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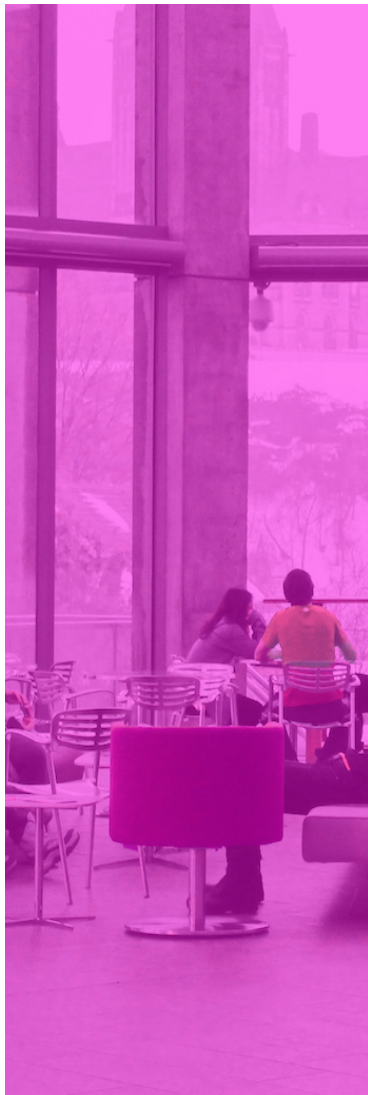
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Indigenous Finance and Management Professionals

Critical for Reconciliation and Indigenous Self-Determination

Impact Paper | June 22, 2022



Future Skills Centre

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Blueprint

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Key Findings

- There are not enough Indigenous finance and management professionals to meet the evolving needs of Indigenous communities and their economic partners.
- Indigenous communities require their own corporate services to take full advantage of their economic rights and chart a course for self-determination.
- Indigenous finance and management professionals can empower their communities to take on bigger and bolder equity stakes in economic projects.
- They can also help corporate Canada understand the local values and perspectives that Indigenous communities consider when selecting economic projects.
- While corporate Canada benefits from hiring more Indigenous people, it can also help grow the talent pool of professionals available to Indigenous communities.
- To expand the profession, recruitment and training initiatives must inspire youth and include more Indigenous case studies and role models.



A Bold New Vision of Economic Reconciliation

The future for Indigenous finance and management professionals should be bright.

As reflected in recent Supreme Court decisions, policies, parliamentary debates, and public opinion polls, Indigenous rights are increasingly part of major project decisions. This spans sectors such as power generation, mining, and oil and gas.¹ While at times contentious, the assertion of Indigenous rights presents a bold new vision of economic reconciliation with opportunities for Indigenous communities looking to determine their economic futures.

Indigenous skilled labour is critical to realizing this new vision of economic reconciliation. And Indigenous finance and management professionals have a key role to play. As project leads, technical advisors, brokers, and wealth managers, they can help their communities navigate the new and increasingly complex economic relationships. Their professional training and knowledge also help communities better understand how financial institutions adjudicate risk and process credit applications. As members of the communities they work for, many Indigenous finance and management professionals also have a distinct advantage in understanding the rights and values that inform local decisions to participate in economic projects. Their technical expertise can also help

financial institutions better understand the unique constraints that affect how First Nations may secure financing under the *Indian Act*² and other federal statutes such as the *First Nations Fiscal Management Act*.³

In a recent series of interviews with 30 Indigenous executives and senior managers from the world of finance and management, we learned that prospects in the resources sector are only the beginning of a bold new vision of Indigenous economic self-determination in partnership with Canada. Yet the complementary knowledge, skills, and cultural aptitudes that leading Indigenous finance and management professionals possess are not currently taught in most business schools. This situation must change to improve Indigenous economic self-determination and help Canada meaningfully advance toward economic reconciliation.



1 Bricker, "Majority of Canadians (61%) Disagree With Protestors Shutting Down Roads and Rail Corridors."

2 *Indian Act*, RSC, 1985, c. 1-5.

3 First Nations Financial Management Board, "About the First Nations Fiscal Management Act (FMA)."

Indigenous Under-Representation in Finance and Management

While there is a desire to create a bold new future, there are significant social and economic challenges that continue to plague Indigenous communities today. According to the Assembly of First Nations, nearly 50 per cent of Indigenous children in Canada live in poverty.⁴ This situation perpetuates lower educational outcomes for future generations.⁵

Indigenous communities have long been preoccupied with managing poverty. Key to overcoming poverty traps and achieving a more self-reliant economic base is having the right opportunities and access to them. Equally important is the ability to recognize those opportunities along with the confidence and capabilities to seize them.⁶ As we learned from our interviews with Indigenous executives, skilled Indigenous finance and management professionals bring their communities confidence and capabilities at all stages of economic development. The problem is there still aren't enough of them to go around.

