

**INDIGENOUS EARLY LEARNING AND CHILD CARE (ELCC)
TRANSFORMATION INITIATIVE
TERMS AND CONDITIONS FOR CONTRIBUTIONS**

Indigenous Early Learning and Child Care (ELCC) Transformation Initiative Terms and Conditions for Contributions

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INTRODUCTION

The Truth and Reconciliation Commission has called on federal, provincial/territorial and Indigenous governments to develop culturally-appropriate early childhood education programs for Indigenous families (Call to Action 12: Develop culturally appropriate early childhood education programs for Aboriginal families). This initiative sets out to respond to that call. There is also alignment with Canada's commitment to reconciliation, to implementing the *United Nations Declaration on the Rights of Indigenous Peoples*, and to applying its *Principles Respecting the Government of Canada's Relationship with Indigenous Peoples*.

The Indigenous population in Canada represents the youngest and fastest-growing population in Canada. Indigenous families live primarily off-reserve, and are increasingly urban. Indigenous families disproportionately face a range of socio-economic issues that can impact children's development and outcomes. Early Learning and Child Care (ELCC) can improve children's cognitive abilities and socio-emotional development, help create a foundation for lifelong learning, increase school readiness and educational attainment, reduce poverty, promote health and well-being, and improve social mobility from generation to generation.

All Canadian children deserve a real and fair chance to succeed and ELCC provides a solid foundation for future success. This is especially true for Indigenous children, whose access to culturally-appropriate, high-quality, fully inclusive, flexible, and affordable ELCC empowers them with a strong sense of identity and establishes a foundation for their health, wellness, and future success and can bridge the gap between Indigenous and non-Indigenous health and education outcomes.

The Minister of Children, Families and Social Development worked with the Minister of Indigenous Services and Indigenous partners to co-develop and support the shared implementation of the Indigenous ELCC Framework. Throughout 2017, extensive engagement as part of the Framework co-development process sought views from service delivery organizations, program administrators, experts, early childhood educators, healthcare workers, communities, Elders and parents. The central theme of high-quality, flexible and self-determined Indigenous ELCC that is grounded in Indigenous cultures and languages was echoed across the country. The goals of the Indigenous ELCC Framework mirror these core engagement results.

The Indigenous ELCC Framework was endorsed and jointly released in 2018 by federal Ministers and leadership of Assembly of First Nations, Inuit Tapiriit Kanatami and Métis National Council. The Framework reflects the unique cultures, aspirations and needs of First Nations, Inuit and Métis children and families across Canada. It provides a guide for communities, program administrators, service providers, policy makers and governments to work towards achieving a shared vision that all Indigenous children

have the opportunity to experience high-quality and culturally-appropriate ELCC programs and services.

Alongside distinctions-based priorities and relationships, this Framework sets out principles and goals for Indigenous ELCC in order to better respond to and support the needs, responsibilities and aspirations of all Indigenous children and families across Canada, regardless of where they live, through:

- Indigenous Knowledges, Languages and Cultures;
- First Nations, Inuit and Métis Determination;
- Quality Programs and Services;
- Centering on the Child and Family;
- Inclusiveness;
- Flexibility and Adaptability;
- Accessibility;
- Transparency and Accountability; and
- Respect, Collaboration and Partnerships.

Building on this Framework, the federal government is working with Indigenous partners as well as with provinces and territories to build a Canada-wide, community-based system of quality child care. Reconciliation is a cornerstone for Federal and Indigenous Partnerships in early learning and child care; as such, programs will be designed by and with Indigenous families and communities to help Indigenous children get the best start in life. For that reason, self-determination is a guiding objective. Indigenous partners will set the pace and scope of control in transferring Indigenous early learning and child care programs and funding to Indigenous early learning and child care authorities. A flexible approach will enable Indigenous partners to define goals, milestones, targets, and actions associated for Indigenous ELCC. This includes the opportunity to shape the implementation of partnerships/governance/capacity approaches and activities, as well as activities that support evolving and growing programs and service delivery as well as investment decisions to build, train and retain a skilled workforce.

