



First Nations Financial Management Board

Corporate Plan 2015-2016

Approved by FMB Board of Directors – 26 January 2015

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Executive Summary

The First Nations Financial Management Board (“FMB”) is Canada’s only legislated body that develops and publishes standards for First Nations’ financial management systems and financial performance. Upon request, the FMB certifies First Nations’ compliance to those standards.

The FMB provides a suite of financial management tools and services to First Nations governments seeking to strengthen their fiscal stewardship, accountability framework and develop necessary capacity to meet their expanding financial management requirements.

Since it became operational in 2007, the FMB has provided the tools to facilitate investment on First Nations’ lands through the certification process and the borrowing program established by the *First Nations Fiscal Management Act* (“FMA”). Through its body of standards and sample policies and procedures, the FMB upholds the principles of transparency and accountability within First Nation governments.

The FMB supports participating First Nations in the development of Financial Administration Laws and the achievement of FMB Certification. FMB Certification will not only strengthen the financial management and reporting of First Nations, but will also contribute to their access to more affordable and sustainable financing for investment in their communities.

Strategic issues for 2015/16 include:

- **Capitalizing on the full mandate within S. 49.** Given human and financial resources, the FMB will need to be strategic about when and how to fully pursue the full scope of its mandate. There will be advocacy and technical work required to fulfill certain components of the mandate.
- **Managing the demands of an expanding client base.** The FMB client base has diverse needs and circumstances across the country. The FMB will respond to their clients needs by adapting to time zones, increasing digital communications, and increasing use of strategic partnerships.
- **Expanding existing services and expanding new services and products.** Within the current business lines there are pressures to make adjustments to better serve the needs of clients and achieve the legislative purposes. The FMB is considering implementing efforts consistent with the full range of purposes.
- **Engaging Board and Staff Effectively.** As FMB capitalizes and expands on its successes to date, the need for effective and efficient collaboration between board and staff continues to be critical.

The number of First Nations participating in the FMA continues to grow. As at 15 January 2015, there are 138 (one hundred thirty-eight) First Nations that have chosen to be added to the schedule of the FMA. This fiscal year, as at 11 January 2015, the FMB has issued 11 (eleven) Financial Administration Law (“FAL”) compliance approvals and has issued 9 (nine) financial performance certificates. This brings the total number of FAL compliance approvals to 51 (fifty-one) and the total number of financial performance certificates to 46 (forty-six). The figure on the following page shows the growth in the number of First Nations that have received Financial Performance Certificates from the FMB over the past four years.

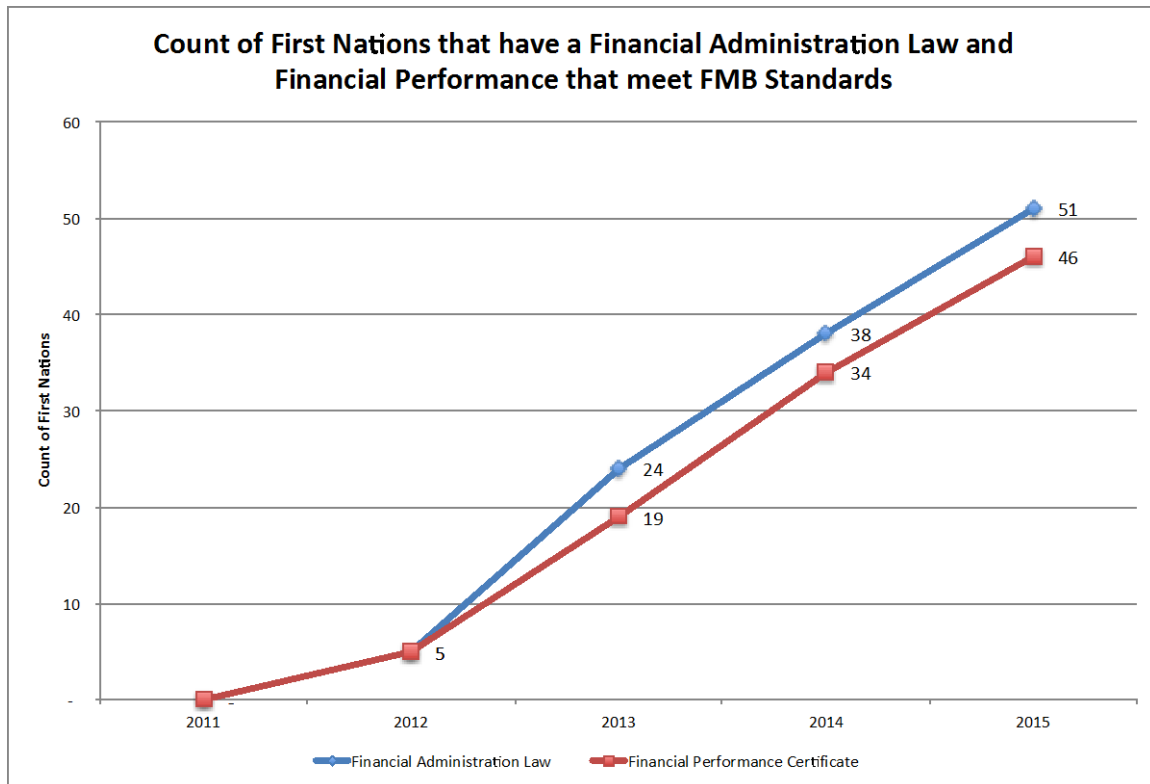


Figure 1 – Count of First Nations with FAL and Financial Performance that meets FMB Standards

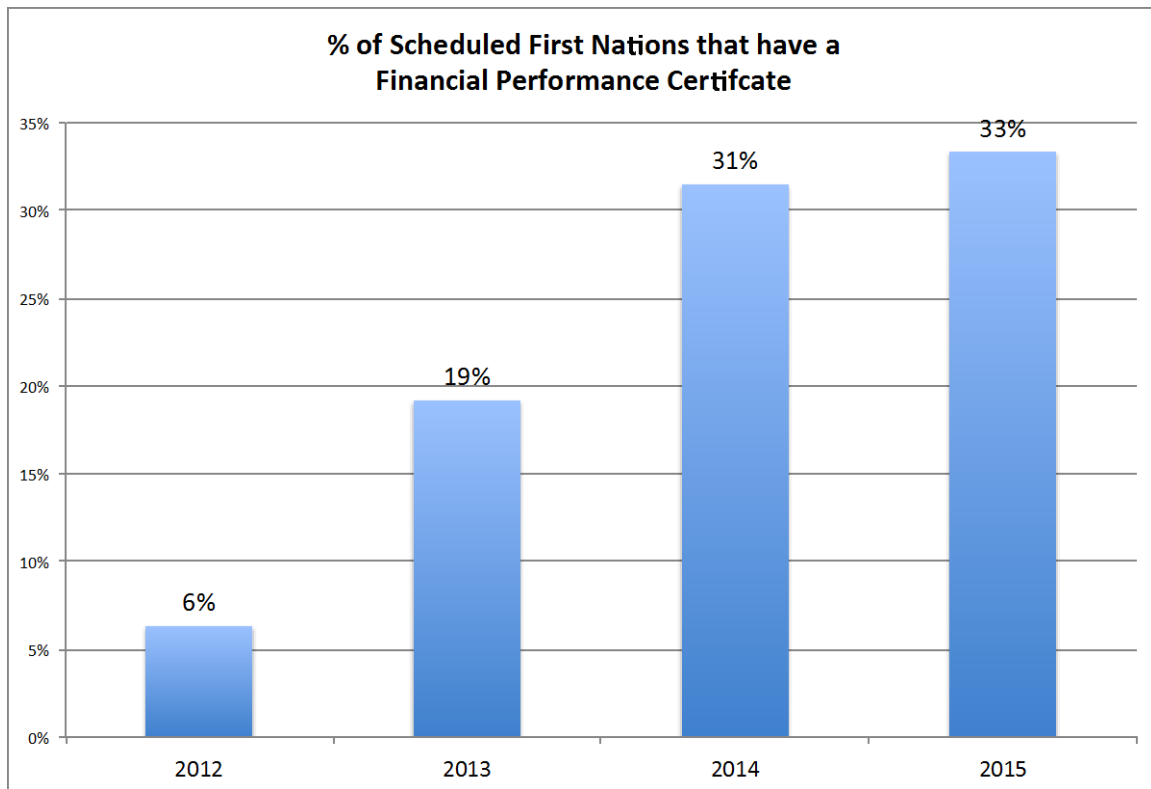
The next step for these First Nations will be the continued development of their financial management system. At their request, the FMB will conduct a compliance review to ensure the financial management system is operating effectively. It will be a priority of the FMB in 2015/16 to continue to support certified First Nations in meeting the Financial Management System Standards with work plans and tools, such as the self-assessment.

In addition to the First Nations that are continuing their path through certification, the FMB is experiencing continued demand from First Nations that are beginning the process. It is anticipated that the upcoming fiscal year 2015/2016 will see a similar number of First Nations commencing the development of their FAL and requesting a Financial Performance certificate.

The broader legislative purposes of the FMB can support First Nations moving beyond the *Indian Act* whether on a comprehensive basis through treaties or incrementally through sectoral self-government initiatives such as the land management initiative. As First Nations continue to take greater control over their lands and resources, their financial management needs will continue to grow in scope and complexity.

Some First Nations have pursued self-government through the negotiation of treaties. Some of these communities have expressed an interest in access to capital through the FMA. The FMB will continue to work with these First Nations, as well as with provincial and federal government to explore ways to meet these interests.

