

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

**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. 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 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, culturally-strong ELCC.

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.

### **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.

The following departments and agencies are the federal Partners that may use these terms and conditions to participate in the Indigenous ELCC Initiative:

- Department of Employment and Social Development;
- Department of Indigenous Services Canada;
- Public Health Agency of 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 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 Treasury Board. The Department of ESD will ensure that all participating departments are provided with updated terms and conditions as required.

If the activities fit within a partnering department's mandate, then that department may choose, at the direction of the recipient, to 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 dollars of all participating programs/departments to the recipient.

#### 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.

*Department of Indian Affairs and Northern Development Act* (1985, c. I-6, s. 4)

*The Public Health Agency of Canada Act (2006)*

## **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. Further, it supports 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 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 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.

To support this objective, a total of 10% of distinctions based services envelopes funding will be dedicated to governance capacity in the early years.

### **2.3 Expected Outcomes**

The expected outcomes of Indigenous ELCC Transformation Initiative are:

1. Indigenous children and families have greater access to ELCC programs and services that are holistic, accessible, inclusive, and flexible, and culturally appropriate; and
2. Indigenous peoples gain greater control over 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. Activities may include but are not limited to the following activities that aid in the design, development, delivery and management of culturally-appropriate ELCC services and programming:

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

## **5.0 ELIGIBLE EXPENDITURES**

Eligible expenditures are those considered necessary to support the purpose of the funding. 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) capital costs, including building purchase, costs related to planning, design, construction, maintenance or repair of Indigenous ELCC facilities, and for equipment necessary for operation;
- f) operating costs;
- g) transportation;
- h) salaries and wages and benefits;
- i) materials and supplies;
- j) nutrition and food;
- k) printing and communication costs;
- l) honoraria;
- m) hospitality costs;
- n) travel, including accommodation, meals, and allowances;
- o) conferences, workshops and meetings related to Indigenous peoples achieving Indigenous ELCC outcomes;
- p) 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.

## **8.0 MAXIMUM AMOUNT PAYABLE**

### **8.1 Contributions**

The maximum level of financial support approved per project or initiative will not exceed 100% of the eligible project costs and may not exceed \$15 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. The maximum duration of funding under an agreement will not exceed ten (10) years.

## **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. Where it is deemed by the departments to be advantageous to the success of the project, the departments shall offer fixed or flexible contribution funding approaches for contributions, in accordance 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 the funding agreement constitutes a debt due to the Crown.

## **10.0 SUPPORTING INDIGENOUS-LED DECISION MAKING PROCESS**

With regard to decision-making, this Initiative prioritizes self-determination through Indigenous-led decision making with respect to the development and implementation of ELCC plans, including decisions regarding funding allocations.

### **10.1 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.

### **10.2 Process to Make Decisions:**

The process to make collaborative decisions is envisioned to:

- Enable allocation decisions that are Indigenous-led based on their existing structures and processes and reflecting unique needs and priorities identified by Indigenous partners, governments, communities and recipients;
- Build wherever possible on existing forums/tables;
- Articulate the scope of the mandate of decision-making tables at national and regional levels and set out the key objectives to be achieved;
- Develop and reflect Indigenous-led ELCC plans that will guide resources, which could include the area of service, priority investments, cost plan and including the allocation of funding to communities and recipients;
- Ensure federal receptivity, flexibility and horizontality to enable resources to flow via federal ELCC programming based on the outcomes of the partnership decisions.

To support Indigenous-led participation in this new model of partnership, and the capacity for Indigenous-led decision-making, this Initiative sets aside a portion of new Indigenous ELCC funding dedicated to Indigenous partnerships and governance.

### **10.3 Shift to broad transfer agreements:**

This Initiative enables the transfer of control of federal ELCC programming, funding, design and management to regional 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.

## **11.0 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.

## **12.0 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.

### **13.0 EFFECTIVE DATE OF TERMS AND CONDITIONS**

These terms and conditions will come into effect in the 2018-2019 fiscal year.

### **14.0 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).

### **15.0 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.