

Intergovernmental and Aboriginal Affairs

26th

Annual Report

to March 31, 1999

Alberta
INTERGOVERNMENTAL
AND ABORIGINAL AFFAIRS

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Preface

Public Accounts 1998/99

The Public Accounts of Alberta are prepared in accordance with the Financial Administration Act and the Government Accountability Act. The Public Accounts consist of the annual report of the Province of Alberta and the annual reports of each of the 18 ministries.

The annual report of the Government of Alberta released in June contains the Provincial Treasurer's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Intergovernmental and Aboriginal Affairs contains the Minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This Ministry annual report also includes:

- **the financial Statements of Entities making up the ministry including the department of Intergovernmental and Aboriginal Affairs for which the Minister is responsible.**
- **other financial information as required by the Financial Administration Act and the Government Accountability Act, either as separate reports or as part financial statements, to the extent that the ministry has anything to report.**

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 1999 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at September 7, 1999 with material economic or, fiscal implications of which I am aware have been considered in the preparation of this report.



Shirley McClellan
Minister of Intergovernmental and Aboriginal Affairs

Mission Statement

In the 1998/99 fiscal year, the mission of Alberta Intergovernmental and Aboriginal Affairs (IAA) was “to lead the development of government-wide policies and strategies for Alberta’s relations with other Canadian governments (federal, provincial and Aboriginal), the Aboriginal community, and international governments and organizations.”

Message from the Minister

Alberta is recognized as a leader both within Canada and internationally on government efficiency and on the creation of an environment that promotes economic growth and innovation. The existence of strong national and international ties contributes to this leadership, as do our efforts to enable Aboriginal people to fully share in the opportunities created by the Alberta Advantage.

My ministry supports that leadership by working closely with other departments in government, providing support to the Premier and other ministers in intergovernmental discussions, facilitating visits to and from key foreign partners, and supporting partnerships between Aboriginal communities and groups and public and private organizations.

The ministry provides overall leadership on issues, coordinates the activities of participants, and provides policy analysis and strategic advice as requested.

Highlights of the Year

Intergovernmental and Aboriginal Affairs' coordination and strategic advice were critical to Alberta's success in securing national support for our objectives at key meetings and negotiations in the 1998/99 fiscal year.

At the Western Premiers' Conference (WPC) in Yellowknife, NWT, in July 1998, Alberta achieved support for its principal objectives. The objectives included health care, with specific reference to joint interpretation of the Canada Health Act, and the need for a more formal role for provinces in negotiating international agreements.

Alberta's priority for the Annual Premiers' Conference was to build on the consensus achieved at the WPC. We gained national support for a call for restoration of federal cuts to the Canada Health and Social Transfer (CHST) funding for health care, incorporation of a dispute resolution mechanism in the provincial position on Social Policy Framework negotiations, and intergovernmental cooperation on the issue of climate change. The Social Union Framework signed on February 4, 1999 reflected much of the original Alberta position.

The ministry consistently advanced Alberta's views on federal legislation and policy in several areas, including: environmental and resource management issues, Bill C-54 (privacy of electronic information), sulphur in fuel, issues affecting Albertans living in national parks and western grain transportation.



The ministry is a member of a team led by Alberta Energy which has demonstrated Alberta's leadership in efforts to reduce greenhouse gases to meet the challenges as part of Alberta's Climate Change Strategy.

IAA lent its support to the Climate Change Strategy announced by Premier Klein in October 1998, by assisting with the plans for the Climate Change Round Table and the establishment of Climate Change Central.

In October 1998 over 892,000 Albertans cast votes in an election for candidates to the Senate. The election created a national focus on the need for Senate reform, and demonstrated the support of Albertans for democratic selection of senators and reform of Canada's upper chamber. IAA coordinated the government's role in the election.

1998/99 also saw the establishment of the Francophone Secretariat, chaired by Denis Ducharme, MLA for Bonnyville-Cold Lake. The Secretariat acts as a liaison with the Francophone community, associations and stakeholder groups that represent Alberta's French-speaking population.

IAA continued to call for improvements to the Agreement on Internal Trade (AIT), focusing on inclusion of procurement by Crown corporations, the Code of Conduct on Incentives, extra-provincial corporate registration and reporting requirements, and negotiations on the energy chapter. The ministry helped municipalities, academic institutions, schools and hospitals in the province prepare for their inclusion under AIT as of July 1, 1999. In the first complaint to go to an AIT arbitration panel, the Alberta government succeeded in having a federal ban on trade in the fuel additive MMT removed, saving Alberta refiners millions of dollars.