The FMB is a national institution and as such will continue to work with First Nations in all provinces and territories. Over a third of those First Nations that are scheduled to the FMA now have achieved financial performance certification with the FMB.



An FMB objective is to instill more confidence in the stability, accountability, transparency and financial stewardship in First Nation governments as they move to implement their community, social, and economic strategies. The FMB will deliver these purposes through three (3) business lines:

Table 1 - FMB Business Lines and Objectives

Business Line	Objectives
Supporting First Nation governments	<ul style="list-style-type: none"> • Increase First Nation access to capital through certification • Strengthen First Nation financial administration by promoting sound, stable and transparent First Nation financial management systems • Enable First Nations to better respond to membership, and other stakeholders' questions about their financial capacity and financial performance
Services to other governments and organizations	<ul style="list-style-type: none"> • Promote financial relationships between First Nations and other governments that are appropriate, effective, efficient, and mutually beneficial
Corporate services	<ul style="list-style-type: none"> • Provide the administrative resources and facilities to enable the other business lines to operate effectively

The budget for core activities for fiscal year 2015-2016 is \$5,205,244. The budget is summarized below:

Table 2 - Financial Plan

Activity	2015/16	2016/17	2017/18	2018/19	2019/20
Salary & Benefits	2,200,770	2,208,000	2,250,000	2,305,000	2,351,000
Client Service Delivery	652,000	866,000	890,000	940,000	958,800
Policy Development	412,000	258,000	354,000	372,000	379,440
Operations & Management	949,424	969,796	988,377	1,008,131	1,028,294
Board of Director Fee & Expense	624,650	662,000	677,000	699,000	712,980
Travel	296,400	303,000	310,000	352,000	359,040
Capital	70,000	71,400	73,000	74,500	75,990
Total	5,205,244	5,338,196	5,542,377	5,750,631	5,865,544

Mandate

The FMB will provide the tools and guidance that will instill confidence in First Nations' financial management and reporting systems to support economic and community development.

Section 49 and 55 of the FMA establish the following legislative mandates for the FMB:

- Assist First Nations in developing the capacity to meet their financial management requirements;
- Develop and support the application of general credit rating criteria to First Nations;
- Provide review and audit services respecting First Nation financial management;
- Provide assessment and certification services respecting First Nation financial management and financial performance;
- Provide financial monitoring services respecting First Nation financial management and financial performance;
- Provide co-management and third party management services;
- Assist First Nations in their dealings with other governments respecting financial management, including matters of accountability and shared fiscal responsibility;
- Assist First Nations in the development, implementation and improvement of financial relationships with financial institutions, business partners and other governments, to enable the economic and social development of First Nations;
- Provide advice, policy research, and review and evaluative services on the development of fiscal arrangements between First Nations' governments and other governments; and,
- Set standards respecting:
 - The form and content of Financial Administration Laws;
 - Approvals of Financial Administration Laws;
 - Certification of First Nation Financial Management Systems;
 - Certification of Financial Performance; and,
 - Financial reporting for the Local Revenue Account.

Corporate Profile

The FMB operates as a shared governance institution under Parts 3 and 6 of the FMA, which came into effect 1 April 2006. The FMA is an optional initiative – in order to participate a First Nation must pass a Council Resolution to request that the Governor in Council (“GIC”) add their community’s name to the FMA Schedule. There are currently 138 (one hundred thirty-eight) First Nations that have done so and are now listed on the FMA Schedule.¹ These communities are the primary client base of the FMB.

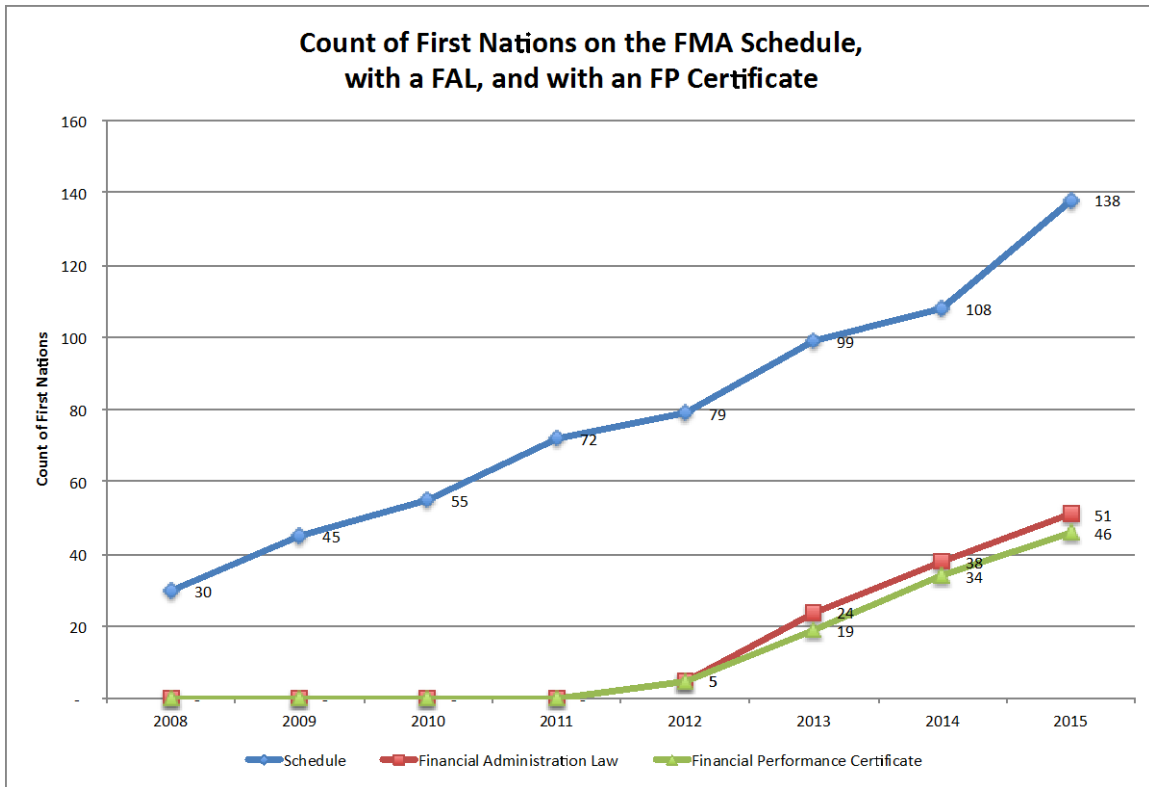


Figure 2 - First Nations that have chosen to become schedule to the FMA

The FMA sets out the purposes, functions and powers of the FMB and establishes an at-arms-length relationship between the FMB and the federal government. Accordingly, the FMB is not an agent of the Crown and has the capacity, rights, powers and privileges of a natural person.

¹ <http://laws-lois.justice.gc.ca/eng/acts/F-11.67/page-33.html#h-41>

Corporate History

The FMA was originally drafted in 2001. The BC First Nations Summit supported the draft legislation and began sponsoring the FMB in 2002. An FMB advisory panel was established in 2002 to support the legislative process and the development of FMB.

The FMA had all party support in both the House of Commons and the Senate during the legislative process of 2004 and 2005. It received Royal Assent on 23 March 2005 and came into force 1 April 2006.

In order to provide access to non-taxing First Nations and to support the FMA regime, the GIC made regulations on 29 September 2011 that enabled the securitization of various other revenue streams in addition to property tax revenues.

In addition to those on the FMA Schedule, there has been interest of non-scheduled and non-taxing First Nations that are interested in securitizing their non-taxation revenues. Others simply wish to improve their financial management system and work with the FMB. Some First Nations have come forward to work with the FMB and are awaiting the GIC process to conclude so that they can be listed on the FMA Schedule.

Organizational Structure

The FMB operates under a shared governance model that makes the Board of Directors of the FMB accountable to the Minister of Aboriginal Affairs and Northern Development Canada as responsible for ensuring that the FMB fulfills its legal and regulatory mandate. Under this model, the Board of Directors consists of a minimum of nine (9) and a maximum of thirteen (13) directors, including a Chairperson and Vice-Chairperson. A majority of the members (10) are named by the GIC and up to three (3) members are appointed by AFOA Canada.

To date, the Board of Directors have formed five (5) committees:

- Audit and Risk Management Committee;
- Governance and Human Resources Committee;
- Standards, Approvals, and Certification Committee;
- Capacity Development Committee; and,
- Intervention Committee.

The Organizational Chart of the FMB is shown on the following page.