Indigenous Under-Representation in Finance and Management Programs

Indigenous educational attainment is on the rise in Canada. From 2006 to 2016, there was noticeable growth in the attainment of college diplomas and bachelor's degrees or higher for Indigenous people aged 25 to 64. In 2006, 7.7 per cent of Indigenous adults in this age group had a bachelor's degree or higher. In 2016, their proportion reached 10.9 per cent.⁷ This is encouraging.

Nonetheless, while more Indigenous learners are completing a post-secondary education and entering business, management and public administration programs, there still exists a noticeable shortage of Indigenous finance and management professionals. These professionals include auditors, accountants, and investment professionals. They also include human resources and business service professionals—all roles that are critical for economic development. Of the total number of Indigenous people employed in 2016, approximately 12 per cent were business and finance professionals. By comparison, the proportion of non-Indigenous workers in similar jobs was 23 per cent. In contrast, Indigenous workers were overrepresented in lower skilled office support jobs at 32 per cent (versus 24 per cent for their non-Indigenous counterparts.)⁸

4 Beedie, Macdonald, and Wilson, *Towards Justice*.

5 Wien, *Tackling Poverty in Indigenous Communities in Canada*.

6 The Conference Board of Canada, *Barriers to Aboriginal Entrepreneurship and Options to Overcome Them*.

7 Statistics Canada, "Aboriginal Peoples in Canada."

8 Statistics Canada, "Aboriginal Population Profile, 2016 Census."

The contrast in proportions has a link to post-secondary education. While 46 per cent of non-Indigenous students in business, management, and public administration programs acquired university certificates, diplomas, or degrees at a bachelor level or higher, only 25 per cent of Indigenous students did. Most Indigenous students completing business, management, and public administration programs instead acquired a college, CÉGEP, or other non-university certificate or diploma (at 59 per cent). Without a university education and its associated credentials, students have fewer career opportunities in the finance and management professions.

Indigenous Under-Representation in Professional Associations

With these professions in mind, the National Indigenous Economic Development Board (NIEDB) hosted a forum on economic reconciliation, noting that “business skills and expertise are fundamental building blocks for Indigenous businesses’ success and economic readiness.”⁹ When discussing their need for more Indigenous finance and management professionals, forum participants also noted how few Indigenous workers in these fields hold professional qualifications such as the Chartered Professional Accountant (CPA) or Chartered Financial Analyst (CFA) designations.

Professional associations like Chartered Professional Accountants Canada (CPA Canada) also recognize the need for more Indigenous professionals among their ranks. They are also seeking to learn about the needs of current members who self-identify as Indigenous. But while the total number of CPAs is about 210,000,¹⁰ the number of Indigenous CPAs is still largely unknown.

National gatherings such as the NIEDB’s have identified an urgent need and demand for Indigenous finance and management expertise, yet we continue to see under-representation in the associated fields of study and among professional associations.



9 National Indigenous Economic Development Board, *Indigenous Economic Reconciliation*, 12.

10 Chartered Professional Accountants Canada, “CPA Canada’s Key Activities.”

Indigenous Associations for Indigenous Finance and Management Professionals

A positive force for change in Canada has been the rise of Indigenous-controlled financial institutions and associations for Indigenous finance and management professionals.

Canada is home to over 50 independent Aboriginal Financial Institutions (AFIs). NACCA, the National Aboriginal Capital Corporations Association, is a national network of AFIs dedicated to stimulating economic growth for Indigenous people in Canada. To date, the network has provided nearly \$3 billion to businesses owned by First Nation, Métis, and Inuit people. NACCA plays a national coordinating role on behalf of its members. It advocates for Indigenous economic development, presents a unified voice of AFIs, fosters partnerships, and supports Indigenous financial management capacity.¹¹

Beyond the landscape of AFIs, AFOA Canada (formerly known as the Aboriginal Financial Officers Association of Canada) is working to address the gap in professional training and certifications for Indigenous finance and management professionals, especially at the community level. Founded in 1999, the not-for-profit association seeks to help “Indigenous people better manage and govern their

communities and organizations through a focus on enhancing management, finance and governance practices and skills.”¹² Through certification training and workshops, AFOA Canada and its regional chapters provide a range of capacity development services to Indigenous professionals and institutions. Over the years its mandate has expanded to encompass a rich continuum of professional certification programs for Indigenous financial managers, Indigenous professional administrators, and executive leaders.

Sources: The Conference Board of Canada; AFOA Canada.



¹¹ The Conference Board of Canada, *The Impact of Developmental Finance on Aboriginal Entrepreneurship and Economic Development in Canada*.

¹² AFOA Canada, “About Us.”

