical outcomes.

First Nations should:

- Use case-specific solutions as models for future development; and
- Be prepared to make use of a hybrid funding approach (i.e., a combination of Canadian government funds, corporate funds, and own-source revenues).

Rebuilding First Nations Governments will not be Cheap or Easy

Animbiigoo Zaagi'igan Anishinaabek (AZA), Bingwi Neyaashi Anishinaabek (BNA), and Lac des Mille Lacs First Nation (LDMLFN) are facing a unique and one-time challenge or opportunity: to secure funding from the Government of Canada to help rebuild their First Nations. As they have identified, this is a historic event of multigenerational significance. It must, therefore, be managed with careful attention to all aspects of the situation. It is a nerve-wracking process, as significant errors at this stage could lead to long-term difficulties for these First Nations. Conversely, getting a fair and just settlement could and should provide AZA, BNA, and LDMLFN with the financial, organizational, and administrative foundation for prosperity building, community reconciliation, and cultural renewal. Few First Nations in Canada face such fundamental choices and such foundational opportunities.

Each of the First Nations faces the formidable challenge of creating a high quality and effective government for their new-build nation. The process of rebuilding a First Nation, if done well, requires and creates governance and political capacity, and continues the process of building a strong sense of community. At a future point, the First Nations will reach a steady state in terms of their governance and administrative operations. When they are at that level, they will operate according to established formula funding arrangements and future negotiated agreements.

But it is vital that AZA, BNA, and LDMLFN be given an opportunity to get to an appropriate starting point before regular Canadian funding processes come into operation. To estimate the resources needed to reach that starting point, a comparison was prepared that relates the AZA, BNA and LDMLFN situation to that of other First Nations. Population size, population dispersion, relative urbanization, and proximity (or lack thereof) to major urban centres or resource basins were all considered in the selection of the samples to draw from.

The budget proposal included in the larger report is activity-based; it is not derived from a specific budget or funding model. The positions listed are meant to represent a start up plan for a new build community. The activities represent an assessment of the needs associated with rebuilding the First Nations and the anticipated costs of providing a full and appropriate range of services to members. AZA, BNA, and LDMLFN may choose to tackle a few, or many, services and the budgets would change accordingly.

Assuming the very minimum level of services required to rebuild a viable First Nations government results in a baseline estimate of a minimum capital investment of \$6 to 10 million dollars per First Nation or \$10 to \$14 million for a combined facility. This is in addition to an operating expense during the five-year rebuilding phase of at least \$5 million per year for each First Nation (above and beyond current financial allocations).

It should be emphasized that these cost estimates are exclusively related to the construction and delivery of rebuilt First Nations governments. There will be further, multiple, and significant one-time and ongoing expenditures required to fully rebuild AZA, BNA, and LDMLFN—not just their governments but also their economies, their social supports, and their long-term viability and sustainability.

Finally, as the data prepared for the larger report shows, there is substantial variation in government funding for First Nations, reflecting the presence of a modern treaty, a self-government agreement (and funding formula), specific arrangements with the Government of Canada, unique local circumstances, and historic patterns. In other words, there are no rigid formulas that determine the allocation to specific First Nations. At the same time, the carefully negotiated modern treaties and associated self-government accords represent the current limits of Government of Canada allocations for First Nations (flexible based on the actual duties taken down by the First Nations). Over time, depending on the capacity of the First Nation to assume additional responsibilities, all First Nations will likely move toward the arrangements established under the modern treaties. For the Three First Nations, it is vital to understand the current trajectory of government funding for First Nations and to lay the fiscal and organizational foundations for institutional and community growth.

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