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Government of Canada announces federal-wide measures to increase opportunities for Indigenous businesses

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News release

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The Government of Canada is committed to renewing and strengthening its economic relationship with Indigenous entrepreneurs and communities by providing increased economic opportunities to First Nations, Inuit and Métis businesses through the federal procurement process.

Today, the Honourable Anita Anand, Minister of Public Services and Procurement, and Pam Damoff, Parliamentary Secretary to the Minister of Indigenous Services, announced new and immediate measures to increase federal procurement opportunities for Indigenous businesses across Canada.

Through collaboration between Public Services and Procurement Canada (PSPC), Indigenous Services Canada (ISC) and the Treasury Board of Canada Secretariat (TBS), the Government of Canada is implementing a mandatory requirement for federal departments and agencies to ensure a minimum of 5 % of the total value of contracts are held by Indigenous businesses. This

requirement will include public reporting and will be phased in over 3 years, beginning this year, with a number of federal departments who are ready to immediately begin this work, with full implementation expected by 2024.

To support the government-wide mandatory target, ISC (Indigenous Services Canada) will invest \$35.2 million over 5 years to modernize the Procurement Strategy for Aboriginal Business (PSAB). This will include expanding the geographical areas where federal organizations must first consider procuring with Indigenous businesses and broadening the definition of “Indigenous business” to enable more businesses to meet the eligibility criteria.

These changes are the result of engagement conducted over the last 3 years and more recently through advice received by the Indigenous Reference Group, an advisory body that was established to ensure input from Indigenous experts in the field was heard, and that includes representatives from the National Aboriginal Capital Corporations Association (NACCA), the Canadian Council for Aboriginal Business (CCAB), the Council for the Advancement of Native Development Officers (Cando), the Assembly of First Nations (AFN), the National Indigenous Economic Development Board (NIEDB) and the Metis Nation of Alberta (MNA). Bilateral engagement has also taken place with Inuit Tapiriit Kanatami (ITK) and the Native Women’s Association of Canada (NWAC).

The funding announced today will also go towards continued meaningful engagement and consultation with Indigenous partners to discuss more transformative changes. It will also provide First Nations, Inuit and Métis partners with support to increase the capacity of Indigenous-owned businesses to compete and receive more federal procurement contracts.

PSPC (Public Services and Procurement Canada), through Procurement Assistance Canada, formerly known as the Office of Small and Medium Enterprises (OSME), will continue to support the participation of Indigenous

businesses across Canada in federal procurement by delivering educational support and providing assistance.

Budget 2021 proposed to leverage supplier diversity opportunities through domestic procurement, such as holding competitions that are open to businesses run by Canadians from equity deserving groups. Specifically, it set aside funds for PSPC (Public Services and Procurement Canada) to continue the work with federal organizations, as well as Indigenous partners, to increase the participation of Indigenous businesses in federal procurement. This will help build a more inclusive economy and boost the competitiveness of these businesses, and all Canadian businesses.

The Treasury Board of Canada Secretariat will develop policy guidance and ensure departments have the tools they need to implement the government's Indigenous procurement target.

Together, these initiatives will provide First Nations, Inuit and Métis businesses with increased access to government contracts and create more opportunities for Indigenous-owned businesses.

Quotes

"The Government of Canada continues to place engagement and reconciliation with First Nations, Métis and Inuit communities at the forefront of its work. The measures announced today will provide meaningful opportunities for Indigenous businesses to succeed and grow, while helping to make federal procurement a real reflection of Canada's population."

The Honourable Anita Anand

Minister of Public Services and Procurement

“We need to ensure that government policies reflect our commitment to working towards reconciliation and create more opportunities for Indigenous businesses to thrive and generate economic benefits in communities across Canada.”

The Honourable Jean-Yves Duclos

President of the Treasury Board

“It is important that the Government of Canada procures and supports a diverse portfolio of Canadian businesses. By increasing Indigenous representation in the overall Canadian economy, it will not only offer new and exciting opportunities for Indigenous entrepreneurs, but will benefit all of Canada thanks to a more competitive and inclusive procurement process. As we start to emerge from the COVID-19 pandemic, our government is more than ever committed to building a better, more inclusive, and sustainable future. Today’s announcement will support capacity development and greater economic prosperity for Indigenous communities.”

Pam Damoff

Parliamentary Secretary to the Minister of Indigenous Services

“This is a pivotal moment in harnessing the potential of the Indigenous economy. CCAB (Canadian Council for Aboriginal Business), along with Indigenous leaders past and present, have been advocating for these changes. Today’s announcement shows that we have not only been listened to, but we have been heard. It is an incredible moment to see our continued efforts affect change.”

Tabatha Bull

Canadian Council for Aboriginal Business President and CEO (chief executive officer)

Quick facts

- Since 1996, PSAB (Procurement Strategy for Aboriginal Business) has supported the participation of Indigenous businesses in federal procurement processes. To date, there are over 2,200 Indigenous businesses registered in the PSAB (Procurement Strategy for Aboriginal Business) data base.
- In response to the COVID-19 pandemic, 38 contracts have been awarded to 30 self-identified Indigenous businesses, collectively valued at approximately \$126 million. These contracts have been for a broad range of services and equipment, including logistics and air charter services, accommodation and cleaning services, information technology, professional services, medical and laboratory supplies, masks, hand sanitizer, and thermometers.
- With Government of Canada procurement fluctuating from year to year, it is anticipated that the support announced today will result in approximately \$1 billion worth of government contracts being awarded to Indigenous businesses per year. This unprecedented level of

procurement from Indigenous businesses will provide a significant boost to the Indigenous economy and will assist in closing socio-economic gaps.

Associated links

- [Procurement Strategy for Aboriginal Business](#)

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