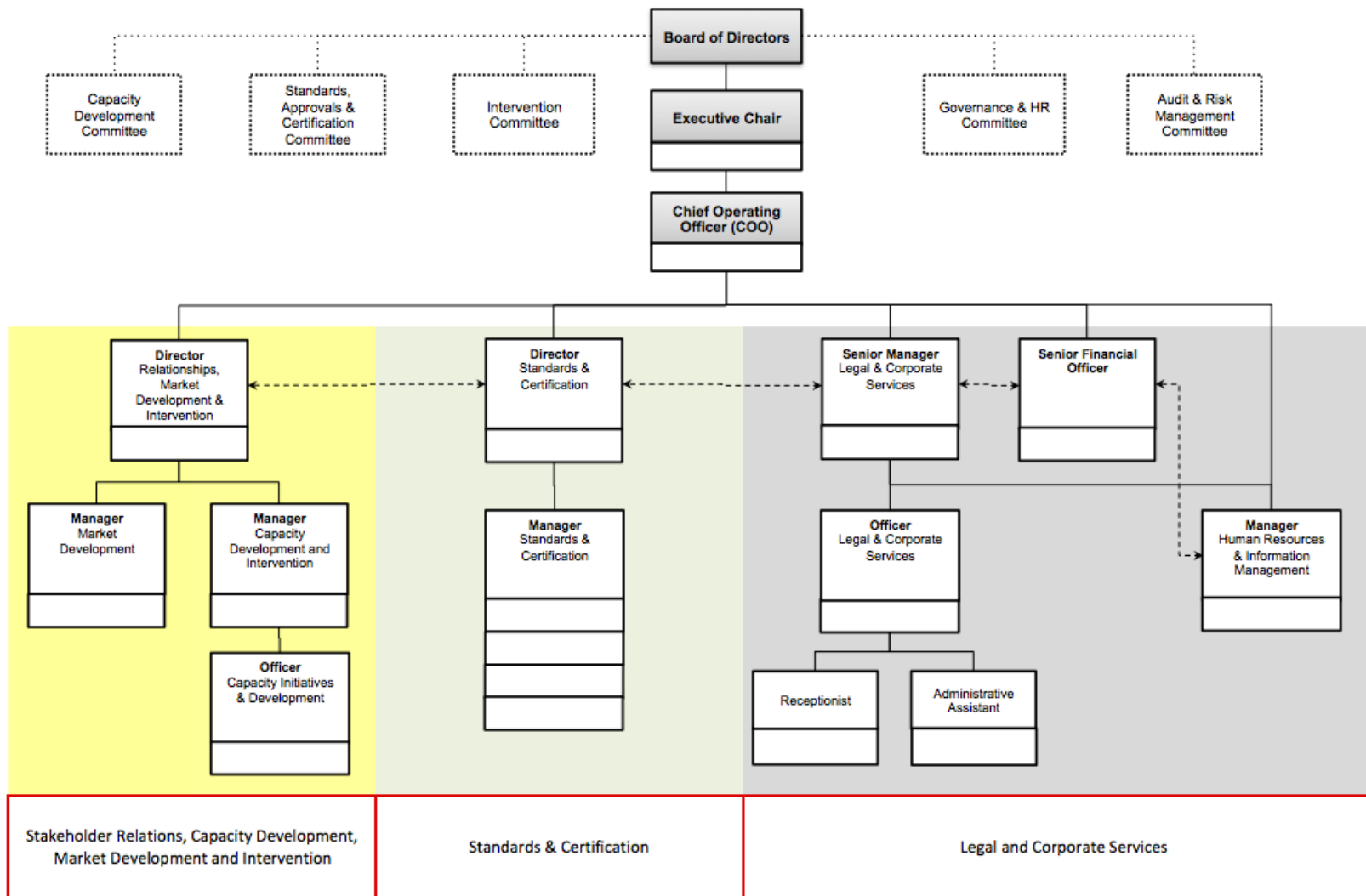


Figure 3 - FMB Organizational Chart

The FMB Management Team

Executive Chair

The Executive Chair is responsible for carrying out the decisions of the Board of Directors of the FMB, for supporting and implementing the vision and decisions of the Board, as well as for implementing the strategic and corporate plans for the organization. The Executive Chair also gives direction and provides support to the Chief Operating Officer.

Chief Operating Officer

The Chief Operating Officer (“COO”) is primarily responsible for providing leadership and management of the day-to-day operations including the financial function, risk management and insurance decisions. The COO reports to the Executive Chair.

Director, Standards and Certification

The Director, Standards and Certification is part of the senior management team reporting to the COO. The Director is responsible for reviewing and overseeing all activities related to standards and certification and supporting First Nations in their implementation of FMB Standards.

Director, Relationships, Market Development and Intervention (vacant)

The Director Relationships, Market Development and Intervention is part of the senior management team reporting to the COO and is responsible for managing and monitoring the ongoing relationship with scheduled and non-scheduled First Nations, marketing efforts to engage new First Nation clients, as well as performing the duties of the Intervention Officer as required by the regulations.

Senior Manager, Legal and Corporate Services

The Senior Manager, Legal & Corporate Services, is responsible for providing support to the Board of Directors and Board Committees. The Senior Manager is also responsible for Financial Administration Law reviews and for making reports and recommendations to the Board regarding compliance with the Financial Administration Law Standards. The Senior Manager provides support to the Executive Chair and to the COO as directed to implement the Corporate Plan. Finally, the Senior Manager provides supervision and management of the corporate services team.

Principle Business Activities

The FMB is part of the regulatory regime established by the FMA that enables First Nations to finance public infrastructure by pledging either (a) property tax revenue; and/or, (b) other revenues to repay the loan. In order to participate, First Nations must apply to be added to the FMA schedule. *Figure 4* below describes the scenario of a First Nation pledging property tax or other revenues to repay an infrastructure or economic development loan.

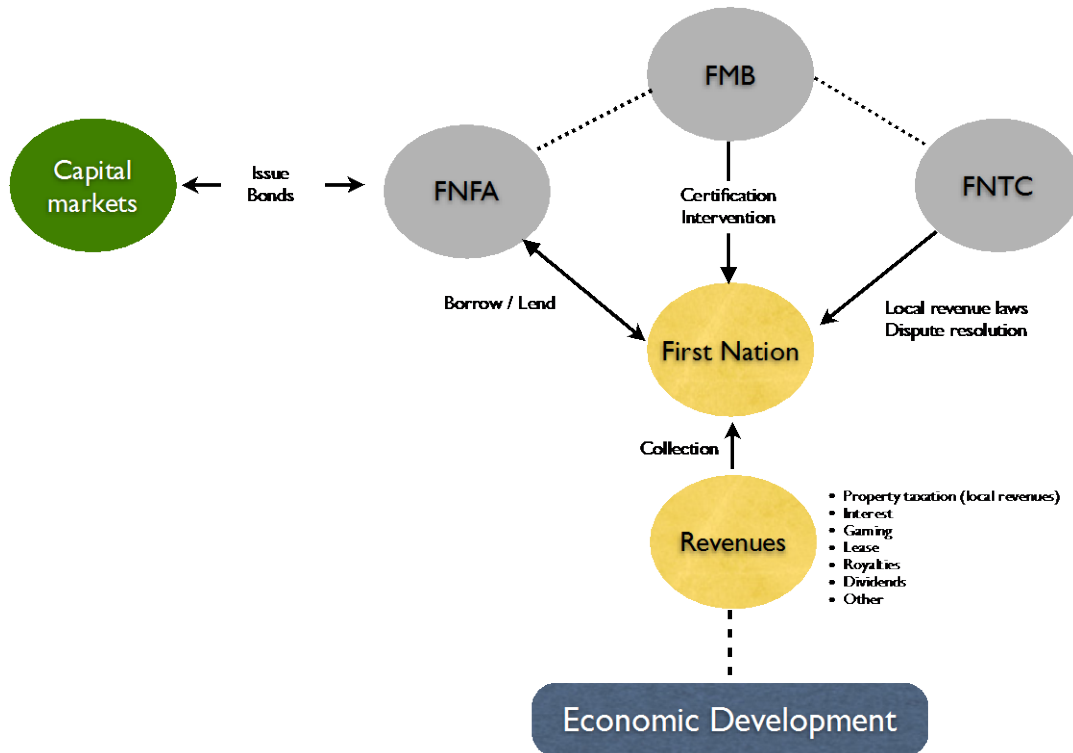


Figure 4 - An overview of the FMA regulatory regime

In the property tax scenario, investment and economic development on First Nations' lands creates a tax base. Lessees pay property taxes to a First Nation in return for the provision of services. The First Nations Tax Commission ("FNTC) regulates the property tax system (including property taxation, assessment, rates and expenditure laws).

In order for First Nations to qualify for capital infrastructure borrowing through the FMA, the First Nation must become a “borrowing member” of the FNFA. Before a First Nation is eligible to be considered for membership in the FNFA, the FMB must issue a certificate to the First Nation indicating that it meets the standards set by the FMB under the FMA. For these purposes the FMB has issued *Financial Management System Standards* (to issue a Financial Management Systems Certificate) and the *Financial Performance Standards* (to issue a Financial Performance Certificate). These certificates may be used by a First Nation to support its application to become a borrowing member of the FNFA.

Pursuant to section 142 of the FMA, the Governor-in-Council made “*Financing Secured by Other Revenues Regulations*”, which enables a First Nation to use certain “other revenues” to secure financing from the FNFA. The regulation contemplates that a First Nation with both property tax revenues and other revenues can use either or both for borrowing. The regulation was developed by Canada in a collaborative effort with the FMA institutions. The FMB Certification and Intervention functions are an integral part of the process to borrow from the FNFA using “other revenues”.

The oversight framework of the FMA was reviewed by rating agencies and investment banks in the last fiscal year. During this review the standards and certification processes were examined and contributed to the achievement of the investment grade credit rating given the FNFA. Some of the information gained from this exercise has guided the development of some of proposed administrative legislative amendments currently being developed.

The FMB will not issue a certificate unless the First Nation’s law respecting financial administration has first been reviewed and deemed by the FMB to be in compliance with *Financial Administration Law Standards*. The FMB has issued *Financial Administration Law Review Procedures* to guide First Nations who are applying for approval of their law.

FMB Standards and the process described above have received positive feedback from professional organizations in the market place. The FMB framework in assessing financial performance has been vetted by a major accounting firm, two national investment banks and an international rating agency. These organizations have stated that the FMB framework for assessing financial performance is appropriate and the metrics used are credible.

