

**GOVERNMENT RESPONSE TO THE FOURTEENTH REPORT OF THE STANDING COMMITTEE ON
INDIGENOUS AND NORTHERN AFFAIRS, “WE BELONG TO THE LAND”: THE RESTITUTION OF
LAND TO INDIGENOUS NATIONS**

The Honorable Patrick Weiler
Chair
Standing Committee on Indigenous and Northern Affairs
House of Commons
Ottawa, Ontario K1A 0A6

Dear Colleague,

I am pleased to provide you with a copy, in both official languages, of the Government Response to the Standing Committee on Indigenous and Northern Affairs (the Committee) fourteenth report entitled: *“We Belong to the Land”: the Restitution of Land to Indigenous Nations*. The Government of Canada thanks the Committee for hearing and listening to the evidence from witnesses, for its thoughtful examination of that evidence and testimony, and for compiling its twenty-two (22) recommendations as outlined in the Report.

Ensuring that Indigenous Nations have efficient tools at their disposal to support land restitution is a priority of the Government of Canada. This includes continuing to take action on the 22 recommendations put forward by the Committee’s report.

Indigenous partners have long been asking for land restitution mechanisms that are efficient, less time consuming and in line with the United Nations Declaration on the Rights of Indigenous Peoples. As we continue to work to achieve these goals, there are many programs and initiatives currently underway across the Government of Canada that aim to open doors and support land restitution for the benefit of Indigenous Nations.

Annex A to this letter includes a response to each of the 22 recommendations, aligned according with the themes as presented in the Committee’s report. While this response highlights significant investments made to-date to advance land restitution, I acknowledge that there is still much work to be done to better support land restitution for the benefit of Indigenous Nations. I am grateful for the opportunity to continue on this journey, working side by side with Indigenous partners, toward deeper levels of reconciliation.

Sincerely,



The Honourable Gary Anandasangaree. P.C., M.P.

Enclosure

INTRODUCTION

On May 8, 2024, the House of Commons Standing Committee on Indigenous and Northern Affairs (the Committee) submitted its report, entitled *“We Belong To The Land”: The Restitution of Land to Indigenous Nations* (the Report).

The Government of Canada remains committed to reconciliation with Indigenous Peoples through ongoing nation-to-nation, government-to-government relationships based on recognition of rights, mutual respect, cooperation, and partnership. Further, the Government acknowledges that the essence of Indigenous Peoples’ heritage and identity is founded in their relationship with the land. Many Indigenous communities hold a profound belief that they do not own the land; rather, they see themselves as integral parts of the land, belonging to it and nurturing a reciprocal relationship rooted in respect, stewardship, and harmony with nature.

The Government of Canada reiterated its commitments to reconciliation through the adoption of the *United Nations Declaration on the Rights of Indigenous Peoples Act* (UNDA) in 2021, affirming the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration) as setting out the minimum standards for the survival, dignity and well-being of Indigenous Peoples and a framework for reconciliation, healing, and peace. This includes Article 28 concerning Indigenous peoples’ right to redress for lands, territories and resources that were taken without free, prior, and informed consent, and Article 26 on legal recognition and protection of lands traditionally occupied by Indigenous peoples. The Government is also committed to implementing the five-year UNDA Action Plan, published in June 2023, which includes many measures relating to lands, territories and resources such as reform of the Specific Claims program and Additions to Reserve Policy, as well as the implementation of legislative, regulatory, and policy reforms in areas such as fisheries, natural resource management, and governance.

Additionally, the Government of Canada acknowledges the Assembly of First Nations’ (AFN), Native Women’s Association of Canada (NWAC), and other Indigenous organizations’ natural resource, safety, housing, and other priorities related to land restitution, and remains committed to working closely with all Indigenous partners to implement and strengthen the Indigenous-led institutions, mechanisms, and solutions that return land to the care and control of Indigenous Peoples.

The Government of Canada also recognizes that provincial, territorial and municipal governments are important stakeholders in most land restitution related discussions. To ensure the success of the federal government’s initiatives supporting land restitution, new policies, processes and legislation will have to continue to be developed in collaboration with these levels of government

Through these initiatives and investments, the Government of Canada continues to work with Indigenous partners to co-develop or refine the tools, legislation, and programming that enables the return of land, and its countless social, cultural, and health advantages, back to Indigenous Peoples.

The Government of Canada appreciates the Committee's recommendations, and provides the following response.