Alberta participated in the Canadian delegation to the World Trade Organization (WTO) Ministerial meeting in May 1998, and in WTO high-level consultations on trade and the environment in March 1999, making a strong contribution to the Canadian position. IAA was active in ongoing discussions to improve the operation of the Canada/U.S. Softwood Lumber Agreement and in the organization of the defence against the U.S. initiated trade action against Canadian cattle exports.

The ministry continued to support strengthened relations with regional and international trading partners. Alberta hosted a number of visits, including the visits of President Fujimori of Peru and President Constantinescu of Romania. In addition, officials supported missions abroad, including Premier Klein's visit to the Pacific Northwest and Mexico in January 1999 and missions by various Alberta cabinet ministers to Asia, Europe, and the Middle East.

Improved relations with the western United States were a primary focus in 1998/99. Alberta was instrumental in reinvigorating a number of cross-boundary organizations, including the Pacific North West Economic Region, the Montana/Alberta Boundary Advisory Council and the Can/Am Border Trade Alliance.

The ministry supported continued strong relations with Asia, in spite of the economic crisis faced by that region of the world in much of the year. IAA provided support and assistance to Chinese representatives in the establishment of a new consulate in Calgary.

For several years, Alberta has attracted the interest of international financial institutions and organizations as a partner in international development projects. In 1998/99, the ministry assisted the International Cooperation and Governance Advisory Committee in examining Alberta's potential role in such projects.

IAA continued to work with Aboriginal communities to improve self-reliance. One of the achievements of the past year was success of the Aseniwuche Winewak Nation, a society of six cooperatives and enterprises in the Grande Cache region, in being able to pay their property taxes to the municipal district for the first time. IAA initiated and assisted in organizing a series of workshops between resource development companies and Aboriginal communities. The ministry also provided advice to three First Nations and one Metis Settlement regarding the establishment of job corps.

On March 22, 1999, premiers and ministers responsible for Aboriginal affairs met with national Aboriginal leaders in Regina, Saskatchewan. They called upon the Prime Minister to convene a conference of First Ministers and national Aboriginal leaders to discuss the final report of the Royal Commission on Aboriginal Peoples. They also encouraged the federal government to recognize its treaty, constitutional and fiduciary obligations towards all Aboriginal people, a position long advocated by Alberta.

Substantial progress was made in the resolution of Indian land claims in the province. Final agreements regarding a settlement of the Alexander treaty land entitlement claim were signed on October 3, 1998, negotiations were concluded on a settlement of the Loon River Cree claim, and it is expected that a Memorandum of Intent will be signed in 1999/2000 in a third claim, that of the Salt River First Nation regarding reserve lands in the vicinity of Fort Fitzgerald, Alberta.

A highlight of the year was the achievement of an agreement in principle for a new seven-year Alberta/Metis Nation of Alberta Association Framework Agreement. The focus of the agreement is support for projects with practical and measurable outcomes for Metis people.

Every Metis settlement in Alberta prepared and began to implement a business plan which will be instrumental in achieving self-reliance and self-regulation. In addition, independent reviews were conducted on the management and administrative practices on each of the eight settlements. As a result, work has begun on changes to the legislation to improve the governance framework.

In February 1999, a task force was established to examine the mandate of the Metis Settlements Appeal Tribunal. I look forward to their report in June 1999.

Looking Ahead

Under the government reorganization of May 1999, the ministry will operate under the title International and Intergovernmental Relations (IIR), with a Minister and an Associate Minister of Aboriginal Affairs.

Efforts will focus on:

- pursuing benefits for the province from strengthened international relations,
- supporting Aboriginal people and communities in the achievement of self-reliance and enhanced well-being, and
- securing benefits for Alberta in a renewed Canadian federation.

IIR will work with government departments, other provinces and the federal government on implementation of the Social Union Framework. We will continue to press the federal government for complete restoration of CHST funding for health, post-secondary education and social security.

Internal and international trade are vital to the growth of Alberta. Alberta will continue to advocate greater liberalization of internal trade in negotiations on the AIT, particularly in the areas of energy and labour mobility. The ministry will advance Alberta's position in cross-border trade disputes with the United States and the European Union, and on WTO negotiations in the agriculture and service sectors in 1999. Alberta will seek to improve Canada/U.S. dialogue in the western part of the continent.