Horizontal Management of the Initiative

The purpose of these Terms and Conditions is to establish a horizontal mechanism that allows for the coordination of Government of Canada support for Indigenous ELCC and to set out the policy and criteria for the administration of funding under the Indigenous ELCC Transformation Initiative.

Employment and Social Development Canada is the federal lead of this transformation initiative and the following departments and agencies are the federal Partners that may use these terms and conditions to participate in the Indigenous ELCC Initiative:

- Employment and Social Development Canada;
- Indigenous Services Canada;
- Public Health Agency of Canada;
- Crown-Indigenous Relations and Northern Affairs Canada.

The Department of Employment and Social Development (ESD) will consult with Treasury Board Secretariat when new signatories are to be added and provide written confirmation to the President of the Treasury Board confirming the addition. The Minister of the department being granted access to these horizontal terms and conditions will be copied on the correspondence to the President of the Treasury Board. The Department of ESD will ensure that all participating departments are provided with updated terms and conditions as required.

At the direction of the recipient, the responsible department may either:

- flow resources to recipients following the established governance structure for decision-making;
- flow funding approved under their existing programming to a partner department;
- retain their own relationship with recipients and flow funding through their existing programming directly to a recipient to support the Indigenous ELCC Framework or associated Indigenous ELCC priorities or plans.

Where applicable, departments will develop a single funding agreement using the horizontal terms and conditions to deliver the contribution funding of all participating programs/departments to the recipient.

SUPPORTING INDIGENOUS-LED DECISION MAKING PROCESS

This Initiative prioritizes self-determination through Indigenous-led decision making on the nature and direction of ELCC programs and systems (both within communities and at the regional and national levels) as well as funding allocation decisions to support them. These efforts are often guided by ELCC plans.

Implementation in Partnership:

Implementation is a collaborative effort over several years, through ongoing, open dialogue and mutual effort with the many organizations, governments, and sectors involved in supporting improvements and changes to the governance, structures, systems, policies and content of ELCC programs and supports for Indigenous children, families and communities.

A “partnership model” ensures Indigenous-led decision making on the allocation of federal funding to best support national, regional and community-level Indigenous ELCC goals and priorities and consistent with the spirit of the Indigenous ELCC Framework.

Distinctions-based envelopes are dedicated to enhance, expand and improve ELCC services for First Nations, Inuit and Métis Nation children and families.

ELCC plans will be based on the respective visions, goals, strategies and priorities as described in the Framework including its First Nations, Inuit and Métis Nation components.

Process to Make Decisions:

The partnership decision-making model is intended to:

- Advance Indigenous-led allocation decisions based on Indigenous governance processes;
- Build wherever possible on existing forums/tables, relationships, and/or support the creation of appropriate Indigenous-led regional governance structures as directed by Indigenous partners and leadership for information sharing and support to decision making;
- Advance key joint priorities towards the implementation of the Indigenous ELCC Framework;
- Develop and reflect Indigenous-led ELCC plans that will guide implementation;
- Inform and enable federal departments to advance funding in keeping with Indigenous-led decisions.

For major capital infrastructure funding, the following “readiness factors” will be used to advance funding decisions:

- Developing a work plan or, where robust plans exist, adding capital to those plans;
- How projects will be prioritized and selected to achieve improved access to Indigenous ELCC;
- Identifying how funds will be allocated on a project or community basis each fiscal year, including consideration of self-governing nations and/or modern-treaty holders;
- Identifying sources of funds to support ongoing program, operating and maintenance costs;
- How implementation risks will be managed; and
- How results will be monitored and reported.

Shift to broad transfer agreements:

This Initiative enables the transfer of control of federal ELCC programming, funding, design and management to Indigenous ELCC authorities as mandated by Indigenous Peoples, where desired and at a pace of their own choosing, and in a manner that reflects their unique needs, priorities and aspirations.

Eligibility to enter into negotiations of a transfer agreement will be consistent with the continuum of funding flexibility set out in Appendix K of the Directive on Transfer Payments. A block contribution agreement may suit this approach, as the Directive sets out that block contribution funding should be considered when, for example: the recipient is to receive funding for a number of programs; through a single multi-year

funding agreement with multi-program objectives; and, various program objectives and the recipient's priorities can be better achieved with flexibility to adjust the relative priority of programs and to redirect or retain funding to address changing circumstances and the recipient's evolving priorities.