THEME 1 : RECOMMENDATIONS TO IMPROVE EXISTING FEDERAL POLICIES AND PROCESSES TO RETURN MORE LAND TO INDIGENOUS NATIONS

Recommendation 1: That Crown-Indigenous Relations and Northern Affairs Canada make information publicly available about the status of the Comprehensive Land Claims Policy and its approach to the negotiation of modern treaties with Indigenous Nations outside of British Columbia

Response:

Over the past decade, the Government of Canada has shifted the approach to the recognition and implementation of Indigenous rights, away from the Comprehensive Land Claims Policy and the Inherent Right to Self-Government Policy, towards interest-based dialogue and the co-development of innovative approaches that are more responsive to the priorities and interests of Indigenous partners. These new approaches are helping the Government and Indigenous partners to reach new types of agreements that recognize and implement Indigenous rights as the foundation for relationships based on mutual respect, cooperation and partnership.

While information on some new co-developed approaches, such as the Recognition and Reconciliation of Rights Policy for Treaty Negotiations in British Columbia and Canada's Collaborative Self-Government Fiscal Policy, are available directly on the Government of Canada website, information about other mechanisms is less accessible. To address this, as outlined in the UNDA Action Plan (Shared Priority – Measure 23), the Government is committed to withdrawing the Comprehensive Land Claims and Inherent Right Policies and issuing a public statement that clarifies the Government's rights recognition approach, including identifying laws and policies that guide the negotiation of treaties, agreements and other constructive arrangements.

Articulating the Government of Canada's approach in support of the recognition and implementation of Indigenous rights in a publicly accessible format will ensure that there is a common understanding of the starting points for rights-based discussions between the Government and Indigenous partners.

Recommendation 2: That Crown-Indigenous Relations and Northern Affairs Canada work with Indigenous Nations to align its approach to the negotiation of modern treaties with the United Declaration on the Rights of Indigenous Peoples

Response:

In recent years, the Government of Canada has largely moved beyond the parameters of the Comprehensive Land Claims Policy and Inherent Right to Self-Government Policy. In place of these policies and in alignment with the UN Declaration, the Government acknowledges that Indigenous rights holders have pre-existing rights to and within their traditional territories. The Government is working with Indigenous partners to co-develop practical approaches to implement rights and advance their self-determination. This includes negotiating incremental agreements that are responsive to specific issues and can build towards comprehensive agreements, and "living agreements" that enable the predictable exercise of rights with adjustments over time rather than full and final settlements. Negotiations are without prejudice, premised on the recognition of section 35 rights, open to a broad range of subject areas for discussion, supportive of flexible approaches for reaching agreements, and can be alternatives to litigation.

Further, the co-developed Recognition and Reconciliation of Rights Policy for Treaty Negotiations in British Columbia (2019) establishes the UN Declaration as a foundation for the British Columbia treaty negotiations framework and requires the negotiation of treaties, agreements and other constructive arrangements be guided by and provide for implementation of the UN Declaration. Under the Policy, treaties and agreements reconcile Crown and Indigenous rights based on co-existence and enable the recognition and continuation of rights without modification, surrender or extinguishment. Where there is interest, the Government of Canada is prepared to engage, using the approaches found in the Policy, with Indigenous partners elsewhere in the country. Additional measures, including Canada's Collaborative Self-Government Fiscal Policy, and legislation on Indigenous languages, and child and family services, affirm the inherent jurisdictions of First Nations, Inuit and Métis, and enable new options for Indigenous partners and the Government to enter agreements that further implement the UN Declaration.

The Government of Canada's UNDA Action Plan (Shared Priority – Measure 24) commits to co-developing approaches for the implementation of the right to self-determination through treaties, agreements and other constructive arrangements, as well as through new policies and legislative mechanisms, such as transfer of responsibilities to Indigenous partners as a mechanism within the spectrum of self-determination. The Government is committed to working with Indigenous partners, including through co-development at tables and distinctions-based approaches, to implement this Action Plan priority, and to aligning approaches for the negotiation of treaties, agreements and other constructive arrangements with the UN Declaration.

Recommendation 3: That Crown-Indigenous Relations and Northern Affairs Canada work with Indigenous Nations to undertake a review of the process to develop negotiation mandates for modern treaties

Response:

The Government of Canada recognizes that the process to negotiate modern treaties is lengthy and cumbersome and is continuing to work with Indigenous partners to build on recent improvements. To further this effort, the approach to treaty negotiations shifted away from imposing unilaterally developed federal mandates. Instead, interest-based discussions with Indigenous partners are being advanced to collaboratively develop mandates for future agreements. These discussions are focused on the priorities of Indigenous partners and ensure that co-development is at the core of building mandates, and negotiating treaties, agreements and other constructive arrangements.