A key objective in the 1999-2000 fiscal year is the development of an Aboriginal policy framework for the Alberta government, in consultation with other government departments and Aboriginal communities and organizations. Along with the policy framework, we will be developing specific performance measures to assess the well being of Aboriginal communities and people in Alberta.

There will be several key events in the next year. 1999 marks the 25th anniversary of Alberta's sister province relationship with Kangwon,

Korea. In June 1999, Alberta will join Aboriginal communities and people in the commemoration of the centennial of Treaty 8.

The next year will be an active one for the ministry, as Alberta and Canada prepare for the opportunities and challenges of the future. Through its strategic management and leadership role in Alberta's relations with governments in Canada, abroad, and in Aboriginal communities, I believe the ministry will play a critical role in the Government of Alberta's plans to take this province into the new century.

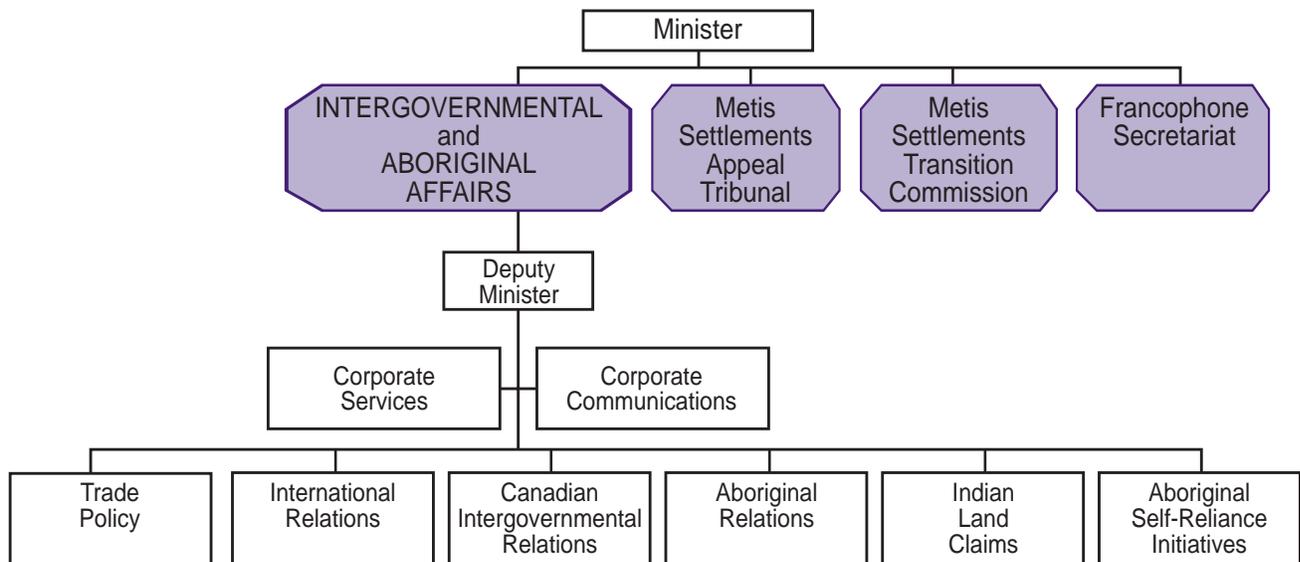
A handwritten signature in cursive script, reading "Shirley McClellan", is written above a solid horizontal line.

Shirley McClellan
Minister of Intergovernmental and Aboriginal Affairs

Overview

Corporate Structure/Operating Divisions/ Reporting Agencies

Corporate Structure and Resources¹



Pursuit of the key objectives of the ministry resulted in an increase in work in several areas in 1998/99:

- negotiations on the Social Union intensified in the months prior to the signing of the framework agreement;
- the ministry began implementing the government's strategy of developing closer high-level ties with western U.S. states to provide alternate channels for dispute settlement avoidance;
- ministry officials initiated and led Alberta's challenge of federal trade restrictions on the MMT dispute under the Agreement on Internal Trade;
- work began on development of the Aboriginal Policy Framework and a consultation process; and
- IAA staff were extensively involved in management reviews on Metis Settlements.