The FMB Financial Performance Certificate has been accepted as a proxy in Aboriginal Affairs and Northern Development Canada’s (“AANDC”) risk based general assessment (“GA”). The GA works by taking an annual snapshot of a First Nation’s past performance and identifies strengths and emerging risks that may have an impact on its future performance. Within the GA process each First Nation is assessed and rated as having a low, medium or high-risk level. The GA includes factors such as governance, operating environment, planning and financial management. FMB’s Financial Performance Certificate can be used in place of the financial management aspect of the GA.

Business Lines

There are three (3) FMB business lines. Activities are mapped to the business lines in the figure below.

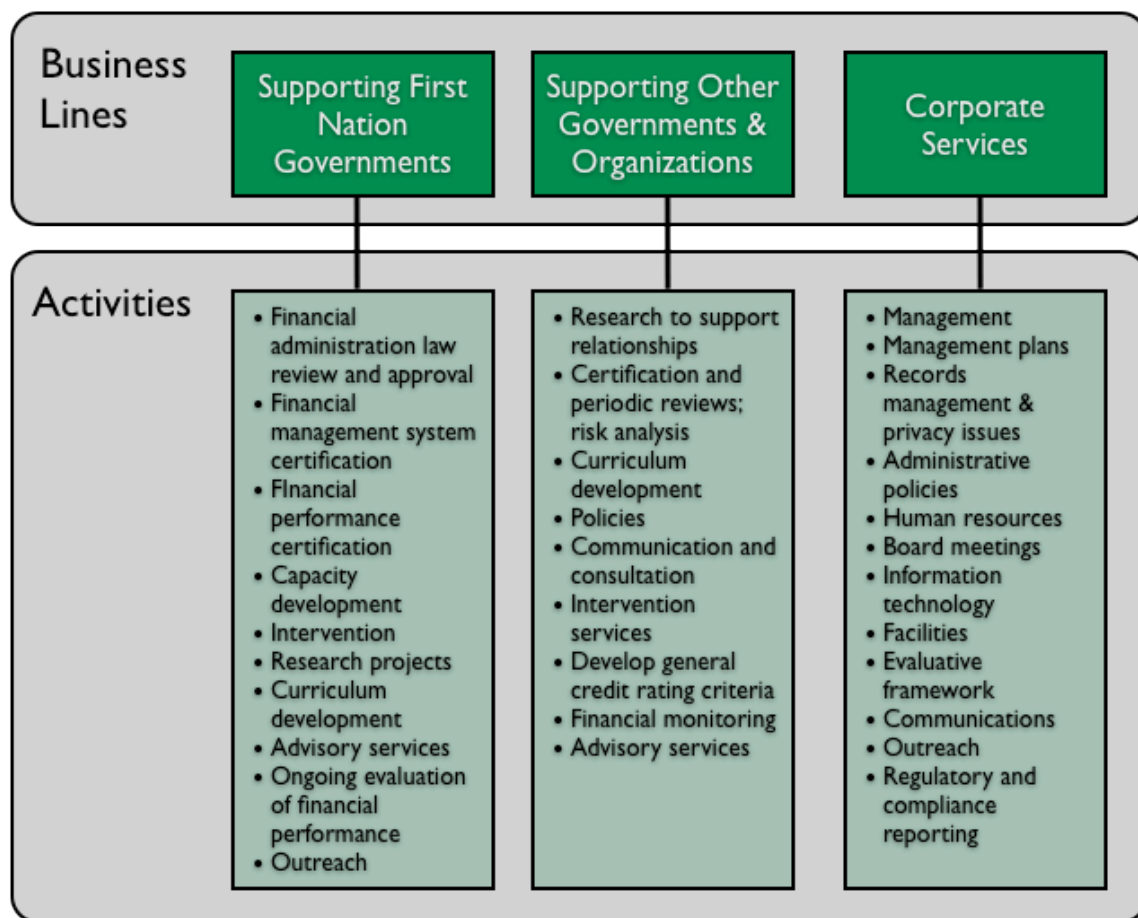


Figure 5 - Activities by Business Line

Supporting First Nation Governments

Services to borrowing and non-borrowing First Nations are provided through the Supporting First Nation Governments business line. This business line comprises the core work of the FMB and includes financial administration law review, certification, capacity development and co-management or third party management as required or requested. These services, with possible modifications will also be made available to non-borrowing First Nations.

Table 3 - What would motivate a First Nation to seek FMB services?

Initiative	No. of First Nations	Why seek FMB services?
Applied to FMA schedule ²	138	<ul style="list-style-type: none"> • Certification required to borrow
Engaged in Real Property Taxation ³	166	<ul style="list-style-type: none"> • Confidence in management of revenues from property taxation
<i>First Nations GST Act</i> ⁴	52	<ul style="list-style-type: none"> • Confidence in management of sales tax revenue
<i>First Nations Land Management Act</i> ⁵	85	<ul style="list-style-type: none"> • Confidence in management of revenue generated from lands under the authority of a First Nation land code
<i>First Nations Oil and Gas Monies Management Act</i>	No Schedule	<ul style="list-style-type: none"> • Financial code for oil and gas monies required
<i>First Nations Commercial and Industrial Development Act</i>	No Schedule	<ul style="list-style-type: none"> • Confidence in management of revenue raised from commercial and industrial projects
In Canada	More than 600	<ul style="list-style-type: none"> • Improved fiscal transfer arrangements with Canada

² <http://laws-lois.justice.gc.ca/eng/acts/F-11.67/page-33.html#h-41>

³ http://fntc.ca/index.php?option=com_quickfaq&view=category&cid=2&Itemid=31

⁴ <http://laws-lois.justice.gc.ca/eng/acts/F-11.7/page-10.html#h-16>

⁵ <http://laws-lois.justice.gc.ca/eng/acts/F-11.8/page-16.html#h-23>

Supporting Other Governments and Organizations

The FMB works with other governments and organizations as described in the table below.

Table 4 - Other governments or institutions working with FMB

Other government or organization	Relevance to FMB
First Nations Tax Commission	<ul style="list-style-type: none"> - Interdependent policy related to certification and intervention protocol - Development of Local Revenue Account Financial Reporting Standards
First Nations Finance Authority	Interdependent policy related to certification and intervention protocol
Aboriginal Financial Officers Association	Partnered approach to capacity development
TULO Centre for Indigenous Economics	Partnered approach to capacity development
Canadian Executive Service Organization	Partnered approach to capacity development
University of New Brunswick	Partnered approach to capacity development
Nicola Valley Institute of Technology	Partnered approach to capacity development
Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants	FMB Standards should be consistent with the Common Government Reporting Model
CANDO	A national organization involved in economic development
Aboriginal Affairs and Northern Development Canada	Reporting requirements, risk assessment, co-management and third party management
Finance Canada	Interests in improved financial management of tax collection agreements
Lands Advisory Board	Framework Agreement on Land Management includes financial administration requirements
Financial Institutions and Capital Markets	Regulatory regime established by the fiscal institutions will address interests of lenders / investors in First Nation bonds
Natural Resources Canada	<ul style="list-style-type: none"> - Major projects
First Nations Energy and Mining Council	<ul style="list-style-type: none"> - Major projects

Corporate Services

Corporate services will include activities that will be carried out internally to provide the operational support and administrative resources to enable the other business lines to carry out objectives in an economical, efficient, and effective manner. These activities include management functions, finance, human resources, information technology and evaluation.

Strategic Issues

The following are some strategic issues for the FMB this year:

- Capitalizing on the full mandate within S. 49;
- Managing the demands of an expanding client base;
- Expanding existing and new services and products; and
- Engaging board and staff effectively.

CAPITALIZING ON THE FULL MANDATE WITHIN S. 49

Sections 49 (purposes) and 55 (standards) of the *First Nations Fiscal Management Act* sets out nine (9) mandate areas. The FMB is strategically pursuing the full scope of opportunities that those mandate/purpose provide. A component of the work is advocacy (i.e. political, communications, etc.) and a component is technical (i.e. standards, certification, intervention, etc.).

MANAGING THE DEMANDS OF AN EXPANDING CLIENT BASE

The FMB has a national scope, which means there is a need for a planned and projected growth strategy in order to be able to effectively respond to the diversity of First Nations needs and circumstances across the country. The FMB will continue to establish a national presence adapting to time zones, utilizing consulting agents differently, increasing digital communications and eventually, opening offices in some regions. These approaches will require the FMB to assess how delivery of core business lines are affected as well as administrative and data management capacity.

EXPANDING EXISTING AND NEW SERVICES AND PRODUCTS

Within the current business lines (e.g. Standards and Certification; Capacity Development and Intervention; Marketing; and Corporate and Legal Services) there are always pressures to make adjustments to better serve the needs of the clients and achieve the purposes of the FMB. There are increasing number of First Nations seeking to participate in the FMA, the FMB is considering implementing efforts consistent with the full range of purposes within that act, and First Nations are able to utilize a growing range of revenues that to support collective borrowing. The FMB will build on the experience and successes of its existing activities and will create a plan for adapting to the needs of specific markets, engaging with key partners and determining how to further contribute to the development of First Nations fiscal infrastructure.

ENGAGING BOARD AND STAFF EFFECTIVELY

As FMB capitalizes and expands on its successes to date the need for effective and efficient collaboration between board and staff continues to be critical. While this discussion generated limited suggestions that is due more to its placement near the end of the strategy session. The suggestions do highlight the importance of adjusting the communication processes in ways that support board and staff working more efficiently and applying their respective the vision, expertise, experience and responsibilities to jointly achieve the goals of the FMB.

LINKAGES TO THE FMB ANNUAL PLANNING AND BUDGETING PROCESS

As these strategic issues are articulated in more detail, they will inform the development of the annual corporate plan and budget.