A range of new approaches adopted in recent years have removed barriers to increase the pace of negotiations toward reaching treaties, agreements and other constructive arrangements. This includes negotiating incremental agreements that are responsive to partners' priority interests and can build towards comprehensive agreements, recognizing rights as pre-existing to be implemented through negotiated agreements, and negotiating "living agreements" that enable the predictable exercise of rights with adjustments over time rather than full and final

settlements. These new approaches have resulted in 173 active tables across Canada, involving 473 First Nations, 23 Inuit communities and 8 Métis organizations with a total population of about a million people. Through these discussions, over 105 preliminary-type (process) agreements and 7 agreements-in-principle have been signed, and a total of 24 agreements have been concluded.

In addition, the Government of Canada and Indigenous partners can further review the process for developing negotiation mandates for modern treaties and explore other potential approaches if needed, as part of efforts to implement the UNDA Action Plan (Shared Priorities – Measure 24).

Recommendation 4: That, as part of larger reforms to the Specific Claims Policy and process, Crown-Indigenous Relations and Northern Affairs Canada work with First Nations to:

- **identify and remove barriers which may limit the use of land as compensation for specific claims, including the \$150 million limit on monetary awards from the Specific Claims Tribunal; and**
- **align the Specific Claims Policy and process with the United Nations Declaration on the Rights of Indigenous Peoples**

Response:

Consistent with its UNDA Action Plan (First Nations Priorities - Measure 3), the Government of Canada is working in collaboration with First Nations to address concerns they have raised about the Specific Claims Policy and process. In November 2022, the Government and the AFN formally launched a partnership on specific claims reform. This collaborative process builds on the groundwork laid by the AFN during its national dialogue sessions with First Nations in 2017 and 2019, and their work on a specific claims reform proposal. The specific claims reform co-development process is progressing and is leading to the co-development of options for the establishment of a Centre for the Resolution of Specific Claims, to administer and oversee the process. This is something First Nations have been calling on the federal government to create for decades. This work also aims to further align the Specific Claims Policy and process with the UN Declaration, for example with the integration of Indigenous legal traditions and Indigenous perspectives in the claims resolution process.

The Government of Canada recognizes that land is central to Indigenous identities, cultures, languages, governance and laws. Through the specific claims reform co-development process, some of the barriers which may limit the use of land as compensation for specific claims have been identified and are under discussion. Such barriers include the fact that most Crown lands are held by provinces. First Nations have identified the \$150 million limit on monetary awards from the Specific Claims Tribunal as a key issue to address through reform, for example through an AFN resolution. This limit on monetary awards by the Specific Claims Tribunal does not prevent First Nations and the Government from settling claims through negotiations for a higher amount. Since 2016, eight specific claims settled for more than \$150 million.

Recommendation 5: That Crown-Indigenous Relations and Northern Affairs Canada work with First Nations, provincial, territorial and municipal partners, as part of ongoing engagements on the Addition to Reserve Policy to:

- **identify and develop with First Nations a plan to address barriers in federal processes that may delay additions to reserve;**
- **enhance First Nations capacity to develop proposals for additions to reserve and participate in the additions to reserve process; and**
- **work with First Nations to align the Addition to Reserve Policy and process with the United Nations Declaration on the Rights of Indigenous Peoples**

Response:

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) and Indigenous Services Canada (ISC) are currently working with First Nation partners through a recently established Technical Advisory Committee to redesign the Additions to Reserve Policy (ATR). The Technical Advisory Committee, comprised of First Nation partners and federal officials, serves as one of the key mechanisms to discuss and collaboratively develop policy options, new strategies and recommendations to redesign the current policy and process. Key issues that complicate additions to reserves were identified through engagement and internal review of approximately 30 reports. They include:

- 1) municipal services agreements for essential services being in place prior to finalizing an ATR;
- 2) lack of guidance on requirements surrounding the duty to consult;
- 3) lengthy process, limited resources, and lack of coordination for land surveys;
- 4) lack of clarity on environmental site assessments and the resolution of contamination issues;
- 5) resolving provincial interests, which make up the bulk of third-party interests on lands proposed for addition to reserve; and,
- 6) lack of meaningful dispute resolution strategy informed by Indigenous mechanisms.