Drivers of Economic Reconciliation

Increasing economic opportunities for Indigenous communities is good for the country. The NIEDB, using 2015 data, estimates that levelling the playing field for Indigenous students and workers could translate to \$6.9 billion in income earned by the Indigenous workforce across Canada annually.¹³ In NIEDB's model, a level playing field through full employment and equalization of economic opportunities for Indigenous people could also add an additional \$27.7 billion to Canada's annual gross domestic product.¹⁴

The process leading to a more level playing field is economic reconciliation. For Indigenous communities it includes a changing legal landscape that asserts Indigenous rights as well as a variety of associated agreements and financial instruments to help them chart a course for self-determination in partnership with Canada. A working knowledge of these rights and related instruments is one important competency that distinguishes the unique skill sets of many Indigenous finance and management professionals.

The Changing Legal Landscape of Indigenous Economic Opportunity

Recent legal decisions that recognize Indigenous rights and "Aboriginal title" mean Indigenous communities have more influence over their economic future.¹⁵ In 2014, the Supreme Court of Canada ruled that the Tsilhqot'in First Nation in British Columbia, as land title holders, have the exclusive right to decide how their land is used, as well as the right to benefit from its use, "subject to the restriction that the uses must be consistent with the group nature of the interest and the enjoyment of the land by future generations."¹⁶ Governments and others that want to use the land must obtain the consent of Aboriginal title holders. Government incursions not consented to by the title holders must be "undertaken in accordance with the Crown's procedural duty to consult and must also be justified on the basis of a compelling and substantial public interest."¹⁷

13 National Indigenous Economic Development Board, *The Indigenous Economic Progress Report 2019*, 10.

14 Ibid.

15 Aboriginal title is a legal term used in court decisions associated with Indigenous economic rights and land title holdings.

16 *Tsilhqot'in Nation v. British Columbia*, 2014 SCC 44 (CanLII), [2014] 2 SCR 257.

17 Ibid.

Court cases have reaffirmed our rights and title to our territories. So there's [...] confidence in our communities, that the tables have turned a little bit in Canada. [...] We have rights and title on what is decided on certain lands. B.C. communities have had some court cases go in their favor like Delgamuukw. The more recent [decisions] have set the stage and have basically said, "if you want to do business on Indigenous territory, then you have to include us as partners and equity owners of major projects. I think that's the new line that's been created."

CEO of a national network of Indigenous financial institutions

This monumental decision builds off the 1991 B.C. Supreme Court ruling, commonly referred to as Delgamuukw. This ruling found that provincial governments have no right to unilaterally extinguish "Aboriginal title" or Indigenous peoples' rights to their traditional lands. It confirmed the legitimacy of oral testimony by Indigenous communities; and explained that title is not restricted to "Aboriginal practices, customs and traditions" but "is very broad and incorporates present day needs."¹⁸ The Court stated that "mineral rights and lands held pursuant to Aboriginal title should be capable of exploitation."¹⁹ These economic rights come with a limitation on usage, to ensure that traditional lands cannot be used in ways that are "irreconcilable with the nature of the claimants' attachment to those lands."²⁰

These court decisions empower Indigenous communities to use Aboriginal title and rights to shape economic development, ensuring that development aligns with their community values and perspectives. Aligning values can be a delicate balancing act for communities. Some communities recognize a variety of hereditary and elected community leaders whose judgments can make or break community support for a project. Many communities also ratify project decisions using a complex process of formal and informal consensus-building. It's a process not often taught in conventional management schools or reflected in typical business cases.²¹ Yet, it can be critical for finance and management professionals to understand if they want to effectively support the economic projects of Indigenous communities.

The recognition and affirmation of Indigenous rights does not necessarily simplify the decision-making needed to establish economic self-determination. Both court decisions highlighted above also acknowledged that provincial governments and the Crown have jurisdiction to make incursions on Indigenous lands based on public interest. While these incursions have to be justified on a case-by-case basis, the Court in the Delgamuukw decision stated that a broad range of economic objectives could be justified in the public interest. Its listed objectives include "the development of agriculture, forestry, mining, and hydroelectric power, [...] general economic development [...], protection of the environment or endangered species, the building of infrastructure

¹⁸ *Delgamuukw v. British Columbia*, 1997 CanLII 302 (SCC), [1997] 3 SCR 1010.

¹⁹ *Ibid.*

²⁰ *Ibid.*

²¹ Brown, Tulk, and Doucette, *Indigenous Business in Canada*.

and the settlement of foreign populations to support those aims.”²² More recently a British Columbia Supreme Court decision in 2021 affirmed that the provincial government must for its part consider the “cumulative effects” of development on First Nations territories. Under Justice Emily Burke’s decision in *Yahey v. B.C.*, the province’s legal authority to authorize new developments is now counterbalanced by a duty to ensure that the combined impacts of new developments do not infringe on First Nations treaty rights.²³

These court decisions are therefore both assertive of Indigenous rights and broader Canadian public interests. By balancing the two sides, they appear to espouse a bigger vision of economic reconciliation that requires collaboration and shared decision-making.