Reporting:

Partner departments will coordinate federal reporting on the Indigenous ELCC Framework and the federal government's investments to support its implementation over time.

The funding department will be responsible for the collection and dissemination of recipient reports to partnering departments. Partnering departments will maintain responsibility for accounting for respective portions of funding and for reporting through their own Departmental Plan and Departmental Results Report exercises.

1.0 AUTHORITY

The Indigenous Early Learning and Child Care Transformation Initiative is established by the Minister of Employment and Social Development (Minister) pursuant to section 7 of the *Department of Employment and Social Development Act* (DESDA). Section 7 provides that "The Minister may, in exercising the powers and performing the duties and functions assigned by this *Act* (DESDA), establish and implement programs designed to support projects or other activities that contribute to the development of the human resources of Canada and the skills of Canadians, or that contribute to the social development of Canada, and the Minister may make grants and contributions in support of the programs".

The mandate of the Minister (i.e. the powers, duties and functions assigned to the Minister) is set out in section 5 of the DESDA. Subsection 5(1) provides that "the Minister's powers, duties and functions extend to and include all matters relating to human resources and skills development in Canada or the social development of Canada over which Parliament has jurisdiction and which are not by law assigned to any other Minister, department, board or agency of the Government of Canada". Subsection 5(2) further provides that "The Minister shall exercise the powers and perform the duties and functions (a) relating to human resources and skills development with a view to improving the standard of living and quality of life of all Canadians by promoting a highly skilled and mobile workforce and an efficient and inclusive labour market; and (b) relating to social development with a view to promoting social well-being and income security.

The Indigenous Early Learning and Child Care Transformation Initiative relates to the mandate of the Minister.

Budget 2017 authorized the development of the Indigenous Early Learning and Child Care Transformation Initiative.

The 2020 Fall Economic Statement (FES) and Budget 2021 commits to long-term, sustained investment to create a Canada-wide ELCC system in partnership with provinces, territories and Indigenous Peoples.

Department of Indigenous Services Act (S.C. 2019, c. 29, s. 336)

The Public Health Agency of Canada Act (2006)

Crown-Indigenous Relations and Northern Affairs Canada Act (2019, c.29 s.337)

2.0 PURPOSE, OBJECTIVE, AND OUTCOMES AND KEY PERFORMANCE MEASURES

2.1 Purpose

The purpose of the Indigenous ELCC Transformation Initiative is to enable horizontal coordination of federal investments in Indigenous ELCC, including the use of new and existing program resources to advance shared priorities.

The Indigenous ELCC Transformation Initiative supports the Government of Canada's goals of helping Canadian children get the best start in life, better support Canadian families, and invest in ELCC programs for Indigenous children, as stated in Budget 2017 and reinforced through the 2020 Fall Economic Statement and Budget 2021 investments. Furthermore, these investments support the creation of a Canada-wide ELCC and the joint implementation of the Indigenous ELCC Framework, which reflects the cultures and needs of all Indigenous children and families across Canada alongside the unique priorities set out by First Nations, Inuit and the Métis Nation.

The Initiative supports the Government's commitment to Reconciliation with Indigenous Peoples, and supports the government's response to the Truth and Reconciliation Commission Call to Action on federal, provincial/territorial and Indigenous governments to develop culturally-appropriate early childhood education programs for Indigenous families. The Initiative is in alignment with Canada's commitment to reconciliation, to implementing the United Nations Declaration on the Rights of Indigenous Peoples, and to applying its *Principles Respecting the Government of Canada's Relationship with Indigenous Peoples* including through a renewed, nation-to-nation, government-to-government, and Inuit-Crown relationship based on recognition of rights, respect, co-operation, and partnership as the foundation for transformative change.