The role of federal officials in managing the additions to reserve process has come under criticism from First Nation partners. Through preliminary and ongoing engagement, First Nation partners have expressed the need for a new federal approach that prioritizes their interests, is consistent with their governance structures, and provides for a First Nation-led approach to control and manage the process. In response to this feedback, the Committee will also help guide the development of a new policy that is flexible, adaptable.

Redesigning the ATR Policy through a First Nation-led engagement process supports the Government of Canada's commitment to implement the UN Declaration by advancing the Indigenous right to develop priorities and strategies for the use of Indigenous land. In addition, federal officials are currently working with First Nation partners to advance interim changes to the ATR Policy, and to address immediate process and bureaucratic red tape in the additions to reserve process. Partners include the AFN, self-governing First Nations, and the 58 First Nations and First Nation organizations that were funded to conduct engagement on the ATRs Policy redesign, including the Land Advisory Board and Resource Centre and National Aboriginal Lands Managers Association. The Government of Canada will continue to work with First Nations partners, and different levels of government, as required, to redesign the ATR Policy for the benefit of First Nations.

Recommendation 6: That Crown-Indigenous Relations and Northern Affairs Canada provide each House of Parliament with annual progress reports on engagements to redesign the Addition to Reserve Policy beginning in 2024

Response:

Recognizing the longstanding concerns with the Additions to Reserve Policy and process, the Government of Canada is committed to transparency and accountability throughout the redesign initiative. CIRNAC participates in reporting to Parliament through the Departmental Results Report and other internal government mechanisms. CIRNAC has taken advantage of established tools like the Department's website, the Government of Canada's Annual Report on the implementation of the United Nations Declaration on the Rights of Indigenous Peoples Act Action Plan, innovative engagement practices, and a Technical Advisory Committee to inform First Nations, First Nation organizations, and external/internal government partners on progress made. These tools and platforms will be further refined to provide updates when engagement is complete. In addition, Indigenous Services Canada is modernizing the National Additions to Reserve Tracking System to increase transparency and accessibility of the process.

Recommendation 7: That Crown-Indigenous Relations and Northern Affairs Canada and Indigenous Services Canada work with First Nations to develop a strategy to reduce barriers at the federal level for First Nations seeking to create a reserve in urban centres

Response:

Urban reserves can be an important element of economic reconciliation. First Nations are increasingly interested in creating urban reserves to take advantage of economic development opportunities or to provide housing, community and cultural identity, and other public infrastructure as their community populations continue to grow. However, technical issues such as municipal engagement, resolution of third-party interests, environmental and land description requirements and access to land near urban centres remain barriers to the creation of urban reserve. The Technical Advisory Committee for the ATR Policy reform and partners are recommending interim changes to the current Policy to address some of the barriers related to the creation of urban reserves. The interim changes will be informed by the recommendations

of First Nation partners and the experience of Treaty 1 First Nations in working with Canada to set apart the Naawi Oodena (formerly Kapyong Barracks) site in Winnipeg, Manitoba, as a joint urban reserve. The interim changes will also include considerations from the ongoing work of the Millbrook First Nation to set apart a federal surplus site as an urban reserve in Shannon Park, Halifax. There are currently over 120 urban reserves in Canada. In collaboration and partnership with First Nations, many municipalities are developing urban reserve strategies to further support community growth. The Government of Canada is working with First Nation partners to explore transformative solutions that address key barriers to additions to reserve. This work will advance all additions to reserve, including urban reserves, and support economic development.

THEME 2 : RECOMMENDATIONS TO DEVELOP NEW WAYS TO RETURN LAND TO INDIGENOUS NATIONS

Recommendation 8: That Crown-Indigenous Relations and Northern Affairs Canada, in partnership with Indigenous Nations, explore approaches to land restitution outside of the Comprehensive Land Claims Policy, the Recognition and Reconciliation of Rights Policy for treaty negotiations in British Columbia, the Specific Claims Policy and the Additions to Reserve Policy, such as recognizing and implementing Aboriginal title over specific parcels of land outside modern treaty processes and establishing a process to adjudicate the rights of Indigenous Nations pertaining to their lands, territories and resources in accordance with the United Nations Declaration on the Rights of Indigenous Peoples, and that the department provide each House of Parliament with a progress report on these efforts by December 2024

Response:

It is a priority of the Government of Canada that land be returned to Indigenous Peoples, and it is acknowledged that further innovations beyond the policies outlined in the recommendation are likely required to do so.

