

**Response to Recommendation 3 of the
House of Commons Standing Committee on Public Accounts on
Report 6, *Employment Training for Indigenous People –ESDC, of the
2018 Spring Reports of the Auditor General***

In the Government Response, Employment and Social Development Canada (ESDC) committed to provide the House of Commons Standing Committee on Public Accounts with a report on the approach used for allocating funding to contribution recipients in the new Indigenous Skills and Employment Training Program by May 31, 2019.

In the context of reconciliation, based on recognition of rights, respect, co-operation, and partnership, ESDC heard Indigenous partners on the importance of a distinctions-based approach that recognizes the unique needs of First Nations, Inuit, the Métis Nation and Urban/Non-affiliated Indigenous people. To this end, the new Indigenous Skills and Employment Training Program provides separate distinctions-based funding streams.

Through co-development with Indigenous leadership, different approaches were taken to allocating new funds under each distinctions-based funding stream: First Nations, Inuit, the Métis Nation and Urban/Non-affiliated Indigenous people.

Base funding

In implementing the new program, ESDC committed that recipients would not receive a reduction in funding levels for service delivery from their previous base funding received under the Aboriginal Skills and Employment Training Strategy (ASETS).

Base funding for the ASETS contribution recipients was established in 1999 using the National Aboriginal Resource Allocation Model (NARAM), developed by a working group of technical experts from ESDC and Indigenous organizations.

The principle behind the NARAM was that more funding would be directed towards regions where Indigenous populations have a greater need for training and skills development, and less funding to regions where the Indigenous populations have better employment outcomes. Using 1996 Census data, the NARAM took into consideration factors such as: the labour force, unemployment; the working age population; level of education; lone parent status; and remoteness.

Incremental Funding Announced in Budget 2018

Overall funding to each stream and a list of contribution recipients are provided in Annex 1.

First Nations Funding Stream (64 recipients as of May 31, 2019)

Facilitated through the Assembly of First Nations and the First Nations Human Resource Development Technical Working Group, following the direction of the Chiefs Committee on Human Resource Development, the First Nations incremental funding was allocated proportionately by province and territory based on historic levels. Dialogue at the provincial and territorial level determined the allocation to each contribution recipient.

Funding for self-governing First Nations was allocated proportionately based on historic levels. The department has a bi-lateral relationship with Modern Treaty organizations and self-governing First Nations.

Inuit Funding Stream (7 recipients)

Facilitated through the Inuit Tapiriit Kanatami and the Inuit Human Resource Development Technical Committee, the allocation methodology for new funding for contribution recipients operating in Inuit Nunangat was based on a number of factors derived from Census 2016 data: proportion of the population not employed and not in the labour force; remoteness; and level of education.

Tungasuuvignat Inuit, an urban Inuit organization, was allocated ongoing funding based on funding levels received in 2017-18.

Metis Nation Funding Stream (7 recipients)

Five contribution recipients within this funding stream are represented by the Metis National Council (MNC) and were provided incremental funds according to the formula by which the MNC allocates national funding to its Governing Members: 12.5% to Ontario and British Columbia, and 25% to Manitoba, Saskatchewan and Alberta.

Incremental funding for the two recipients not represented by the MNC – the Metis Settlements General Council and Northwest Territory Metis – was allocated proportionately based on historic levels.

Urban / non-affiliated Funding Stream (11 recipients):

This stream is comprised of 11 recipients, including two national organisations. For the two national contribution recipients within this funding stream, new funding was allocated proportionately based on historic levels. For the remaining nine organizations, distribution of new funding was based on the rate of population increase (2006 – 2016) and Indigenous unemployment, using Census 2016 data.

INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM - FIRST NATIONS STREAM						
(millions)						
Fiscal Year	2018/19	2019/20	2020/21	2021/22	2022/23	Ongoing
Base funding	\$186,073,438	\$186,073,438	\$186,073,438	\$186,073,438	\$186,073,438	\$186,073,438
Modern Treaty Base	(\$14,558,225)	(\$14,558,225)	(\$14,558,225)	(\$14,558,225)	(\$14,558,225)	(\$14,558,225)
First Nations Base	\$171,515,213	\$171,515,213	\$171,515,213	\$171,515,213	\$171,515,213	\$171,515,213
Budget 2018	\$31,862,722	\$44,135,886	\$45,916,620	\$47,757,670	\$49,660,811	\$49,660,811
Modern Treaty Increment	(\$2,492,912)	(\$3,453,154)	(\$3,592,477)	(\$3,736,519)	(\$3,885,419)	(\$3,885,419)
First Nations Increment	\$29,369,810	\$40,682,732	\$42,324,143	\$44,021,151	\$45,775,392	\$45,775,392
First Nations Investments	\$200,885,023	\$212,197,945	\$213,839,356	\$215,536,364	\$217,290,605	\$217,290,605

