

Issue Update

Sector: Economic Development

History

The Assembly of First Nations (AFN) Economic Development Sector advocates for economic policies and programs that respect First Nations' self-determination in both the market and traditional economies of First Nations. The sector advocates for economic recovery, prosperity, inclusion, and sustainability. To this end, current advocacy efforts address trade and procurement, natural resources, gaming, connectivity, and Cannabis.

Cannabis: The federal government initiated the mandated three-year review of the federal cannabis framework. Under the *Cannabis Act*, the federal government must review the Act and its administration three years after coming into force. The *Cannabis Act* legalized and created a framework regulating the sale, distribution, and taxation of Cannabis for recreational use in Canada. As directed by First Nations-in-Assembly and the Chiefs Committee on Cannabis, the AFN advocates for the recognition of First Nations jurisdiction in the Cannabis industry.

Connectivity: The Government of Canada committed to connecting 100% of Canadians to high-speed internet by 2030. Currently, 38% of First Nations have access to 50/10Mbps, the minimum standard outlined by the Canadian Radio-television and Telecommunications Commission. The AFN advocates for First Nations access to high-speed, affordable, and scalable digital connectivity by 2030.

Natural Resources: The Government of Canada committed to working with the AFN and with rights-holders to identify and support First Nations priorities related to Canada's Climate plan and to explore options for advancing reconciliation with First Nations communities. The AFN works towards creating space for First Nations to exercise self-determination over natural resources in their territories and governing whether and how these resources should be developed. This includes ensuring equitable sharing of benefits from resource development. Generally, the AFN advocates that Natural Resources Canada policies and programs are sufficiently accessible, flexible, and responsive to First Nations' needs.

Gaming: A gaming dialogue session was held during the 2017 AFN AGA, which allowed participants to discuss inherent jurisdiction over gaming. First Nations provided their perspective on engaging with provinces, federal government, and law enforcement on the issue of gaming. Under the *Criminal Code* of Canada, all forms of gaming are considered illegal unless the gaming activity or operations falls within the exemption set out in section 207 of the Criminal Code. For First Nations to fully participate in gaming as a source of revenue for the economies, the *Criminal Code* will require amendments.

Procurement: First Nations-in-Assembly acknowledged the importance of economic participation in procurement via Resolution 38/2019, *Increasing First Nations Procurement*

Opportunities and Benefits and Resolution 49/2021, *Next Steps on First Nations and Procurement*. Targeted Indigenous procurement under the federal Procurement Strategy for Aboriginal Business represents less than one percent of federal procurement. First Nations' enhanced access to procurement is essential. Following the AFN advocacy on increasing procurement opportunities and benefits for First Nations, in April 2022, Canada did implement a mandatory Indigenous procurement target of five percent to be phased in over three years.

AFN's recent advocacy

Cannabis: The AFN is advocating that the government of Canada fully engage with First Nations on the review of the *Cannabis Act*. The AFN is developing a scoping paper focused on the jurisdiction and health of First Nations in the Cannabis industry. To further advocacy efforts, a set of recommendations will be developed within the scoping paper based on the engagement sessions held with First Nations and the Chiefs Committee on Cannabis (CCC).

Connectivity: The completion of the Closing the Infrastructure Gap (CTIG) by 2030 report provided a First Nations review and identified 38% of First Nations households as connected to the CRTC minimum internet speed standard. The CTIG report also identified a \$5.2 billion investment into connectivity infrastructure for First Nations by 2030 to close the digital divide. The AFN is continuing advocacy toward ensuring First Nations have access to high-speed digital connectivity, including a review of the spectrum licensing process for incorporating First Nations spectrum sovereignty and First Nation-specific funding and criteria for federal connectivity programs.

Trade: The AFN is working on expanding trade-related economic opportunities and market access for First Nations goods and services internationally and inter-nation. This includes advocating for First Nations to participate in and monitor several international collaborations and agreements that include:

- Indigenous Peoples Economic and Trade Arrangement (IPETCA): a non-binding cooperation-based arrangement between four Participating economies: Canada, Australia, Aotearoa New Zealand and Chinese Taipei
- Central Bank Network for Indigenous Inclusion: formed in January 2021, its members include the Bank of Canada, the Federal Reserve, the Reserve Bank of Australia, and the Reserve Bank of New Zealand | Te Pūtea Matua.
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP): a free trade agreement between Canada and ten other countries in the Asia-Pacific: Australia, Brunei, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.
- Canada-United States-Mexico Agreement (CUSMA): In Canada, legislation implementing the CUSMA received Royal Assent on March 13, 2020. While there is more work to do, the provisions addressing Indigenous Peoples in the CUSMA have made it the most inclusive international trade agreement for Indigenous Peoples to date.