The Government of Canada has focused much of its efforts to restore land to Indigenous peoples through negotiations, by recognizing and implementing Indigenous rights to land and title. The federal policy approach to negotiations has shifted to rights-based discussions grounded in co-development and the UN Declaration, and has moved away from use of the Comprehensive Land Claims Policy. Negotiations through the Recognition of Indigenous Rights and Self Determination discussion tables have been an important way to explore rights to land and title beyond the modern treaty format and co-develop implementation approaches.

Recommendation 9: That the Government of Canada work with Indigenous Nations to identify and establish new approaches to respond to Indigenous Nations defending their lands

Response:

The Government of Canada acknowledges the importance of land to Indigenous identities, cultures, languages, governance, and laws. The Government also recognizes the important role of provinces and territories, and non-federal law enforcement in identifying and developing new approaches for Indigenous Nations defending their lands. The Government remains open to exploring potential solutions with all necessary partners through unique, place-based approaches.

Recommendation 10: That the Government of Canada work with Indigenous Nations to create an Indigenous Rights Commission and Tribunal to render decisions in disputes concerning Indigenous Rights

Response:

The Government of Canada takes note of this recommendation and acknowledges its relevance to ongoing work pursuant to the UNDA Action Plan, which includes a commitment for the Government to work in consultation and cooperation with Indigenous peoples to establish “an independent Indigenous rights monitoring, oversight, recourse or remedy mechanism or mechanisms to provide Indigenous peoples with access to and prompt decision through just and fair procedures for dispute and conflict resolution and effective remedies for infringements/violations of their individual and collective rights” (Shared Priority - Measure 19). Work relating to this commitment is ongoing.

Recommendation 11: That the Government of Canada work with Indigenous Nations to create a national land restitution centre

Response:

The Government of Canada does not plan to create a national center for land restitution. The Government will continue to work in partnership with Indigenous Nations to co-develop innovative approaches that are responsive to those Nations' priorities and interests related to land restitution.

Recommendation 12: That the Government of Canada work with First Nations to develop a framework to discuss the meaning and implementation of historic treaties

Response:

The Government of Canada recognizes 70 historic treaties in Canada signed between 1701 and 1923. Historic treaties currently apply to 364 First Nation communities in nine provinces and three territories and encompass nearly 60 per cent of Canada's landmass. Past harms, and in some cases shortcomings in the implementation of these treaties, have contributed to the need to re-affirm historic treaty relationships based on the principles of mutual respect, self-determination and the nation-to-nation relationship. Through the UNDA Action Plan (First Nation Priorities - Measure 2), the Government has committed to engaging treaty nations in co-developing approaches for the renewal and honourable implementation of historic treaties and treaty relationships, including a shared vision to guide actions and a common understanding of the spirit and intent of historic treaties.

Recommendation 13: That the Government of Canada work with Indigenous Nations to explore the creation of tax-free mechanisms to reclaim land and fee simple title

Response:

The Government of Canada works closely with Indigenous communities to ensure that the transfer of capital to Indigenous communities under modern treaties, including land, is exempt from taxation.

Additionally, the federal tax system provides mechanisms that support acquisition of land outside the modern treaty context without federal tax consequences. The purchase of land is generally not subject to income tax and sales of land by individuals are generally exempt from the Goods and Services Tax/Harmonized Sales Tax (GST/HST). Indigenous governments and organizations may also be eligible for exemption from income taxation or a GST/HST Public Service Bodies' Rebate. They may also have the ability to issue charitable gift receipts in respect of donated lands. The Government of Canada welcomes further engagement with Indigenous communities to explore these matters.

Recommendation 14: That the Government of Canada, in partnership with Indigenous Nations, explore opportunities to support Indigenous land trusts, including tax incentives for the donation of land to Indigenous Nations or organizations

Recommendation 15: That the Government of Canada consult with relevant stakeholders, including the First Nations Tax Commission and the First Nations Financial Management Board, on ways to facilitate the donation of land to Indigenous Nations

Response (combined response for Recommendations 14 and 15)

The *Income Tax Act* already provides a number of tax incentives that encourage donations to Indigenous communities and organizations. Indigenous communities (including all *Indian Act* bands) and certain organizations may qualify to register as a qualified donee under the category of public body performing a function of government. Further, organizations supporting First Nations, Inuit, and Métis communities are often able to register as charities where their purposes involve the relief of poverty, advancement of education or religion or other purposes beneficial to the public. This latter category includes organizations whose purpose is to address the needs of Indigenous peoples of Canada (for example, by providing programs to address their particular cultural, spiritual or linguistic needs, or focusing on their traditions and customs).