The Indigenous ELCC Transformation Initiative links to the Department of ESD's overarching mission of building a stronger and more inclusive Canada, to support Canadians in helping them live productive and rewarding lives, and improving Canadians' quality of life, as well as the following strategic outcome as stated in the Departmental Performance Measurement Framework and Program Alignment Architecture: income security, access to opportunities and well-being for individuals, families and communities.

The Indigenous ELCC Transformation Initiative also links to Indigenous Services Canada's objective to close socio-economic gaps and ultimately ensure that Indigenous Peoples have control over their services and programs by partnering with Indigenous Peoples to focus on the following five interconnected priority areas to close the unacceptable socioeconomic gaps that exist today: health, education, children and families, infrastructure, and a new fiscal relationship.

2.2 Objective

This will be accomplished in the following ways:

- Through partnership and joint management of distinctions-based investments (in programming/services, governance, and infrastructure) that will enhance and expand Indigenous ELCC, and support the transfer of ELCC to Indigenous control;
- Strengthening foundational supports for Indigenous ELCC through, for example, Indigenous-led quality improvement projects; and
- Adapting and improving existing federal programs to be more flexible, adaptable and horizontal across federal departments as a first step prior to transferring control, so that programs cohesively support the goals of the Framework including supporting self-determination.

2.3 Expected Outcomes

The expected outcomes of Indigenous ELCC Transformation Initiative are:

1. Indigenous children and families have greater access to Indigenous ELCC programs and services that are high-quality, holistic, accessible, inclusive, flexible, and culturally-appropriate; and
2. Indigenous Peoples gain greater control over Indigenous ELCC programs and services.

2.4 Key Performance Measures

The Indigenous ELCC Transformation Initiative has an evergreen Performance Information Profile that is co-developed with Indigenous partners. Progress toward objectives is measured through performance measures as established in the Performance Information Profile.

The following key performance measures are used to measure relevance, effectiveness and efficiency of programming, and to support progress monitoring, reporting by management and evaluation:

- Number of Indigenous children and families accessing quality, culturally-appropriate ELCC programs and services; and

- Increase in Indigenous control over Indigenous ELCC.

3.0 ELIGIBLE RECIPIENTS

Eligible Recipients under the Initiative include:

- a) Indigenous communities (e.g. First Nations, Tribal Councils, Inuit Hamlets);
- b) Indigenous Governments
- c) Indigenous organizations and associations, including Indigenous for-profit and not-for-profit organizations.

4.0 ELIGIBLE ACTIVITIES

Eligible activities under the Indigenous ELCC Transformation Initiative aim to advance the goals of the Indigenous ELCC Framework, based on extensive engagement and co-developed with Indigenous partners. Eligible activities fall into three separate areas: 1. Indigenous ELCC partnership, governance and capacity; 2. Indigenous ELCC programs and service delivery; and, 3. Indigenous ELCC infrastructure. Each of these three activity areas may include the following activities that aid in the design, development, delivery and management of culturally-appropriate Indigenous ELCC:

- a) Activities that enable self-determination, Indigenous control and governance of Indigenous ELCC;
- b) Activities that enable ELCC policy and program capacity-building and expertise for organizations mandated to lead and/or support the implementation of the Indigenous ELCC Framework;
- c) Activities that strengthen long-term planning, data, research reporting or evaluation;
- d) Activities that support innovative/collaborative links to new partnerships (such as links to federal/provincial/territorial governments and ELCC service delivery organizations);
- e) Activities that support the development of professional capacity, including centres of excellence or networks;
- f) Activities that support early childhood education, early literacy and learning, and child care services;
- g) Activities that promote physical, mental, and spiritual health and wellbeing, including nutrition and physical activity, and comprehensive holistic services;
- h) Activities that support parents/guardians and families in their role as primary caregivers including, but not limited to their participation in education and the labour market;
- i) Activities that reflect and promote Indigenous culture and language;
- j) Activities that complement community economic, educational, health and social development goals;
- k) Activities that promote improved outcomes for Indigenous children, families, and communities;
- l) Activities that support an Indigenous ELCC workforce that is valued; and
- m) Infrastructure activities, including activities related to:

i) the planning, design, construction, acquisition/purchase, renovation, retrofitting, expansion, repair, replacement, decommissioning, demolition, and continued operation and maintenance of:

- Indigenous ELCC facilities, which includes temporary structures as well as co-located or multi-use facilities offering Indigenous ELCC;
- connectivity and transport infrastructure to provide connectivity to these facilities, such as community roads and access roads (e.g. access roads outside the boundary of a community which permit access to an Indigenous ELCC facility from a provincial/territorial road), as well as needed sidewalks, curbs, culverts, ditches and signs;
- infrastructure needed to provide access to Indigenous ELCC facilities where no other access is available (e.g. ferry transportation, airstrips, docks).

ii) cost-shared projects undertaken jointly with municipalities or provinces/territories (e.g., to ensure linkages from an Indigenous ELCC facility to a municipal road, water, sewer or electrical grid service).

iii) needs assessments and other planning and design activities that support the building of ELCC infrastructure.

iv) alternative approaches that could support culturally-appropriate space creation, such as partnerships with existing child care centres and expanding before and after-school care.

v) the purchase/acquisition of land.

vi) administrative activities associated with eligible activities m-i) through m-v) including, for example:

- insurance;
- legal services needed in relation to acquisition of land, contracts, and surveys;
- information technology;
- project management;
- using the services of qualified professionals, technical personnel, consultants and contractors;
- environmental assessments, monitoring, and follow-up programs;
- project activities begun after conditional project approval.

5.0 ELIGIBLE EXPENDITURES

Eligible expenditures are those considered necessary to support the purpose of the funding, and fall into three separate areas: 1. Indigenous ELCC partnerships, governance and capacity; 2. Indigenous ELCC programs and service delivery; and 3. Indigenous ELCC infrastructure. Eligible expenditures include the following:

- a) Early learning and/or child care service delivery;

- b) the costs of engaging consultants and other qualified professionals;
- c) technical services;
- d) training and skills development;
- e) infrastructure costs to support the planning, design, construction, acquisition/purchase, renovation, retrofitting, expansion, repair and maintenance, replacement, decommissioning, and demolition of Indigenous ELCC facilities, which would apply to temporary structures as well as co-located or multi-use facilities, as well as other infrastructure where applicable (e.g. costs to support eligible activities as outlined in section 4.0, activity 'm');
- f) operating costs;
- g) transportation;
- h) the purchase of vehicles for an Indigenous ELCC organization's use to:
 - provide transport to/from ELCC services;
 - deliver mobile ELCC services.
- i) salaries and wages and benefits;
- j) materials and supplies;
- k) nutrition and food;
- l) printing and communication costs;
- m) honoraria;
- n) hospitality costs;
- o) travel, including accommodation, meals, and allowances;
- p) conferences, workshops and meetings related to Indigenous Peoples achieving Indigenous ELCC outcomes;
- q) capacity and professional development.

Where the recipient further distributes contribution funding to a third-party organization to carry out project activities, payments by the recipient to the third party to reimburse the third party for the types of expenditures listed above incurred by the third party are also eligible expenditures.

6.0 STACKING LIMIT

Where possible and appropriate, the costs of an eligible activity will be shared with the recipient and/or with government and/or the private sector. However, where the sharing of costs with the recipient and private sector are not feasible, total government funding (federal, provincial/territorial and municipal funding for the same eligible expenditures) must not exceed 100% of eligible expenditures.

7.0 METHOD OF DETERMINING FUNDING AMOUNT

A key element of the horizontal Indigenous ELCC Transformation Initiative is to enable shared implementation of the Indigenous ELCC Framework among the Government of Canada and Indigenous Peoples, supported by flexible and adaptable federal programs as elements of the Initiative. Funding amounts for contributions are determined based on Indigenous-led decisions taken in partnership at the national and regional levels reflecting community needs. Factors may include:

- advancement of the objectives of the Indigenous ELCC Framework;

- priorities or goals outlined by Indigenous Peoples at the national, regional and/or community/recipient level;
- scope and duration of activities/investments;
- recipient eligibility.

Indigenous ELCC recipients may enter into partnerships with Provinces or Territories if desired by the recipient. Federal funding for Indigenous ELCC is a complement to provincial and territorial investments in early learning and child care.