INDIGENOUS SKILLS AND EMPLOYMENT TRAINING STRATEGY – INUIT STREAM
(millions)

Fiscal Year	2018/19	2019/20	2020/21	2021/22	2022/23	Ongoing
Base Funding	\$23,041,591	\$23,041,591	\$23,041,591	\$23,041,591	\$23,041,591	\$23,041,591
Budget 2018	\$8,761,274	\$9,081,071	\$9,227,070	\$9,377,846	\$9,533,540	\$9,533,540
Total	\$ 31,802,865	\$ 32,122,662	\$ 32,268,661	\$ 32,419,437	\$ 32,575,131	\$ 32,575,131

INDIGENOUS SKILLS AND EMPLOYMENT TRAINING PROGRAM – METIS NATION STREAM
(millions)

Fiscal Year	2018/19	2019/20	2020/21	2021/22	2022/23	Ongoing
Base Funding	\$52,194,056	\$52,194,056	\$52,194,056	\$52,194,056	\$52,194,056	\$52,194,056
Budget 2018	\$8,937,572	\$12,831,315	\$13,450,643	\$14,090,803	\$14,752,393	\$14,752,393
Total	\$61,131,628	\$65,025,371	\$65,644,699	\$66,284,859	\$66,946,449	\$66,946,449

INDIGENOUS SKILLS AND EMPLOYMENT TRAINING STRATEGY – URBAN STREAM
(millions)

Fiscal Year	2018/19	2019/20	2020/21	2021/22	2022/23	Ongoing
Base Funding	\$29,763,163	\$29,763,163	\$29,763,163	\$29,763,163	\$29,763,163	\$29,763,163
Budget 2018	\$6,174,250	\$13,743,463	\$14,301,581	\$14,878,556	\$15,474,941	\$15,474,941
Total	\$35,937,413	\$43,506,626	\$44,064,744	\$44,641,719	\$45,238,104	\$45,238,104

List of Current Indigenous Skills and Employment Training (ISET) Program Contribution Recipients

(May 31, 2019)

Region	Organization	First Nation	Métis	Inuit	Other-Urban/ Non-Affiliated
NL	Sheshatshiu Innu Band Council	X			
	NunatuKavut				X
	Mushuau Innu Band Council	X			
	Nunatsiavut Government			X	
	Qalipu Mi'kmaq First Nation Band	X			
	Miawpukek First Nation	X			
NS	Native Council of Nova Scotia				X
	Mi'Kmaq Employment/Training Secretariat	X			
NB	Mawiw Council Inc.	X			
	North Shore Micmac District Council Inc.	X			
	St. John River Valley Tribal Council	X			
	New Brunswick Aboriginal Peoples Council				X
PE	Mi'Kmaq Confederacy of PEI	X			
QC	Kativik Regional Government			X	
	Assembly of First Nations Quebec Labrador	X			
	Algonquin Nation-Human Resources and Sustainable Development Corp.	X			
	Assembly of First Nations Quebec Labrador (Urban)				X
	Cree Regional Authority	X			
ON	Grand River Employment & Training (GREAT)	X			

	Ontario Federation of Indian Friendship Centres - Apatisiwin				X
	Wikwemikong Unceded Indian Reserve	X			
	Sioux Lookout Area Aboriginal Management Board	X			
	Matawa Employment and Training (KKETS)	X			
	Métis Nation of Ontario (MNO)		X		
	Akwesasne Area Management Board	X			
	Union of Ontario Indians	X			
	Aboriginal Labour Force Development Circle (First Nation)	X			
	Shooniyaa Wa-Biitong	X			
	Wabun Tribal Council (Mamo-Nuskomitowin)	X			
	London District Chiefs Council	X			
	North Shore Tribal Council	X			
	Ogemawahj Tibal Council	X			
	Aboriginal Labour Force Dev. Circle (Urban)				X
	Niagara Peninsula Aboriginal Area Management Board				X
	Walpole Island First Nation	X			
	Tungasuvvingat Inuit			X	
MB	Manitoba Métis Federation Inc.		X		
	First Peoples Development Inc	X			
	Manitoba Keewatinowi Okimakanak Inc.	X			
	Centre for Aboriginal Human Resources Development Inc.				X
SK	Gabriel Dumont Training and Employment Inc.		X		
	Saskatchewan Indian Training Assessment Group Inc.	X			