Registration as a registered charity or other qualified donation recipient enables an organization to issue official tax receipts for donations it receives, including land, and allows donors to access the charitable donation tax credit (for individuals) or deduction (for corporations). It also allows the organization to access funding from other registered charities. Special tax incentives also exist to encourage donations of publicly listed securities and environmentally sensitive land to qualified donees. Such donations are generally exempt from any capital gains tax which may arise on disposition.

The Government of Canada will continue to explore options to support donations to Indigenous communities and organizations, including incentives relating to real property and land trusts.

Recommendation 16: That the Government of Canada:

- **work with Indigenous Nations, Indigenous organizations (such as hunters and trappers organizations) and provincial and territorial governments to develop a strategy to increase the number of Indigenous Protected and Conserved Areas in all parts of Canada and to provide sufficient funding to support Indigenous Nations and organizations working towards the development of Indigenous Protected and Conserved Areas;**
- **provide annual progress reports to each House of Parliament, beginning in September 2024, on progress made towards the development of a strategy on Indigenous Protected and Conserved Areas; and,**

- **make information about the progress made towards the development of an Indigenous Protected and Conserved Areas strategy publicly available**

Response:

The Government of Canada recognizes Indigenous Peoples' invaluable contribution to conservation. Since 2018, the Government has been working with Indigenous organizations to increase the number of Indigenous Protected and Conserved Areas (IPCAs) and Indigenous efforts in conservation through initiatives in multiple federal departments as outlined in the Government of Canada's United Nations Declaration on the Rights of Indigenous Peoples Act Action Plan (Shared Priorities - Measure 47). IPCAs will make up an important contribution towards achieving the Government's conservation targets. The Government tracks the progress of Indigenous-led area-based conservation and reports new IPCAs to the Canadian Protected and Conserved Areas Database when they qualify and where they are also designated with a federal conservation or protection tool.

The Government of Canada is investing \$800 million to support four new Indigenous-led conservation initiatives through a Project Financing for Permanence (PFP) model. Additionally, Indigenous-led conservation has been supported at ECCC through Indigenous-led Area-based Conservation funding and Indigenous-led Natural Climate Solutions funding announced in 2021. ECCC has established distinctions-based Indigenous Nature Tables. The purpose of the tables is to enable ongoing collaboration between the federal government and the First Nations, Inuit and Métis partners towards the development of strategic advice, recommendations, and innovative solutions on shared nature priorities. The Government also established the National Steering Committee to Pathway, a multi-lateral pan-Canadian committee on area-based conservation, where Indigenous partners sit at the table with provincial, territorial and non-governmental representatives as equal partners. The Government will continue to engage and work with Indigenous partners through these governance structures and others, to develop new approaches and partnerships to support Indigenous-led conservation.

Fisheries and Oceans Canada (DFO) is focused on advancing marine IPCAs in support of the government's commitments to reconciliation and marine conservation through meaningful consultation, collaboration, and partnerships with federal, provincial, territorial, and Indigenous partners. DFO has developed collaborative governance arrangements for Marine Protected Areas (MPA) establishment and management with Nations in Coastal British Columbia, notably the recently signed Great Bear Sea MPA network and Nation-level collaborative governance agreements. This work is in line with Measures 42 and 95 of Canada's United Nations Declaration on the Rights of Indigenous Peoples Act Action Plan (UNDA Action Plan).

In its UNDA Action Plan (Shared Priorities – Measure 95), the Government of Canada also renewed its commitment to co-develop options to support enhanced shared governance in Parks Canada co-administered places, including through options to support the establishment of IPCAs. IPCAs supported by Parks Canada will focus on working with Indigenous partners in advancing their vision for an IPCA in alignment with the definition provided by the Indigenous Circle of Experts and Parks Canada's conservation priorities. Indigenous-led area-based

conservation is also supported at Parks Canada through the Urban Parks and Corridors initiatives.