Interim assessment of previous year's results

The 2014/15 FMB Corporate Plan set out a number of performance measures for each business line. The tables below present the progress made to date for each performance measure.

Supporting First Nation Governments

The Supporting First Nation Governments business line has been active working with First Nations as they proceed through the process to become certified. Some First Nations are just beginning to develop a Financial Administration Law, some are working towards their Financial Performance Certification, and some are working towards a Financial Management System Certification. Some First Nations are working on several of these pieces concurrently. The table below summarizes the work to date this fiscal year.

Table 5 - Assessment of 2014/15 Results: Supporting First Nation Governments

Performance Measure	Progress to January 2015
<ul style="list-style-type: none"> 20 Presentations 	<ul style="list-style-type: none"> 20 Presentations
<ul style="list-style-type: none"> 10-15 Financial Administration Law Reviews 	<ul style="list-style-type: none"> 20 informal reviews including 12 compliance approvals
<ul style="list-style-type: none"> 10-15 financial performance reviews 	<ul style="list-style-type: none"> 10 informal reviews including 9 certificates issued
<ul style="list-style-type: none"> 10-15 financial management system work plans 	<ul style="list-style-type: none"> 8 financial management system work plans
<ul style="list-style-type: none"> 8-10 self-assessments 	<ul style="list-style-type: none"> 10 self assessments completed
<ul style="list-style-type: none"> 4-6 financial management system reviews 	<ul style="list-style-type: none"> Approximately 23 financial management system reviews in progress 6 policy review / 'gap' assessments completed
<ul style="list-style-type: none"> 10 First Nations funded 	<ul style="list-style-type: none"> 18 funding agreements completed 18 currently in progress
<ul style="list-style-type: none"> 4 events hosted 	<ul style="list-style-type: none"> Prince George Dec 3 & 4 (SPI) Terrace Feb 5 & 6 (SPI) Vancouver Mar 2015 FMS Roundtable Vancouver Mar 2015 FMA Roundtable

Supporting Other Governments and Organizations

The table below summarizes the work to date this year for the Supporting Other Governments and Organizations business line.

Table 6 - Assessment of 2014/15 Results: Supporting Other Governments and Organizations

Performance Measure	Progress to January 2015
<ul style="list-style-type: none"> 1 MOU with a service delivery organization 	<ul style="list-style-type: none"> Development of MOU with AFOA BC and/or AFOA Canada currently in progress
<ul style="list-style-type: none"> 1 formal response to invitation to comment on exposure draft by the Public Sector Accounting Board 	<ul style="list-style-type: none"> Anticipated by end March 2014
<ul style="list-style-type: none"> Meetings with AANDC 	<ul style="list-style-type: none"> April 10, July 8, Aug 18, Aug 19, Aug 26, Oct 1, Oct 24, Nov 6, Nov 28, Dec 12
<ul style="list-style-type: none"> Meetings with Department of Finance 	<ul style="list-style-type: none"> Oct 2, Nov 14 letter, Dec 2
<ul style="list-style-type: none"> Meetings with Natural Resources Canada 	<ul style="list-style-type: none"> April 3, May 9 (Prince Rupert), Oct 1, Nov 4
<ul style="list-style-type: none"> Policy for access to capital 	<ul style="list-style-type: none"> Sept 3 Oct 15 Nov 3 Nov 17
<ul style="list-style-type: none"> Meeting with Premier Prentice 	<ul style="list-style-type: none"> December 22
<ul style="list-style-type: none"> Discussion paper on the structure required to support major initiatives 	<ul style="list-style-type: none"> 1 presentation

Corporate Services

The Corporate services business line has provided administrative support to the other two (2) business lines. The table below outlines the work to date this fiscal year for the Corporate Services Business Line.

Table 7 - Assessment of 2014/15 Results: Corporate Services

Performance Measure	Progress to January 2015
<ul style="list-style-type: none"> Annual Corporate Plan 	<ul style="list-style-type: none"> Draft underway
<ul style="list-style-type: none"> Annual Report 	<ul style="list-style-type: none"> Annual Report complete
<ul style="list-style-type: none"> Annual General Meeting 	<ul style="list-style-type: none"> Date TBD
<ul style="list-style-type: none"> Board Strategic Planning 	<ul style="list-style-type: none"> September 10 & 11, 2014 Board - Held October 21, 2014
<ul style="list-style-type: none"> 2 newsletters 	<ul style="list-style-type: none"> 1 (January 2015)
<ul style="list-style-type: none"> Information management system fully implemented 	<ul style="list-style-type: none"> TRIM implementation ongoing TRIM training November 18 - 23, 2014 St Johns
<ul style="list-style-type: none"> Board meetings 	<ul style="list-style-type: none"> May 8, 2014 July 18, 2014 July 23, 2014 September 8, 2014 September 26, 2014 October 3, 2014 October 21, 2014 October 24, 2014 November 17, 2014 December 16, 2014 January 26, 2015

Performance Measure	Progress to January 2015
<ul style="list-style-type: none"> Committee Meetings 	<ul style="list-style-type: none"> Audit – 2014: April 24, May 8, July 17, September 8, October 20, Jan 26 Capacity Development: 2014: July 18 Governance and HR: 2014: April 24, July 18, September 8, Oct 20, Dec 5, Dec 15, Jan 26 SAC: 2014: April 24, July 17, Sept 26, Oct 14, Dec 5, Jan 26 Intervention Committee: 2014: Dec 16, Jan 26 (Mock Intervention hearing)
<ul style="list-style-type: none"> Access to information and privacy requirements 	<ul style="list-style-type: none"> Nov 28, 2014 info request rcvd – currently ongoing
<ul style="list-style-type: none"> Intervention activities 	<ul style="list-style-type: none"> Mock intervention hearing with FNFA and FMB – Jan 26, 2015
<ul style="list-style-type: none"> FMA Legislative Review 	<ul style="list-style-type: none"> December 12, 2014 – All Parties Legislative Review Meeting – Sutton Place Hotel January 6, 2015 – FNFMB Amendments Conference Call January 9, 2015 – Conference Call on Legislative Review December 18, 2014 – S.78 of the FMA – legal review for Legislative Amendments November 6, 2014 – FNFMA Legislative Review Follow-Up – conference call November 5, 2014 - Bilateral telephone conference with Department re Legislative Review September 19, 2014 - FNFMA Legislative Review – Working Group Teleconference August 12, 2014 – Pre-meeting with the FMA Institutions re Legislative Review July 22, 2014 – Legislative Review Update (internal prep) July 16, 2014 – Legislative Review Teleconference July 8, 2014 – All Institutions Meeting June 16, 2014 – Legislative Review Update June 4, 2014 – Legislative Review Meeting May 20, 2014 – Meeting re Intervention and Legislative Review May 20, 2014 – Legislative Review / Intervention Update April 25, 2014 – Legislative Review of the First Nations Fiscal Management Act January 14, 2014 – Legislative Review Discussion

Analysis of external environment

The FMB Board of Directors held a strategic planning session in October 2014. A number of external environment strategic issues were identified.

Table 8 - External environment strategic issues

Strategic Issue	Description	Action
Building capacity for financial management system certification	<ul style="list-style-type: none"> • Certification required for another borrowing • Building capacity requires human and financial resources • Turnover in employees within First Nation finance administration regime 	<ul style="list-style-type: none"> • Incorporate amount from borrowing to support system development
Business development	<ul style="list-style-type: none"> • Being listed on the FMA schedule does not necessarily indicate a willingness to develop a FAL or to get certified • FNFA wants to see 100 borrowing members within 5 years • FMB provides services to First Nations in different circumstances 	<ul style="list-style-type: none"> • Communications: Investments into systems development provide financial return in lower borrowing and reduces conflict with membership
Marketing	<ul style="list-style-type: none"> • Could market to advisors, Canada and other institutions • Different market 'segments' have different interests in seeking FMB services • Current perception of market value of certification is improved access to capital 	<ul style="list-style-type: none"> • Identify market segments • Develop community profiles to determine relative size of market segments • Clarity on role of FNFA and FMB in marketing access to capital
Capacity development	<ul style="list-style-type: none"> • How will First Nations react to FMB capacity development strategy? • Success depends on users of the financial management system • Users may be focused on short term deliverables as opposed to longer term system improvements 	<ul style="list-style-type: none"> • Change management • Project champions • Council leadership to focus on long term goals

Assessment of corporate resources

The table below summarizes some corporate strengths and weaknesses.

Table 9 - Assessment of Corporate Resources

Strategic Issue	Description	Action
How will the FMB support First Nations efforts in capacity development?	<ul style="list-style-type: none"> Some First Nations have achieved Financial Performance Certification, have become Borrowing Members, and are now required to achieve Financial Management System Certification FMB has developed a “Capacity Development Strategy” to articulate how it will provide support 	<ul style="list-style-type: none"> Tailored content Strategic partnerships Service provider database Financial support
How will the FMB support First Nations seeking capital for major resource projects?	<ul style="list-style-type: none"> Some First Nations are seeking support to access capital for participation in major resource projects 	<ul style="list-style-type: none"> Implement activities associated with the SPI proposal (see Appendix B)
How will the FMB respond to requests to provide additional services in the future?	<ul style="list-style-type: none"> The FMB may be able to provide additional services, consistent with its legislative mandate 	<ul style="list-style-type: none"> Conduct research into how FMB could provide additional services (see Appendix C)
How will the FMB support discussions on an improved fiscal relationship?	<ul style="list-style-type: none"> Participate in Federal and Provincial discussion to improve the fiscal relationship 	<ul style="list-style-type: none"> Research

Objectives, Strategies and Performance Measures

The objective of the FMB is to provide tools and services to First Nations that will enable them to exercise greater control over their economic future and maximize the benefits of the FMA and other self-government initiatives aimed at supporting economic development. More specifically, the services offered by the FMB are meant to achieve the following objectives:

- Increase First Nation access to lower cost of capital through market accepted standards and certification processes;
- Strengthen First Nation financial administration by promoting sound, stable, and transparent financial stewardship of First Nation assets;
- Promote financial relationships between First Nations and other governments that are appropriate, effective, efficient, and mutually beneficial; and,
- Respond to private sector requirements for investment on First Nation lands.