In this context, economic development becomes a balancing act of overlapping jurisdictions, Indigenous rights and title, treaties, consultation frameworks, and multi-party negotiations. Herein governments, companies, and Indigenous communities all stand to benefit from the perspectives and expertise of community-based Indigenous finance and management professionals. Whether it is working with diverse interest groups, responding to stakeholders, or helping to explain community values and priorities, Indigenous finance and management professionals have an important intermediary role

to play within this circle of relationships. For the majority of these professionals, such skills and competencies are learned via on-the-job training, mentorship, and by doing, and rarely introduced through any formal education or curriculum.

Instruments of Economic Reconciliation

Indigenous communities and nations have used the courts to defend their economic rights. Where a treaty does not exist between the Crown and Indigenous groups, Canada seeks to engage with Indigenous communities in negotiations to settle land claims. Indigenous communities may also negotiate with provincial and territorial governments to settle claims and establish resource revenue sharing, among other fiscal arrangements. When Indigenous rights have not been resolved through courts or through historic treaty, these types of negotiations ensue. In the case of comprehensive land claims, or “modern treaties,” multi-party negotiations can take place between the relevant Indigenous group(s), Canada, and their provincial or territorial counterparts. The modern treaty negotiation process also creates an opportunity for some nations to pursue self-government provisions. Indigenous jurisdictional rights and powers articulated in modern treaties receive constitutional protection.

²² Ibid.

²³ Melnitzer, “B.C. Court Ruling Could Mean First Nations Consent Needed for Any New Project on Historic Treaty Lands.”

Impact of Modern Treaties

“Since 1973, Canada and its negotiation partners have signed 26 comprehensive land claims and four self-government agreements. Of the 26 signed agreements, 18 included provisions related to self-government.

These settlements have provided Indigenous communities:

- ownership over 600,000 km² of land (almost the size of Manitoba)
- capital transfers of over \$3.2 billion
- protection of traditional ways of life
- access to resource development opportunities
- authority over land and resources management decisions
- certainty with respect to Indigenous land rights over approximately 40 per cent of Canada’s land mass
- associated self-government rights and political recognition.”

Source: Crown-Indigenous Relations and Northern Affairs Canada.

Indigenous communities’ negotiations with federal and/or provincial/territorial governments have resulted in settlement agreements. As instruments of economic reconciliation, these agreements provide certainty and clarity about ownership, land use, and management for all parties. These arrangements can take the form of land ownership, access to resource development opportunities and various lump sum and recurring payments (in some cases pegged to associated resource revenue sharing mechanisms).

Whether negotiating the monetary terms of a settlement agreement or determining the feasibility of a major resource project, the skills and presence of Indigenous finance and management professionals is an invaluable complement to all parties involved.



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Indigenous Communities' Unique Mix of Public and Corporate Financing

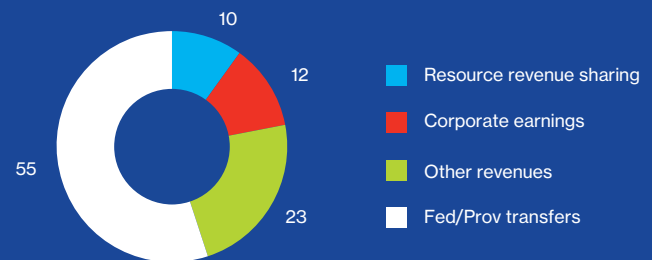
Indigenous community governments and agencies need revenues to provide the services, programs, and infrastructure their communities depend on. But unlike non-Indigenous municipalities, local taxation is not typically an option. Instead, they have come to rely on a variety of sources to maintain their fiscal toolkit, including federal/provincial/territorial program transfers, settlement payments through land claim agreements, earnings from corporate ventures and investments, and payments through private agreements with industries operating in or near their communities (e.g., Impact and Benefit Agreements). This mixed fiscal environment characterizes much of the focus of community-based Indigenous finance and management professionals. It's also not often taught in school.

The large diversity of Indigenous communities makes it difficult to generalize their breakdown of annual revenue sources. The First Nations Financial Management Board estimates that the revenues of Indian Act bands alone total at least \$13.5 billion; but this is just the tip of the iceberg. Chart 1 provides a typical breakdown encountered among British Columbia First

Nations. In this example, the largest source of revenues consists of federal and provincial transfers, while earnings from corporate ventures and payments from resource revenue-sharing agreements constitute 22 per cent.

Sources: Pendakur and Fiser; First Nations Financial Management Board.