AB	Oteenow Employment & Training Society	X			
	Athabasca Tribal Council	X			
	North Peace Tribal Council	X			
	Lesser Slave Lake Indian Regional Council	X			
	Kee Tas Kee Now Tribal Council	X			
	Bigstone Cree Nation	X			
	Western Cree Tribal Council	X			
	Community Futures Treaty Seven	X			
	Rupertsland Institute			X	
	Métis Settlements General Council			X	
	Yellowhead Tribal Development Foundation	X			
	Tribal Chiefs Emp. & Training Services Ass.	X			
	Six Independent Alberta First Nations Society of Hobbema	X			
Louis Bull Tribe	X				
NU	Kitikmeot Inuit Association			X	
	Kivalliq Partners in Development			X	
	Kakivak Association			X	
NT	Tlicho Government	X			
	Sahtu Dene Council	X			
	Gwich'in Tribal Council	X			
	Inuvialuit Regional Corporation			X	
	Akaiicho Territory Tribal Council	X			
	Northwest Territories Métis Nation			X	
	Deh Cho First Nations	X			

BC	Mid Coast First Nations Training Society (MCFNTS)	X			
	Aboriginal Community Career Employment Services Society (ACCESS)				X
	North-East Native Advancing Society (NENAS)	X			
	Sto:lo Aboriginal Skills & Employment Training (SASET)	X			
	Métis Nation of British Columbia (MNBC)		X		
	Cariboo-Chilcotin Aboriginal Training Employment Centre (CCATEC)	X			
	Coast Salish Employment & Training Society (CSETS)	X			
	Ktunaxa Nation Council (KNC)	X			
	Nuu-chah-nulth Employment and Training Program (NETP)	X			
	North Vancouver Island Aboriginal Training Society	X			
	Okanagan Training and Development Council (OTDC)	X			
	Shuswap Nations Tribal Council (CIPAHRD)	X			
	Prince George Nechako Aboriginal Employment & Training Association	X			
	Nisga'a Nation (MT)	X			
	TRICORP	X			
Tsawwassen First Nation (MT)	X				
YT	Aboriginal Labour Force Yukon Alliance	X			
	Council of Yukon First Nations	X			
	Carcross Tagish First Nation	X			
	Kwanlin Dun First Nation	X			
	Ta'an Kwäch'än Council	X			
NHQ	Congress of Aboriginal Peoples (CAP)				X

	Native Women's Association of Canada (NWAC)				X
TOTAL	89	64	7	7	11

**Response to Recommendation 4 of the
House of Commons Standing Committee on Public Accounts on
Report 6, *Employment Training for Indigenous People –ESDC, of the
2018 Spring Reports of the Auditor General***

In the Government Response, Employment and Social Development Canada (ESDC) committed to provide the House of Commons Standing Committee on Public Accounts with an overview of federal, provincial and territorial Indigenous labour market programs, including any instances of duplication, and a report on mechanisms of coordination to ensure effective delivery by May 31, 2019.

This report meets ESDC commitment to the Public Accounts Committee.

Scan of Indigenous Labour Market Programs

ESDC Training Programs

ESDC supports the development of the Indigenous labour market with the goal of reducing the employment and skills gaps between Indigenous and non-Indigenous people by funding skills development and job training opportunities for Indigenous people. The new Indigenous Skills and Employment Training (ISET) Program and the Skills and Partnership Fund (SPF), were purposely designed to be complementary and contribute to shared goals of increasing Indigenous participation in the labour market. Because they have different structures and distinctive processes, these programs enhance labour market programs available to Indigenous clients and respond to industry need.

The new ISET Program, which builds upon the success of the previous Aboriginal Skills and Employment Training Strategy, introduces several enhancements that were identified through engagement with Indigenous partners across Canada. These include the distinctions-based framework, greater stability of funding with 10-year agreements, improved flexibility, reduced administrative burden, strengthened supports for information gathering, and stronger links to other programs. Indigenous Service Delivery Organizations, some of which have been in place for over 20 years, continue to ensure that communities have access to skills and employment training designed and delivered by Indigenous-led organizations.

Complementing the foundational supports provided through the ISET Program, SPF is a demand-driven, project-based fund that can be directed to support sectoral initiatives and innovation. SPF encourages stakeholders, such as training institutions, community

organizations, local business and industry, to partner with Indigenous organizations to support skills development, job training and employment supports for Indigenous people. While the focus of the ISET Program is to identify and provide training based on the needs of individual clients, SPF works to train a group of individuals on a project basis.