The FMB has three (3) business lines to achieve these objectives. The business lines and the objectives for each are presented in the table below.

Table 10 - FMB Business Lines and Objectives

Business Line	Objectives
Supporting First Nation Governments	<ul style="list-style-type: none"> • Increase First Nation access to capital through FMB Standards and Certification • Strengthen First Nation financial management by promoting sound, stable, and transparent First Nation financial management systems
Supporting Other Governments and Organizations	<ul style="list-style-type: none"> • Promote financial relationships between First Nations and other governments, institutions and organizations that are appropriate, effective, efficient, and mutually beneficial • Respond to private investor requirements for investment on First Nation lands
Corporate Services	<ul style="list-style-type: none"> • Provide the administrative resources and facilities to enable the other business lines to operate effectively

Supporting First Nation Governments

The FMB will provide services to borrowing and non-borrowing First Nations through the Supporting First Nation Governments business line. In 2015/16, the Supporting First Nation Governments business line will:

Table 11 - Supporting First Nation Governments strategies and performance measures

Strategy	Performance Measure
<ul style="list-style-type: none"> Respond to First Nation requests for presentations and materials on FMB products and services including: standards, capacity development tools, procedures and policies, self-assessments and workshops Perform field assessments (gap analysis) of each new First Nation client in order to categorize and prioritize based on their certification readiness 	20 presentations
<ul style="list-style-type: none"> Review financial administration laws submitted to the FMB for comparison to FMB standards and provide compliance reports to First Nations Update existing FALs to meet changes in FMB standards 	10 to 15 Financial Administration Law reviews
<ul style="list-style-type: none"> Develop work plans with individual First Nations to assist in achieving Financial Performance Certification Upon request, conduct financial performance reviews 	10 to 15 Financial Performance reviews
<ul style="list-style-type: none"> Develop robust and 'risk-based' work plans with individual First Nations to assist in implementing Financial Administration Laws and achieving Financial Management System certification 	10 to 15 Financial Management System work plans
<ul style="list-style-type: none"> Support First Nations in the completion of a 'self-assessment' of the financial management system 	8 to 10 self-assessments
<ul style="list-style-type: none"> Upon request, conduct financial management system reviews 	4 to 6 Financial Management System reviews
<ul style="list-style-type: none"> Provide funding to First Nations to support their efforts in achieving FMB certification 	10 First Nations funded
<ul style="list-style-type: none"> Host relevant events and attend / present at relevant conferences and forums 	4 events hosted

Supporting Other Governments and Organizations

The FMB will work with other governments and organizations – this may include other fiscal institutions, other First Nations institutions and the federal government. In 2015/16, the Supporting Other Governments and Organizations business line will:

Table 12 - Supporting Other Governments and Organizations Strategies and Performance Measures

Strategy	Performance Measure
<ul style="list-style-type: none"> Mock intervention with FNFA on 'other revenues' 	<ul style="list-style-type: none"> Hold mock intervention session
<ul style="list-style-type: none"> Develop research project work plans to support standards and policy development in public sector accounting specific to First Nations 	<ul style="list-style-type: none"> 1 research work plan
<ul style="list-style-type: none"> Pursue capacity development work with AANDC Review Financial Management System standards and certification process Identify areas where there are gaps in existing financial administration systems 	<ul style="list-style-type: none"> Review approach with AANDC
<ul style="list-style-type: none"> Pursue work with AANDC related to: General Assessment, Readiness Assessment, Intervention, audit review and FSO Responsibilities 	<ul style="list-style-type: none"> Meeting with AANDC
<ul style="list-style-type: none"> Continue Major Projects research with other governments and organizations 	<ul style="list-style-type: none"> Meet with relevant federal government departments and officials Review major projects work with other fiscal institutions

Corporate Services

The Corporate Services business line will include activities that will be carried internally to support the operations of the FMB. These include management functions, finance, human resources, information technology and evaluation. In 2015/16, the Corporate Services business line will:

Table 13 - Corporate Services Strategies and Performance Measures

Strategy	Performance Measure
<ul style="list-style-type: none"> • Make preparations for strategic planning session to provide input for the Annual Corporate Plan 	<ul style="list-style-type: none"> • Annual Corporate Plan
<ul style="list-style-type: none"> • Ask First Nations that may be willing to provide 'testimonial' as a case study in the annual report • Prepare text and graphic design of annual report 	<ul style="list-style-type: none"> • Annual Report
<ul style="list-style-type: none"> • Provide notice, undertake logistics for Annual General Meeting • Prepare presentation and materials for Annual General Meeting 	<ul style="list-style-type: none"> • Annual General Meeting
<ul style="list-style-type: none"> • Data management, document management 	<ul style="list-style-type: none"> • File management
<ul style="list-style-type: none"> • Evaluation of compliance software needs 	<ul style="list-style-type: none"> • Report on compliance software needs
<ul style="list-style-type: none"> • Low corporate risk profile 	<ul style="list-style-type: none"> • Achieve low rating from AANDC General Assessment

Financial Plan

The table below shows the financial plan of the First Nations Financial Management Board by activity.

Table 14 - Financial Plan

Activity	2015/16	2016/17	2017/18	2018/19	2019/20
Salary & Benefits	2,200,770	2,208,000	2,250,000	2,305,000	2,351,000
Client Service Delivery	652,000	866,000	890,000	940,000	958,800
Policy Development	412,000	258,000	354,000	372,000	379,440
Operations & Management	949,424	969,796	988,377	1,008,131	1,028,294
Board of Director Fee & Expense	624,650	662,000	677,000	699,000	712,980
Travel	296,400	303,000	310,000	352,000	359,040
Capital	70,000	71,400	73,000	74,500	75,990
Total	5,205,244	5,338,196	5,542,377	5,750,631	5,865,544

SPI Activities and Budget

Activity	2015/16	2016/17
Outreach	55,000	44,500
Research	0	0
Conference	117,000	0
Travel	47,400	37,920
Certification	425,400	215,000
Project Coordination	45,000	48,000
Total	689,800	345,420

Number of Employees

The table below outlines the number of employees.

Table 15 - Number of employees

Activity	2015/16	2016/17	2017/18	2018/19	2019/20
Number of employees	16	16	16	16	16

Appendix A: Summary of Strategies and Performance Measures

This appendix will summarize tables 11-13.

Business Line	Strategy	Performance Measure
Supporting First Nation Governments	<ul style="list-style-type: none"> Respond to First Nation requests for presentations and materials on FMB products and services including: standards, capacity development tools, procedures and policies, self-assessments and workshops Perform field assessments (gap analysis) of each new First Nation client in order to categorize and prioritize based on their certification readiness 	20 presentations
	<ul style="list-style-type: none"> Review financial administration laws submitted to the FMB for comparison to FMB standards and provide compliance reports to First Nations Update existing FALs to meet changes in FMB standards 	10 to 15 Financial Administration Law reviews
	<ul style="list-style-type: none"> Develop work plans with individual First Nations to assist in achieving Financial Performance Certification Upon request, conduct financial performance reviews 	10 to 15 Financial Performance reviews
	<ul style="list-style-type: none"> Develop robust and 'risk-based' work plans with individual First Nations to assist in implementing Financial Administration Laws and achieving Financial Management System certification 	10 to 15 Financial Management System work plans
	<ul style="list-style-type: none"> Support First Nations in the completion of a 'self-assessment' of the financial management system 	8 to 10 self-assessments
	<ul style="list-style-type: none"> Upon request, conduct financial management system reviews 	4 to 6 Financial Management System reviews
	<ul style="list-style-type: none"> Provide funding to First Nations to support their efforts in achieving FMB certification 	10 First Nations funded
	<ul style="list-style-type: none"> Host relevant events and attend / present at relevant conferences and forums 	4 events hosted

Business Line	Strategy	Performance Measure
Supporting other governments and organizations	<ul style="list-style-type: none"> Mock intervention with FNFA on 'other revenues' 	Hold mock intervention session
	<ul style="list-style-type: none"> Develop research project work plans to support standards and policy development in public sector accounting specific to First Nations 	1 research work plan
	<ul style="list-style-type: none"> Pursue capacity development work with AANDC Review Financial Management System standards and certification process Identify areas where there are gaps in existing financial administration systems 	Review approach with AANDC
	<ul style="list-style-type: none"> Pursue work with AANDC related to: General Assessment, Readiness Assessment, Intervention, audit review and FSO Responsibilities 	Meeting with AANDC
	<ul style="list-style-type: none"> Continue Major Projects research with other governments and organizations 	<ul style="list-style-type: none"> - Meet with relevant federal government departments and officials - Review major projects work with other fiscal institutions
Corporate Services	<ul style="list-style-type: none"> Make preparations for strategic planning session to provide input for the Annual Corporate Plan 	Annual Corporate Plan
	<ul style="list-style-type: none"> Ask First Nations that may be willing to provide 'testimonial' as a case study in the annual report Prepare text and graphic design of annual report 	Annual Report
	<ul style="list-style-type: none"> Provide notice, undertake logistics for Annual General Meeting Prepare presentation and materials for Annual General Meeting 	Annual General Meeting

Business Line	Strategy	Performance Measure
	<ul style="list-style-type: none"> • Data management, document management 	File management
	<ul style="list-style-type: none"> • Evaluation of compliance software needs 	Report on compliance software needs
	<ul style="list-style-type: none"> • Low corporate risk profile 	Achieve low rating from AANDC General Assessment

Appendix B: Strategic Partnerships Initiative

The following is an excerpt from the proposal that the FMB has made to the “Strategic Partnerships Initiative”.