An Average British Columbia First Nation's Breakdown of Revenue Sources
(per cent)



Source: Pendakur and Fiser.

Settlement Trusts

“A Settlement trust is an express private trust that is intentionally created [by Indigenous communities] as a means to hold assets that result from settlement agreements.”²⁴

For those Indigenous communities that have negotiated their settlement agreements, a common outcome is a settlement trust. Money from the trust can be used to generate and manage wealth. And the trust can be used to invest in financial markets to generate income. Investment income can then be redistributed to community members or re-invested in community-based initiatives through the terms of the trust agreement.



Leveraging Trusts

Trust structures can vary and present meaningful opportunities for Indigenous finance and management professionals to create prosperity for their communities and for Canada. More modern trusts, unlike traditional trusts, enable beneficiary communities to leverage settlement capital for purposes agreed to by their members when their settlement was ratified. In this kind of arrangement, a lending financial institution creates a hypothecation agreement which allows it to use the trust fund as collateral for debt repayment in the event of a default. For participating communities this is a relatively low-risk approach to access purposeful capital to drive social programs (e.g., education, health, family services) or advance economic development opportunities.

The benefit of leveraging settlement trust funds is that it provides access to capital (with long amortization periods) without depleting the value of the original settlement capital. Under the guidance of a competent finance professional, the interest earned on the invested settlement capital will be greater than the cost of borrowing. This allows capital in trust to continue to grow in value. Such trust-leveraging and investment arrangements are proving to be effective and safe for both the beneficiary communities and lending financial institutions even during volatile market conditions as experienced globally during the COVID-19 pandemic.

Source: Alicia Dubois, Founder, Nish Synergies Advisory Group.

24 Young, “Indigenous Settlement Trusts.”

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Indigenous finance and management professionals can work with communities that may not have had much interaction with the capital markets or investment strategies. They can play a trusted role in portfolio management in a way that benefits communities and aligns with their local values and visions of self-determination. To date, not much is documented about the assets and investment choices of Indigenous settlement trusts in Canada. But professionals in the field observe that many Indigenous communities tend to establish highly conservative, ultra low-risk investment plans that restrict capital growth.²⁵ This is unfortunate. With a balanced portfolio, communities can see moderate returns on their investments without taking unreasonable risk. Relevant financial advisory services are critical to helping communities understand their options and the trade-offs between risk and reward.

Embracing Self-Determination

As Indigenous communities become empowered to embrace economic self-determination, their visions of what is possible expands to new economic horizons and wealth-creating opportunities.

Business has changed. There are more development corporations, Indigenous companies, and investment companies. [In the past, communities] would do basic joint ventures (JVs) and took a percentage of profits [while] non-Indigenous companies did the work.... [Now] we're owning and we're building big businesses.

Interview participant, Director of Economic Development and Employment Training Services at a Saskatchewan First Nations Tribal Council

The revenues generated through trusts, economic development corporations, and other self-directed business activities have enabled Indigenous communities to diversify their local economies.

The spectrum of opportunity has widened considerably where we see nations participating in their economy and responding to opportunities in a broader way. We see now highly successful Indigenous companies and corporations engaging in less traditional industries/sectors like transportation, aerospace, and big camps that support resource development pieces. And I think that's only going to deepen in the next 10 to 20 years [in the] the non-traditional space where our people now see opportunity.

Interview participant, CEO of a leading Indigenous economic think tank

²⁵ RBC Wealth Management, "Building Wealth for Indigenous Communities and the Next Generation"; Alicia Dubois (Founder, Nish Synergies Advisory Group), e-mail correspondence with Adam Fiser, August 20, 2021.

As Indigenous communities continue to build confidence and enrich their business capacity, their range of development opportunities will also expand. Communities will shift away from economic development activities of the past to more complex arrangements and a broader set of industries. In this expanding context, Indigenous finance and management professionals can play the role of technical advisor, liaison, interpreter, and advocate for communities as they embark down new paths of economic self-determination.

Backed by the judicial system, Indigenous groups have more freedom to shape economic development on their traditional territories and choose what types of financial arrangements they want to develop with others. Yet too often they end up relying on a non-Indigenous third party to negotiate and manage their newfound wealth. Sustained financial independence and self-determination will be realized when Indigenous communities and their leaders actively assume the “driver’s seat” role rather than agreeing to “passenger seat” reliance on third parties.²⁶

First Nations Financial Management Board

The First Nations Financial Management Board (FMB) supports First Nations in strengthening their financial management systems and provides independent certification to support First Nations social and economic development. FMB certification provides a pathway for First Nations governments to borrow money from the First Nations Finance Authority (FNFA). Both the FMB and FNFA were established under the federal First Nations Financial and Statistical Management Act in 2006—later renamed the *First Nations Fiscal Management Act*²⁷ in 2013. The FNFMA is a federal statute that provides First Nations with support and tools to strengthen their communities and build their local economies. First Nations can choose whether to participate in the FNFMA.