SPF is intended to address a broad range of Indigenous socio-economic priorities, while also better meeting local labour market demand. Partnerships are a requirement of SPF projects and have leveraged more than 50% of overall program costs through matching partnership investment in financial and in-kind support from the private sector and other organizations.

The SPF allows flexibility in shaping the solicitation process to meet government priorities. For example, during the most recent process, an innovation theme was included that targeted projects that would enhance the employability of Indigenous people by addressing a broader range of socio-economic challenges within Indigenous communities. Projects funded through that stream were required to test new approaches to delivering community-based labour market programming that addressed challenges in skills development and labour market participation of Indigenous people.

SPF can also be used to support broader regional-based projects by providing training for a larger number of people, which can have a greater impact on economic development.

Horizontal Skills Review

ESDC was actively involved in the Horizontal Review of Skills Programming announced in Budget 2018 and led by the Treasury Board Secretariat (TBS). The Review undertook a horizontal, systemic examination of the effectiveness of the current inventory of federal skills programming, including programs targeted to Indigenous clients, as well as broader skills programming for which Indigenous clients are eligible.

To contribute to the Horizontal Review, departments provided an inventory of skills development programs that ranged from post-secondary savings, scholarships and fellowships to training and employment services.

The large number of departments involved in Indigenous programming supports a diverse range of unique experiences for Indigenous participants. While there may be similarities in the work that students undertake, these placements provide experiences related to departmental business, i.e. health, housing, natural resources, Indigenous services, etc.

Analysis of Skills Programming Inventory

ESDC's internal analysis of the skills program inventory identified that the federal suite of skills programs is meeting a wide range of needs and that there is little indication of overlap of activities and mandates.

ESDC has made and will continue to make efforts to ensure complementarity of federal and provincial / territorial programming with a focus on providing options for Indigenous Peoples that allow them to make choices that meet their individual needs for skills development in an environment that supports them in reaching their goals. The ISET Program is delivered by Indigenous organizations with points of service across Canada, including in remote communities, thereby ensuring greater availability of training for Indigenous peoples wherever they may reside.

Provincial / Territorial Training Programs

The federal government plays a key role in skills development in the inter-jurisdictional context through transfers of more than \$3B annually to provinces and territories to support localized delivery and to help people prepare for and return to work – the Workforce Development Agreements (WDAs) and the Labour Market Development Agreements (LMDA).

- The WDAs, which require at minimum annual meetings through Workforce Development Committees, support provinces and territories in their delivery of employment and skills training programming. These agreements consolidate the Canada Job Fund Agreements, which include the Canada Job Grant, the Labour Market Agreements for Persons with Disabilities and the former Targeted Initiative for Older Workers. These agreements provide funding to support labour market programs and services that focus on skills development for unemployed individuals ineligible for Employment Insurance (EI) and employed individuals with low skills levels.
- Programs and services offered through LMDAs provide skills training and employment supports to eligible individuals, particularly those who are eligible for Employment Insurance (EI) benefits or have contributed to the EI program.

With these agreements provinces and territories have the flexibility to meet the various needs of their local labour markets and to provide better targeted supports to Canadians, including individuals, employers and underrepresented groups such as persons with disabilities, women and Indigenous peoples.

In an effort to identify potential duplication between programs, an analysis was undertaken to identify Indigenous clients who accessed services through both the LMDAs and ASETS. The

analysis demonstrated that 15% of ASETS clients also received services through the LMDAs between 2011 and 2017. This does not necessarily indicate a 'duplication' of services or support, and should be interpreted as an upper bound for potential duplication of service.

An overview of clients served through LMDA programming in 2016 and 2017 demonstrates that only about 3.5% of clients are Indigenous peoples.

Coordination

Federal / Provincial / Territorial

ESDC is working collaboratively with provinces and territories to support program complementarity through coordination efforts to maximize the use of resources and to ensure Indigenous Peoples benefit from a full suite of supports that would allow them to obtain and maintain jobs following their training.

Collaboration is supported by annual bilateral meetings with provincial and territorial governments. These discussions focus on how federal and provincial/territorial programs can work together in a coordinated approach, aligning initiatives, and developing common strategies so that services are maximized for all Canadians, including Indigenous peoples. Coordination efforts with provinces/territories includes information sharing, identification of gaps and priorities, and areas for the potential collaboration.

ESDC will use the federal inventory of skills programming to further inform program complementarity.