The Indigenous ELCC funding can be used to advance infrastructure activities and other Indigenous ELCC-related activities as outlined in section 4.0, based on Indigenous-led decisions. Major capital infrastructure funding starting in 2023-2024 will also be advanced through the existing partnership model, or by a designated implementation lead including the federal government if this approach is selected by Indigenous leadership.

Funding will advance projects through the various stages from the planning and pre-construction phase to facility construction.

The major capital infrastructure funding is not to be used to cover expenditures for activities related to programming or governance.

8.0 MAXIMUM AMOUNT PAYABLE

8.1 Contributions

The maximum level of financial support approved per recipient will not exceed 100% of the eligible project costs and may not exceed \$150 million per year. The total allocation will not exceed the amount identified in each of the distinctions-based envelopes or the total funding set aside for the quality improvement projects.

9.0 BASIS OF PAYMENT

Funding in support of eligible activities may be provided to eligible recipients in the form of fixed, flexible, or block contributions, subject to Appendix K of the Treasury Board Directive on Transfer Payments.

Payments to contribution recipients are made via regular progress payments based on reimbursement of eligible expenditures; or via advance payments based on a cash-flow forecast.

Any unexpended funding remaining at the expiry of a funding agreement is to be administered in accordance with Appendix K based on the type of contribution agreement.

10.0 INFORMATION REQUIRED FOR FINANCIAL AND PERFORMANCE REPORTING

The nature and frequency of reporting is specified in each funding approach, aligned with Appendix K of the Directive on Transfer Payments.

Recipients submit reports consistent with the requirements of the departmental/program funding processes. Reports outline activities completed and financial reports that account for the use of the funding, with, where applicable, identified linkages to associated ELCC plans and the goals/priorities described in the Indigenous ELCC Framework.

This Initiative will enable existing federal programs to be more flexible, adaptable and horizontal across federal departments as a first step prior to transferring control, so that programs cohesively support the goals of the Framework and support self-determination. This aims to minimize fragmented and inflexible delivery and reduce/streamline multiple recipient proposals and reports, which can impede responsive and timely funding and reporting.

This adaptable, nuanced approach enables a shift, at a pace determined by Indigenous partners, from local/program/service-level reporting to a more coherent, less burdensome, and outcomes-based reporting approach that is co-developed with Indigenous partners. With regard to existing federal Indigenous ELCC programs remain, partner departments will work with recipients to link their planning and reporting processes to their broader ELCC objectives, and to the vision of the Indigenous ELCC Framework.

11.0 OFFICIAL LANGUAGES ACT

The Indigenous ELCC Transformation Initiative is committed to respecting its obligations under the *Official Languages Act*.

To respect the obligations of the Government of Canada under Part VII of the *Official Languages Act*, where it has been determined that;

- (a) the target clientele who are eligible to participate in a project to be carried out by the recipient is composed of members of both official language communities, and
- (b) the anticipated demand for project assistance by the target clientele in both official languages justifies the use of both official languages.

12.0 EFFECTIVE DATE OF TERMS AND CONDITIONS

These terms and conditions will come into effect in the 2021-2022 fiscal year.

13.0 REDISTRIBUTION OF CONTRIBUTIONS

In projects involving the further distribution of the contribution by the recipient to one or more persons or entities, the agreement will make clear that the recipient has independence in the choice of those persons or entities, with minimal guidance from the Department of ESD, and will not be acting as an agent for the government in making the distributions.

Where the recipient further distributes contribution funding to third party organizations to carry out project activities, the recipient will be responsible for identifying projects to be funded. The recipient will be responsible for negotiating agreements, monitoring agreements and results reporting (including collecting performance information from sub-agreement holders).

14.0 INTELLECTUAL PROPERTY

Intellectual Property created by a recipient will remain the property of the recipient. Where it is to the advantage of Canadians, and not detrimental to the goals of the recipient, the Department of ESD may negotiate the shared use of intellectual property developed by recipients or through a third party. The rights to use this material may include further use of data for research purposes and/or publishing the intellectual property on the Department of ESD's web site or in printed documents and publications.