FMB is a First Nations-led non-profit organization that provides services at no cost to First Nations across Canada. Its team of highly skilled Indigenous-led professional staff includes accountants, lawyers, and a CFA charter holder. FMB has a deep understanding of the rights context and financial dimensions surrounding Indigenous economic development. Its staff is actively engaged with Indigenous organizations, including the 315 First Nations that have chosen to participate in the FNFMA.

26 Alicia Dubois (Founder, Nish Synergies Advisory Group), e-mail correspondence with Adam Fiser, August 20, 2021.

27 *First Nations Fiscal Management Act*, S.C. 2005, c. 9.

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FMB sees first-hand the challenges that the lack of Indigenous accounting professionals on-reserve creates, as well as the benefits that even one or two Indigenous professionals on-reserve can bring to balance their books, focus on good governance, and evaluate business opportunities for the community.

FMB builds increased financial governance capacity in First Nations through customized client support, including training, tools, templates, workshops, webinars, and research—supporting First Nations governments to make informed decisions and a path to community well-being and prosperity. History has shown that building a government's financial management capacity has a direct impact on that government's success in creating wealth and well-being for the people it serves.

FMB's services include:

- operational guidance on developing financial administration law (FAL)
- tools, training, and guidance to implement FALs
- strategic planning
- default management prevention services
- certifying First Nations' financial governance practices

Ultimately, FMB believes that Indigenous economic reconciliation creates pride in Indigenous ownership, nation-building, and Indigenous individuals self-actualization, which simultaneously creates economic growth that benefits all Canadians.

Source: First Nations Financial Management Board (FMB).

Shifting to an Indigenous Wealth Management Paradigm

The new Indigenous wealth management paradigm described by leaders such as Shannin Metatawabin, Dana Soonias, and Carol Anne Hilton requires a strong commitment to improving the recruitment and retention of Indigenous finance and management professionals today. Equally important to increasing the talent pool is encouraging business schools to take a more serious look at the unique dimensions of finance and management in Indigenous communities. In Canada, groups such as AFOA Canada and the FMB are leading the way in defining what Indigenous finance and management mean in terms of necessary skills and competencies. More business schools need to follow their lead and incorporate Indigenous realities and perspectives in their curriculum.



AFOA Canada's Certified Aboriginal Financial Manager (CAFM) Designation

Economic partnerships and business relationships are becoming more complex. To make the most of these opportunities, Indigenous communities need new skills—particularly in finance, accounting, business planning, and project management. Financial management training and certification that reflects Indigenous realities is fundamental to helping more Indigenous communities shift to a wealth management paradigm.

AFOA Canada's Certified Aboriginal Financial Manager (CAFM) designation, for example, seeks to develop a range of skills and competencies that are relevant to the financial and management operations of Indigenous government administrations, financial institutions, and economic development corporations. CAFM's associated skills and competencies consist of four dimensions:

Technical Knowledge

- financial accounting and reporting
- management accounting and performance measurement
- finance and financial planning
- management information systems
- audit and assurance

General Management

- planning
- human resources management
- allocating and managing resources
- communicating
- Indigenous history and culture

Leadership

- organizational and strategic leadership
- team leadership and development
- staff coaching and training

Professionalism

- ethics and trust
- integrative approach
- problem-solving
- professional development
- professional self-evaluation

The skills and competencies that CAFM represents are paving the way for a new cadre of Indigenous finance and management professionals who have strong technical skills and an understanding of Indigenous economic realities. AFOA Canada has also partnered with CPA Canada to align the CAFM program with CPA Canada's Advanced Certificate in Accounting and Finance (ACAF) Program. The ACAF program provides a nationally recognized certificate for those “seeking a challenging and rewarding career in accounting and finance, but not as qualified CPAs.” This approach helps to grow the profession incrementally and gives Indigenous professionals more options to build their skills and competencies.

Source: AFOA Canada.



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With the support of Indigenous organizations such as AFOA Canada, FMB, NACCA, NATOA, Cando, and others, Indigenous finance and management professionals are strengthening their ability to foster change and build prosperity. Having more control over finances and futures should lead to more Indigenous participation in the economy. And economic engagement plays a vital role in supporting self-determination.

Indigenous self-determination is good for Canada. The Whitecap Dakota First Nation (WDFN) in Saskatchewan has a total population of 629 residents with a local unemployment rate that consistently hovers around 5 per cent annually. The community, through partnerships, has also created over 650 jobs on reserve land.²⁸ This demonstrates that the WDFN's local economy is creating jobs for its resident population as well as for non-community members from the surrounding area and municipality.