Recommendation 17: That Crown-Indigenous Relations and Northern Affairs Canada work with First Nations and the First Nations Lands Advisory Board to develop a First Nations-led land registry

Response:

In Budget 2023, the Government of Canada announced \$35.3 million over three years, starting in 2023-24, to CIRNAC and Natural Resources Canada to co-develop, with the Lands Advisory Board, a new First Nations-led National Land Governance Registry that will provide communities in operational under First Nation Land Management with more opportunities to realize the economic benefits arising from local control over their lands, and to support First Nation self-determination, governance and economic reconciliation. ISC is also undertaking the modernization of the Indian Lands Registry System for First Nations managing their lands under the *Indian Act*. This modernization will be undertaken to facilitate potential future transfer of the *Indian Act* lands registry service to Indigenous organizations.

Recommendation 18: That the Government of Canada work with Indigenous Nations to ensure that all forms of land restitution include the restoration of Indigenous governance and jurisdiction over lands and resources

Response:

Land restitution, including the restoration of governance and jurisdiction over lands and resources, is a central focus in the negotiation of self-government agreements, modern treaties and other constructive arrangements. Through this work, innovative approaches are pursued in a way that is responsive to the interests and priorities of Indigenous peoples.

The Government of Canada is open to exploring other means by which the governance and jurisdiction of Indigenous partners over lands and resources can be further restored. New policy approaches have been, and continue to be, co-developed to expedite the return of lands and resources and the resumption of governance and jurisdiction over them.

The Government of Canada will continue to be responsive to the specific interests of individual Indigenous partners, which is often context specific. It will also continue to respect the decisions of Indigenous Nations over whether, how and when they wish to exercise governance and jurisdiction over lands that are restored to them.

Recommendation 19: That the Government of Canada work with Indigenous Nations and Indigenous businesses to determine funding needs and ensure that Indigenous businesses have access to adequate, predictable, sustainable and long-term funding

Response:

Meeting the long-term funding needs of Indigenous entrepreneurs and communities helps to reduce systemic barriers, ensures supports are in place for Indigenous people to fully participate in the economy, and contributes to Indigenous prosperity, and success across generations.

Building on previous investments, the Government of Canada is providing \$350 million over five years, starting in 2024-25, to renew the Government's commitment to Indigenous Financial Institutions (IFIs), including \$30 million over five years for the Métis Capital Corporations (MCCs). IFIs and MCCs are Indigenous-owned and controlled financial institutions that offer a range of supports to Indigenous entrepreneurs to start and grow small to medium-sized enterprises. This predictable and stable funding will help Indigenous businesses to access capital and build opportunities for themselves, their communities and future generations.

This funding will also support the deployment of the Indigenous Growth Fund (IGF) which was launched in November 2021. The \$153 million investment fund provides improved access to capital for IFIs and Indigenous small and medium-sized enterprises. The IGF was co-developed between the National Aboriginal Capital Corporations Association (NACCA) and the Business Development Bank of Canada, and managed through IGF Inc. to provide a fully Indigenous-led and sustainable source of capital for IFIs. To date, the IGF has made seven investments into IFIs across the country totaling \$54 million in loans to Indigenous businesses, with more than \$82 million in funds committed to IFIs.

Budget 2024 also provided \$2.5 million in 2024-25, to continue supporting the Indigenous tourism industry through the Indigenous Tourism Association of Canada; and \$36 million, over three years, starting in 2024-25, to renew support for the Strategic Partnerships Initiatives' Clean Energy program to support Indigenous participation in economically sustainable clean energy projects. Both investments underscore the Government of Canada's commitment to supporting Indigenous businesses within burgeoning industries.

Budget 2022 provided an additional \$185 million over five years for economic development proposals and for community capacity development, to 2026-27. The purpose of this programming, particularly the Community Opportunity Readiness Program, is to support communities to develop economic opportunities and community-owned businesses that are expected to become self-sustaining and to generate revenues to benefit all members. ISC is conducting an evaluation on the impacts of community economic development capacity and readiness programming for First Nation and Inuit communities to inform future programming.

Recommendation 20: That the Government of Canada work with Indigenous Nations and the National Aboriginal Capital Corporations Association to undertake a review of the Social Finance Fund to determine whether it is complimentary to National Aboriginal Capital Corporations Association initiatives

Response:

The Government of Canada agrees that there is a need to ensure the complementarity of the Social Finance Fund (SFF) and the Indigenous Growth Fund (IGF) and has taken action to this effect.