Project Title: Identifying and describing business models to facilitate meaningful financial participation by First Nations in major projects

Duration of Activity: August 1, 2014 – March 31, 2017

4.1 Project Description

The FMB and the FNFA have conducted some research into how First Nations equity participation in major projects could be arranged and financed, but have yet to complete any research and analysis into how the equity participation would be legally structured or how the benefits would be shared among the participating First Nations. The FMB would like to build on its work in the paper, “*Opportunities for First Nations in Proposed Liquefied Natural Gas Projects in British Columbia*” by:

- i. Examining decision-making and legal structure models; and,
- ii. Furthering the economic modelling exercise for a “typical” LNG project in British Columbia by developing some options for sharing the economic benefits by First Nations that choose to participate; and,
- iii. Conduct an expanded analysis regarding how a modeled approach to First Nations economic participation would apply to Ring of Fire projects in Ontario.

The FMB would also apply the above analysis to other options for financial participation, such as project debt ownership. The FMB aims to identify and describe business models to facilitate First Nations meaningful participation in large-scale energy projects in Canada, with a strategic emphasis on proposed developments impacting First Nations’ traditional territories in British Columbia and in Ontario’s Ring of Fire area. The FMB would then communicate the findings in presentations and discussions with First Nations and other stakeholders. Such communication includes targeted outreach in First Nations communities to foster better financial literacy and capacity among interested community members and their leaders.

The FMB is proposing to host conferences in British Columbia (Vancouver) and in Ontario (Thunder Bay) to present the findings of the subject research project. The objective would be to provide key information to the First Nations interested in participating in reasonable resource development, and for them to utilize this information to develop a “term sheet”.

Commencing in year two (2) and continuing in earnest in year three (3) of the project, the FMB will undertake to certify willing and eligible First Nations communities within the areas considered for outreach. Certification efforts will run concurrently to needs-based outreach efforts and the continuation of the necessary research modeling and legal structures as proposed.

4.2 Project Objectives

As described above, the objective of the phased multi-year approach is to identify and describe business models to facilitate First Nations meaningful participation in large-scale natural resource projects in Canada. However, the specific objectives of this project are:

1. Further the work put forth in the paper, *“Opportunities for First Nations in Proposed Liquefied Natural Gas Projects in British Columbia”* to conceptualize options for:
 - a. How the participation of a group of First Nations, such as a First Nation’s entity, could be structured; and,
 - b. Sharing the economic benefits of major resource projects by First Nations that choose to participate. This will build on, but not be limited to, the LNG illustrative example to demonstrate to the First Nations what the potential impacts are of the benefit sharing models. A localized model would be researched and adapted for use in the Ring of Fire area. Further explore the option of federal loan guarantees playing a role in supporting First Nations access to equity, using the FMA as a vehicle.
2. Conduct needs-based outreach efforts with First Nations communities whose traditional territories are likely to be impacted by proposed large-scale natural resource projects. Outreach efforts will focus on First Nations communities situated along the proposed project routings or proposed development sites. For British Columbia LNG, both a Northern routing (Alberta boarder to the North coast) and a Southern routing (Prince George to the South coast via the Fraser Canyon) are being contemplated for proposed projects. Identified First Nations communities will be engaged for the purposes of discussing:
 - a. The processes and benefits of financial management systems certification as a means of providing opportunities to partake in the benefits brought about by resource development projects; and,
 - b. Facilitate community-based discussions surrounding the details of modeled options for First Nations economic participation in large-scale resource development in Canada. Specific applications of this will include outreach to British Columbia First Nations regarding LNG, and Treaty 9 First Nations regarding the Ring of Fire.

3. Based on the results of the FMB's outreach with First Nations communities, and consistent with the phased approach of this proposal, the FMB will host conferences in British Columbia (Vancouver) and in Ontario (Thunder Bay) in order to provide key information to First Nations that are interested in participating in reasonable resource development projects. This key information will include:
 - a. Providing an in-depth look at decision making structures and wealth sharing structures for consideration by the invited First Nation's leadership; and,
 - b. Building upon the work undertaken by the FMB in the research report "*Opportunities for First Nations in Proposed Liquefied Natural Gas Projects in British Columbia*", facilitate discussions aimed at developing a First Nations' "term sheet" that establishes the grounds to which a collective of First Nations would seek economic participation in large-scale resource projects.
4. Leverage outcomes from strategic outreach efforts with First Nations communities in order to foster an understanding of financial management systems, the process of certification, and to illustrate the positive economic and social impacts that may be realized from certification. These undertakings are designed to:
 - a. Strategically address financial literacy and capacity gaps among communities impacted by energy and resource development. Provide illustrative examples on how certification unlocks economic opportunities and how these opportunities may address social and other community challenges; and,
 - b. Anticipate and respond to individual First Nations requests to enter into the certification process, and conceptualize and discuss how certification may apply to a First Nations entity; and,
 - c. Formally commence the certification process for eligible First Nations communities impacted by energy and other forms of development.

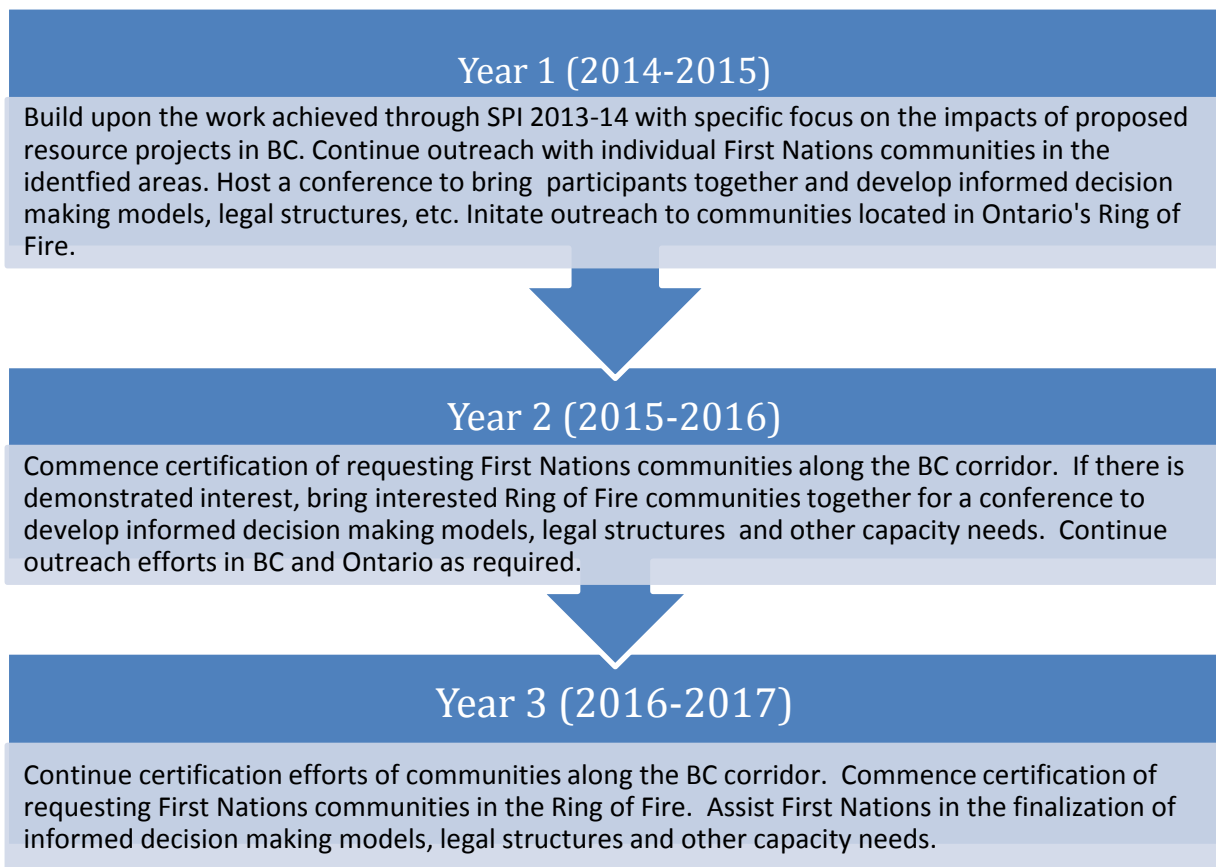
The culmination of the proposal's objectives will contribute to developing overall financial literacy around the implications, risks, and benefits associated with First Nations participating in large-scale projects. In particular, the certification process can support the implementation of strategies that support community economic and social development. Wealth management and the evolution of treasury functions in the FMB's financial management systems standards will be important considerations in evolution of the FMB's ability to support these new realities facing First Nations.

The FMB will undertake concurrent efforts to provide needs-based outreach to First Nations communities impacted by proposed large-scale resource development for the purposes of fostering informed decision making through the discussion of models aimed at unlocking the economic benefits provided by participation in projects, and to engage with communities in the context of achieving financial systems certification as a means to unlocking potential economic benefits. It is through this proposal, supported by its objectives, that the FMB will demonstrate that certification of a number of these communities will commence.