Indigenous finance and management professionals help create economic opportunities in the communities they work for, whether through technical advice, the day-to-day management of operations, or input on community strategy. This is evident in the efforts WDFN's Chief, council, and corporate services staff took to build their community's economic capacity. Today WDFN staff coordinate or deliver a variety of services including business licences, permits, and fees; land lease opportunities; property assessment and taxation; and more. Their level of capacity was made possible through WDFN's efforts to opt in and adopt new powers under the federal *First Nations Land Management Act*.²⁹ These powers

enabled WDFN to develop its own unique land code which anchors the variety of commercial development services it can now provide. Moreover, through the Whitecap Development Corporation, WDFN's for-profit investment corporation staff apply strategic planning and investment criteria to make investments inside and outside the Whitecap community.

Following its own unique vision, WDFN's economic power has expanded off-reserve to create broader employment and prosperity in Saskatchewan. The community's initiative has also been strengthened through meaningful partnerships with corporate Canada and the financial services sector in particular.



28 Whitecap Dakota First Nation, *The Whitecap Advantage*.

29 *First Nations Land Management Act*, S.C. 1999, c. 24.

Whitecap Dakota First Nation and Bank of Montreal

An important partner for WDFN throughout its economic transformation in the mid-2000s has been the Bank of Montreal (BMO). Their partnership reflects some of the key principles underlying economic reconciliation, including flexibility, a focus on capacity-building, mutual learning, and Indigenous self-determination. BMO staff first listened to WDFN's Chief and council to learn about their needs and unique project-financing challenges. They then tailored a loan offer to meet WDFN's request for a longer amortization period at more competitive rates. From the first series of loans targeting necessary community infrastructure projects, BMO and WDFN deepened their relationship as the First Nation transitioned to the *First Nations Land Management Act* (FNLMA). Along the way, BMO learned about the new ways it could work with WDFN through the FNLMA. For example, with WDFN's new self-governing authority to make leasehold agreements, BMO can now provide both commercial and residential mortgages on-reserve. The partners have learned from one another, and BMO now offers an On-Reserve Housing Loan Program to First Nations communities across Canada.

More recently, WDFN and BMO initiated a bold new tourism venture—the Dakota Dunes Hotel and Dakota Dunes Springs Spa built around WDFN's existing casino and golf course complex. The First Nation's further vision also includes plans for condominiums, a business park, a historical interpretive centre, and a new arena. All of this becomes more possible through committed partners in the financial services ecosystem.

Source: Thalgot; The Conference Board of Canada.

How Corporate Canada Can Help

As more Indigenous communities take the lead on economic development, initiating new businesses and creating more diverse streams of revenue, Indigenous finance and management professionals will feature prominently in their future success. So will strong supporting partners in corporate Canada and the financial services ecosystem. As BMO has demonstrated in its partnerships with WDFN, corporate Canada can do its part to support Indigenous capacity development and help Indigenous communities realize their economic visions for self-determination.

A New Corporate Vision Guided by Canada's Truth and Reconciliation Commission

The legacy of residential schools in Canada has cast a dark shadow over the relationship between Indigenous peoples and settler society. The goal of the Truth and Reconciliation Commission (TRC) is to advance the process of Canadian reconciliation and shed light on the traumatic impact of residential schools on survivors and Indigenous communities. To advance reconciliation, the TRC made 94 calls to action.

Entitled "Business and Reconciliation," Call to Action 92 challenges corporate Canada to adopt the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as a framework for reconciliation. This includes providing education for management and staff on the history of residential schools, Treaties and Aboriginal Rights, and Aboriginal–Crown relations.³⁰

³⁰ Truth and Reconciliation Commission of Canada, *Truth and Reconciliation Commission of Canada: Calls to Action*.

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Going deeper, Call to Action 92 also challenges corporate Canada to ensure that Indigenous peoples have “equitable access to jobs, training, and education opportunities in the corporate sector,” and that Indigenous communities “gain long-term sustainable benefits from economic development projects.”³¹ If taken seriously, these goals would go a long way to ensuring that more Indigenous people have the opportunities and supports they need to succeed as finance and management professionals. They would also help to reorient corporate Canada in the direction of economic reconciliation and Indigenous self-determination.



Realizing Call to Action 92

Responding to Call to Action 92, the National Aboriginal Trust Officers Association (NATOA) and the Shareholder Association for Research and Education (SHARE) established the Reconciliation and Responsible Investment Initiative (RRII) in 2016.³² RRII aims to empower both Indigenous and non-Indigenous investors to make capital decisions that “uphold Indigenous rights, promote positive economic outcomes for Indigenous peoples and centre Indigenous perspectives in investment decision-making.”³³ RRII offers resources to non-Indigenous investors, educating them about ways to advance reconciliation through their investment decisions. Under NATOA’s leadership, RRII also helps Indigenous trusts develop sustainable investment policies that reflect Indigenous community values and visions.