The Department of Employment and Social Development Canada (ESDC) has been engaged with the National Aboriginal Capital Corporations Association (NACCA) for over two years to ensure complementarity between the SFF and NACCA's IGF. Co-developed program definitions between ESDC and NACCA to restrict overlap between the two programs have been included in SFF agreements with fund managers. In addition, Budget 2024 committed \$320 million over five years, starting in 2024-25 for the Aboriginal Entrepreneurship Program, administered by NACCA, which plays a critical role in supporting the IGF's lending activities. To pursue an ongoing and open dialogue, ESDC will: continue to monitor NACCA initiatives as well as fund manager investments activities; facilitate engagement between the IGF and fund managers to identify, structure and fund complementary investments; and engage NACCA as appropriate to signal and address any emerging challenges.

The Government of Canada is committed to continued collaboration with the NACCA and other IGF partners to ensure the continued strength of the IGF.

Recommendation 21: That the Government of Canada encourage Indigenous Nations and industry to establish a working group to discuss Impact and Benefit Agreements

Response:

The Government of Canada has a limited role to play in the development of Impact and Benefit Agreements (IBAs), which are generally confidential and signed between industry proponents of a project and Indigenous groups impacted by the project. However, the Government acknowledges the significance of IBAs in fostering economic reconciliation and put in place a number of initiatives to support Indigenous communities.

In Quebec, ISC's Strategic Partnerships Initiative (SPI) funded and continues to support the First Nations of Quebec and Labrador Sustainable Development Institute (FNQLSDI). The FNQLSDI supports First Nations in Quebec and Labrador in, among other important economic development and land stewardship activities, negotiating Impact and Benefit Agreements.

As part of a social innovation approach, ESDC and Public Services and Procurement Canada (PSPC) continue to invest in Community Benefits Agreements (CBAs) to ensure community-level benefits from investments in infrastructure and larger economic development projects. Benefits can include employment and apprenticeship opportunities, affordable housing, promotion of local social enterprises, and better environmental sustainability.

The Government of Canada remains open to exploring ways in which collaboration between Indigenous Nations and industry can be encouraged and supported.

Recommendation 22: That the Government of Canada, in partnership with Indigenous Nations, consider options for improving access to capital, including through support to Indigenous Financial Institutions and the potential creation of an Indigenous Development Bank in Canada

Response:

The Government of Canada is committed to economic reconciliation and recognizes that Indigenous groups have historically faced barriers in accessing affordable capital. Initiatives to remove these barriers include:

- **The Co-Development of an Economic Reconciliation Framework:** In Spring 2023, the Government announced a process to co-develop a distinctions-based Economic Reconciliation Framework with Indigenous partners, aiming to produce an Economic Reconciliation Framework before the end of the 2024-25 fiscal year. Core to this commitment is a transformation in the way the federal government creates policies that directly impact Indigenous peoples. Indigenous Peoples are leading this process, identifying economic priorities and developing concrete proposals to achieve their visions of economic prosperity and wellbeing. This Framework will feature priority options for achieving economic prosperity. We expect that access to capital will be a prominent theme in the policy proposals.
- **The Indigenous Loan Guarantee Program (ILGP):** Budget 2024 proposed to launch the ILGP, which will be co-delivered by a newly incorporated subsidiary of Canada Development Investment Corporation and by Natural Resources Canada. This initiative will provide up to \$5 billion in loan guarantees, unlocking affordable access to capital for Indigenous groups, enabling them to invest in natural resource and energy projects. Investment Analysis and Due Diligence funding will also be made available to support Indigenous groups in making informed investment decisions that support their self-determination.
- **The *First Nations Fiscal Management Act*:** CIRNAC continues to work closely with the institutions under the *First Nations Fiscal Management Act* to improve First Nations' access to capital, including through work on regulations to enable self-governing, modern treaty partners and Indigenous not-for-profit organizations to access financing through the First Nations Finance Authority. CIRNAC is also working with the institutions, ISC and other federal and Indigenous partners to explore new or enhanced opt-in mechanisms and initiatives in the areas of governance, economic development, financial and assets management services and access to capital.

These initiatives also support the UNDA Action Plan (Shared Priorities – Measure 74), which seeks to address persistent economic barriers for Indigenous business and communities. The Government will continue to work in partnership with Indigenous Nations and Indigenous Financial Institutions to explore improving options for access to capital.

CONCLUSION

The Government of Canada thanks the Committee for its ongoing work, and in particular for these recommendations. The Government also thanks the witnesses for once again presenting important issues and evidence for action. The report of the Committee makes plain the continued need for reconciliation through collaboration as a strong foundation for effective and meaningful restitution of land.