The emphasis has been on respecting the rights of Indigenous Peoples, advocating for trade and an Indigenous Peoples chapter in all trade agreements, and trade programs and processes to include space for First Nations.

Natural Resources: NRCan programs are being developed under Canada's strengthened climate plan, *A Healthy Environment, and a Healthy Economy*. Investments in the natural resource sector have been identified in previous budgets that will advance economic reconciliation, increase involvement and engagement with First Nations governments and businesses in the Canadian economy, support regional and locally driven economic platforms to engage in the economy and result in economic growth and enhanced First Nations economic development capacity. The AFN has messaged that Canada must work to fully involve First Nations at all levels of decision-making, including the relationship between industry and jurisdictions with First Nations. This includes NRCan's ongoing development of the department's key natural resource initiatives on the Canadian Critical Minerals Strategy, the Regional Energy and Resources Tables, the National Benefit Sharing Framework and Small Modular Reactors.

Gaming: the AFN is working on identifying capacity supports to assist in implementing Resolution 18/2022, *Support for Criminal Code Amendments Regarding Gaming Jurisdiction*. The resolution states that the *Criminal Code* of Canada prevents First Nations from entering the gaming sector unless they have a licence from a province of Canada. Therefore, the AFN is advocating for amendments to section 207 of the *Criminal Code* of Canada to recognize First Nations jurisdiction over gaming. This also includes calling on Canada to support any consequential amendments to federal legislation required to give effects to specific amendments to the *Criminal Code* of Canada.

Procurement: The AFN continues to advocate for increased First Nations procurement opportunities and benefits and monitoring Canada's mandate to ensure five percent of all federal contracts are awarded to businesses managed and led by Indigenous Peoples. The Government of Canada has also implemented short-term changes to the Procurement Strategy for Indigenous Business (PSIB) to better support First Nations and Indigenous businesses' access to procurement opportunities. Procurement structural capacity and support for First Nations is an important consideration. National Indigenous economic organizations, the AFN, and National Indigenous Organizations (NIOs) are undertaking research, and in January 2023, completed a draft business plan to examine the merits of establishing a collaborative national Indigenous procurement organization to grow the Indigenous economy through enhanced public and private procurement. The report is expected to be completed by Summer 2023.

Next Steps

The AFN will continue to work with the Chiefs Committee on Economic Development (CCED) and the Chiefs Committee on Cannabis (CCC) to enhance First Nations' economic involvement. This will include continued dialogue with Indigenous Services Canada, Natural Resources Canada, Innovation, Science and Economic Development, and Global Affairs Canada, to ensure integrated and transformative approaches to economic development policy and programming.

Cannabis: The review of the Cannabis Act will be carried out by an independent panel of experts appointed by the Minister of Health. The AFN will advocate that the Government of Canada and its expert panel engage directly with First Nations on the legislative review. The AFN will seek guidance from the CCC regarding the Cannabis Act and the recommendations from the scoping paper.

Connectivity: First Nations engagement is needed to develop a First Nations connectivity strategy to ensure 100% of First Nations have high-speed digital connectivity by 2030 and are not abandoned in closing the digital divide. The AFN will continue to advocate for specific connectivity funding, criteria, and access to connectivity programs and training for First Nations businesses to support the closure of the digital divide between First Nations and Canada.

Natural Resources: The AFN will support the full participation of First Nations in the implementation of NRCan Initiatives, ensuring that environmental, economic and rights considerations are adequately reflected in NRCan frameworks, programs, and policies. The AFN will also advocate for equitable access and First Nations participation in all NRCan initiatives that are proposed and currently underway. Engagement with First Nations on the Critical Minerals Strategy, Regional Energy Resource Tables, Net-Zero Emissions and National Benefits Sharing Framework must be transparent, inclusive of capacity supports, jurisdictional concerns, as well as regulatory and legislative changes that would give shape to the new policy that will respond to the First Nations concept of reconciliation.

Gaming: The AFN will be seeking funding to support the work of the Chiefs Committee on Gaming and seek out key amendments as outlined in Resolution 18/2022. Asserting inherent jurisdiction over gaming and recognition from governments will continue to be a priority as First Nations move to fully participate in the gaming economy in Canada. As capacity support is secured, the AFN and the Chiefs Committee on Gaming will identify a path forward in engaging governments.

Procurement: To support Canada's achievement of a five percent Indigenous procurement target, the AFN will advocate for First Nations' access to procurement supports and capacity, trade opportunities, quality data, and changes to the contracting environment. To receive continued guidance by the CCED on the creation of an Indigenous-led entity on procurement and receive guidance on the definition of a First Nations business to achieve the five percent procurement target. The work is now shifting towards longer-term recommendations focusing on a transformational procurement approach.