In 2020, RRII surveyed Canadian asset managers to understand how they are responding to Call to Action 92. Almost half of the investment management firms RRII surveyed had human resources policies in place to recruit more Indigenous employees. Common steps taken were to offer scholarships and bursaries for Indigenous students, as well as specific placements for Indigenous interns. Respondents to the RRII survey also mentioned specific actions to better educate their non-Indigenous staff about the history and cultural diversity of Indigenous peoples in Canada.

31 Ibid.

32 Reconciliation and Responsible Investment Initiative, “RRII Home.”

33 Sevestre and Rohan, “Advancing Indigenous Inclusion and Reconciliation Across Capital Markets.”

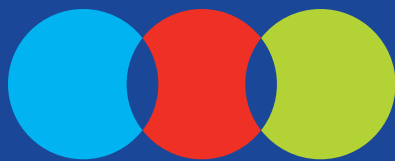
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Digging deeper, RRII found that a smaller group of leading firms were actively collaborating with their portfolio companies to support equity partnerships and other profit-sharing relationships with Indigenous communities. One leading firm even went so far as to advocate that governments embrace the principles of the United Nations Declaration on the Rights of Indigenous Peoples.

Further actions highlighted by RRII include:

- implementing Reconciliation Action Plans that have specific firm accountabilities, timelines, and targets similar to what Australian superannuation funds have done;
- prioritizing procurement from Indigenous-owned businesses with specific set-asides, targets, and timelines;
- incorporating the principles of economic reconciliation as part of good corporate governance and social responsibility.

Sources: Reconciliation and Responsible Investment Initiative; Sevestre and Rohan.



Nurturing the Next Generation of Indigenous Finance and Management Professionals

Government, corporate Canada, and Indigenous communities each have important roles to play in creating a brighter future with more Indigenous finance and management professionals. This will require a collective reorientation to prioritize Indigenous self-determination through economic reconciliation. The work to get there starts today. And it has to start in schools.

We have a lot of young people that are educated and we need to [...] increase the graduation rates in high school and try to get the younger people involved in the business field. We can do this through mentorships, [as well as] scholarships to opportunities outside the community where they'll gain valuable experience.

Interview participant, President and CEO of a national First Nations financial institution

The path to meeting this bold vision requires that all stakeholders contribute to a system of education and career counselling that inspires and nurtures Indigenous youth to take on roles in finance and management. The Indigenous thought-leaders who shared their experiences with us highlighted how role models, scholarship opportunities, and internships made significant impacts in their own personal journeys. They emphasized that increasing such supports along with relatable marketing would help attract more youth to professions that still get stereotyped as dismal and boring, or as too detached from the realities of someone growing up in a rural or remote community. This is similar to the findings highlighted by RRII's survey of asset managers in Canada.³⁴

If we are to meet the future skills needs of self-determined Indigenous communities, then a collective commitment to inspiring Indigenous youth must be made. It's time to expand culturally relevant education and motivate Indigenous youth to engage in matters of business, government, science, technology, engineering, and mathematics throughout K-12. Curriculum, teaching, and mentorship that engages with Indigenous youth early and often is fundamental to instilling a vision where they see themselves as the future accountants, government administrators, wealth managers, and entrepreneurs that economic reconciliation needs.



34 "RRII Home."

Appendix A

Methodology

Findings

- The review included more than 150 academic and grey literature sources on Indigenous economic development and related finance and management issues from across Canada.
- For a year spanning 2019 and 2020, 34 interviews were conducted with Indigenous executives and senior managers whose careers included relevant academic and professional experience in finance and management fields such as accounting and corporate finance. Our purposive sample included a cross-section of executives and senior managers from national banks, Indigenous trusts, and Indigenous financial management services, Aboriginal Financial Institutions, management consulting firms, public sector management organizations, Indigenous-owned industrial firms, First Nations corporate services departments, and not-for-profit organizations. Our team also interviewed several entrepreneurs who were using their backgrounds in finance and management to introduce new technologies, planning methods, or social services to Indigenous communities. Fourteen of the participants identified as female, and 18 as male. Coverage of backgrounds included Inuit Nunangat, the Northwest Territory Métis Nation, and First Nations in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and Nova Scotia. Unless otherwise stated, the views shared by the participants were their own and not taken to be representative of their communities, employers, or any professional associations.
- All interviews were recorded, transcribed, and coded using qualitative data analysis software.
- Interview participants were recruited through a purposive snowball sampling method that included contacts through several professional associations and networks, including AFOA Canada, First Nations Financial Management Board, National Aboriginal Capital Corporations Association, and CPA Canada.

Appendix B

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