4.3 Activities, tasks and responsibilities

The following sections describe the phased multi-year work plan proposed for 2014-17.

4.3.1 Overview of phased multi-year work plan



4.3.2 Decision making models

A common theme that emerged from LNG conferences held to date is a willingness to work together to advance First Nation interests in respect of proposed LNG projects. Evidence of this theme can be seen in facilitator reports and action plans produced from the conferences. Although there is a willingness to work together, there have not yet emerged concrete approaches to do so.

Research will be conducted to examine various decision-making and governance models for a secretariat. These models could well be based on local processes and initiatives (i.e. that have been developed by First Nations in British Columbia) or they could be based on international examples. The models will need to be consistent with any principles that First Nations leadership establish.

Roles and responsibilities will need to be defined in each model. For example:

- First Nations negotiate their own individual impact benefit agreement;
- A 'steering committee' could provide direction to a technical team and review material prepared by a technical team; and,
- A 'technical team' could prepare discussion papers on research questions that are raised from time to time for consideration of the 'steering committee'.

4.3.3 Benefit sharing options

Research will be conducted to identify and describe model benefit sharing mechanisms. This will include an exercise to estimate the economic benefits from a large-scale resource project that would potentially be received by participating First Nations, as well as conducting research regarding the value chain associated with major mining projects proposed for Ontario's Ring of Fire.

The models could consider different variables in the sharing of benefits. For example, area directly impacted (km of pipeline, or impact area of mining exploration and extraction), reserve distance from directly affected area, population.

Some resources and case studies for this research include:

- Infrastructure Development Partnership Ltd.
- Risk and Energy Infrastructure: Cross Border Dimensions
- Vale Center on Sustainable International Investment at Columbia University
- www.globelawandbusiness.com
- World Bank
- World Economic Forum

This will build on, but not be limited to, the LNG illustrative example to demonstrate to the First Nations what the potential impacts are of the benefit sharing models. A localized model would be researched and adapted for use in the Ring of Fire area. This research will also explore the option of federal loan guarantees playing a role in supporting First Nations access to equity, using the FMA as a vehicle.

4.3.4 Legal structures

Research will be conducted to consider legal structures that could be formed to support First Nations working together. This research consists of seeking legal and tax advice to identify options for legally structuring the financial participation of a group of First Nations in a major resource development project. For example, if First Nations decided to form an entity to participate in a large project, how would decisions be made within the entity? Would the decision-making structure have a different weighting than the financial participation of benefit sharing structure?

4.3.5 Conference agenda, presentations and proceedings

The FMB would host a conference in Vancouver during year one (1) of the project as a follow up to the conferences that have been held to date. Costs contemplate one hundred and twenty-five (125) people attending for three (3) days. A facilitator would guide discussions. The agenda would focus on the research and modelling exercise to demonstrate the impacts of the business models and benefit sharing mechanisms. A report of the proceedings would be prepared at the conclusion.

The objective of the conference is for First Nations to agree to work together through a secretariat, and to conceptualize for development a “term sheet” regarding their participation in proposed resource development projects.

As part of the deliverables in year two (2), should outreach efforts demonstrate sufficient interest, the FMB would host a similar conference with First Nations communities in Ontario’s Ring of Fire to discuss and address business models and benefit sharing mechanisms using localized references as illustrative examples. Costs for the Ontario conference contemplate seventy-five (75) people attending for three (3) days.

4.3.6 Outreach and Report

The FMB would conduct outreach in advance and after the conferences were held. Outreach activities would help prepare the conference agenda. It would also provide an opportunity for First Nations to discuss the concepts with the FMB directly, and therefore allowing the conference to be focused on the development of strategic outcomes.

It is understood that the some First Nations are experiencing 'engagement fatigue'. That is to say that they may be overwhelmed with requests to discuss proposed major resource projects. First Nation representatives may be experiencing anxiety in having these discussions without the benefit of appropriate technical support. One of the objectives of establishing a secretariat is to reduce this anxiety by developing technical options that can be used to support constructive discussions.

The FMB would also conduct outreach concerning research findings with the impacted Treaty 9 First Nations concerning opportunities for financial participation in the Ring of Fire developments. The initial outreach efforts in late 2013/2014 and early 2014/2015 with First Nations in Ontario's Ring of Fire will determine whether the FMB will continue with the hosting of the Thunder Bay conference and its outreach and certification efforts with First Nations in Ontario.

A final written report will discuss:

- A. Objectives;
- B. Literature review;
- C. Existing models;
- D. How would these apply in BC; in Ontario;
- E. Analysis;
- F. Discussion and feedback from conference discussions; and,
- G. Conclusions and Next Steps.

4.3.7 Certification

As a cornerstone outcome of the execution of needs-based outreach proposed in this project, FMB will undertake to commence certification processes with willing First Nations communities within the identified outreach areas. In British Columbia, fifteen (15) communities have been identified with nine (9) to follow in Ontario's Ring of Fire area. It is a task of this project for the FMB to ensure that communities who commence the certification process do so having additional knowledge of the options that may be unlocked by certification to facilitate their participation in large-scale natural resource projects.

Three (3) activities have been identified within certification for the purposes of this project:

- A. Meetings & presentations** - meetings focused on the certification process and its benefits. These meetings are separate from the outreach meetings focused on resource projects.
- B. Financial administration law development** - support for First Nations in the development of their financial administration laws, as a requirement of the certification process. Assumes twenty-four (24) First Nations at \$10,000 per financial administration law.
- C. Financial management system development** - support for First Nations in the development of a robust financial management system. Includes funding for a self-assessment (\$15k), policy development (\$20k) and an implementation plan (\$15k), for a total of \$50,000. Assumes nine (9) First Nations at \$50,000 per financial management system.

Financial administration law development will commence after a letter of cooperation has been received by the FMB from the requesting First Nation communities. With respect to financial management systems development, First Nations communities participating in this development must demonstrate the ability to achieve core thresholds within the development processes, before the FMB will fund the next stage of the development process. For greater clarity, certification should not be considered a pre-condition to First Nation participation in major projects, should they be unable to achieve certification by the time a final investment decision concerning a project is required, and despite reasonable efforts to advance to this stage.

4.4 Budget

The table below shows the overall budget. An approximate cash flow is included in section 6.

Table 16 - Budget for multi-year project

		2014/2015	2015/2016	2016/2017	Total
Outreach	BC LNG				
	No. of meetings	5	4	3	12
	Speaking notes	5,000	4,000	3,000	12,000
	Presentations	7,500	3,000	2,250	12,750
	Coordinate and attend meetings	15,000	6,000	4,500	25,500
	Minutes and notes from meetings	5,000	3,000	2,250	10,250
		32,500	16,000	12,000	60,500
	Ontario Ring of Fire				
	No. of meetings	1	6	5	12
	Speaking notes	1,000	6,000	5,000	12,000
	Presentations	1,500	9,000	7,500	18,000
	Coordinate and attend meetings	3,000	18,000	15,000	36,000
	Minutes and notes from meetings	1,000	6,000	5,000	12,000
		6,500	39,000	32,500	78,000
Research					
	Briefing notes on research questions	30,000	-	-	30,000
	Process based decision making models	50,000	-	-	50,000
	Models for sharing income from shared entity	57,500	-	-	57,500
	Models for a legal structure of the entity	92,500	-	-	92,500
	Sensitivity analysis and quantitative results	36,000	-	-	36,000
		266,000	-	-	266,000
Conference					
	Hotel conference rooms	15,000	9,000	-	24,000
	Accommodation	45,000	27,000	-	72,000
	Meals	22,500	13,500	-	36,000
	Travel	112,500	67,500	-	180,000
		195,000	117,000	-	312,000
Travel					
	Flight	21,600	36,000	28,800	86,400
	Accommodation	5,400	9,000	7,200	21,600
	Per Diem	2,160	2,400	1,920	6,480
		29,160	47,400	37,920	114,480
Certification					
	Meetings & presentations	30,000	30,000	-	60,000
	No. of First Nations: FAL Development	8	16	-	24
	FAL Development	80,000	160,000	-	240,000
	No. of First Nations: Self-assessment gap analysis	-	9	-	9
	FMS Development - Self-assessment gap analysis	-	135,000	-	135,000
	No. of First Nations: Policy development	-	5	4	9
	FMS Development - Policy development	-	100,000	80,000	180,000
	No. of First Nations: Implementation plan & training	-	-	9	9
	FMS Development - Implementation plan & training	-	-	135,000	135,000
		110,000	425,000	215,000	750,000
Project coordination					
	Project coordination	22,500	45,000	48,000	115,500
Total		661,660	689,400	345,420	1,696,480

Appendix C: Co and Third Party Management Study

This appendix summarizes some issues that will form a terms of reference for a study.

AANDC has asked the FMB to consider current policy around First Nations that are currently in third party management. A study will be conducted to consider roles and responsibilities and engagement plans for First Nations, the Department, third party managers and the FMB.

The research could address the following:

1. Purpose
 - a. Background: Intervention under Indian Act
 - b. FMB legislative authority
2. Environmental Scan
 - a. CICA
 - b. AFOA Canada
 - c. AANDC
 - d. Third Party Managers
 - e. Literature review
3. Case studies
 - a. Third Party Management
 - i. Case Study
 - ii. Case Study
 - iii. Case Study
 - b. Financial Management System / Financial Performance
4. Improving financial management system and financial performance
 - a. FAL
 - b. Certification
 - c. Capacity Development

A budget of \$60,000 has been allocated to conduct this research.