¹For more information on the ministry, please call (780) 427-2611. For toll-free access outside Edmonton and Calgary first dial 310-0000, then the Edmonton number listed above. Or visit the department's website at www.inter.gov.ab.ca

Structurally, the department consists of six sections, with a staff of 90. 1998/99 was a year of consolidation for IAA, following the changes created by the April 1997 amalgamation of Federal and Intergovernmental Affairs and Aboriginal Affairs.

A number of administrative activities are being shared with other ministries. In September 1998, IAA entered a shared services agreement with Advanced Education and Career Development for financial, human resource and some administrative activities. Information technology support services were contracted out to an external provider.

The ministry's actual expenditure was \$35,358,000, which includes supplementary estimates for Alberta's support of the Faculté Saint-Jean (\$830,000) and for staff performance bonuses (\$194,000).

Spending decreased from the previous fiscal year, primarily because last year's expenditures included costs of the Loon River Cree land claim settlement (\$9 million), the costs of public consultations on the Calgary Declaration (\$500,000), costs of land claims litigation (\$500,000), and achievement awards (\$174,000).

Operating Divisions

Canadian Intergovernmental Relations

This section works with other Alberta departments and the federal government to ensure that Alberta's interests are represented in the Canadian federation by:

- reviewing policies, programs and legislation;
- participating in the negotiation of intergovernmental agreements;
- providing strategic advice and making recommendations on the intergovernmental implications of issues and policy initiatives advanced by the Alberta government; and
- coordinating and providing logistical support for intergovernmental meetings, including Annual Premiers' Conferences and Western Premiers' Conferences.

Social policy renewal and national unity are among the key issues for which this section is directly responsible.

Trade Policy

This section deals with domestic and international trade and investment agreements, negotiations and disputes affecting Albertans. It pursues policies that meet Alberta's objectives of reducing trade and investment barriers and provides expertise, advice and guidance on agreements such as the Agreement on Internal Trade, the North American Free Trade Agreement and agreements developed through the World Trade

Organization. These agreements and negotiations cover goods, agriculture, services, investment, technical barriers and other rules of general application, including dispute settlement.

International Relations

This section coordinates efforts to develop and strengthen Alberta's strategic relationships with governments outside of Canada, in support of the Alberta Advantage. Key activities include:

- enhancing regional transboundary cooperation;
- overseeing Alberta's twinning relationships and international governance projects;
- coordinating visits of international decision makers to Alberta; and
- arranging and assisting with Team Canada and Team Alberta visits.
- providing Alberta input on federal foreign policy; and
- coordinating and advising other government departments regarding international policies and activities.

Working with foreign governments, the diplomatic community, business associations, community groups, academic institutions and other groups to advance Alberta's interests in key international markets. This section also provides government-wide services in the area of translation and interpretation.

Aboriginal Relations

This section's primary activities are targeted towards enhancing Alberta's relationship with Aboriginal people, communities and organizations through a variety of activities including:

- providing information and advice on programs, services, initiatives and opportunities for cooperative action among provincial departments, Aboriginal interests, the public and private sectors, and other orders of government;
- participating in discussions and negotiations regarding Aboriginal issues at the federal, provincial and territorial government level;
- facilitating dialogue between the Aboriginal community and Alberta government departments to enhance access to programs and services by Aboriginal people; and
- coordinating the development of policies, programs and delivery of services to further strengthen the province's relationship with Aboriginal people and communities.

Aboriginal Relations oversees a number of bilateral and trilateral agreements and processes between the Alberta government and Aboriginal interests such as the Chiefs' Summit, the Peigan Nation, the Lesser Slave Lake Indian Regional Council, the Metis Settlements General Council and the Metis Nation of Alberta Association. The

primary purpose of these agreements is to facilitate and guide interaction between the government and the Aboriginal community in the resolution of various issues.

Aboriginal Self-Reliance Initiatives

This section has two main functions:

- to work cooperatively with the Aboriginal community to develop and implement initiatives to enhance social and economic opportunities for Aboriginal people in Alberta; and
- to act as the primary resource to the Minister in her responsibilities for the administration of the Metis Settlements legislation.

Initiatives include the transfer of provincial program service delivery to Aboriginal communities and the participation of Aboriginal people in employment and business opportunities associated with resource development. The section also works with the Metis Settlements General Council to help Metis settlements become accountable, self-reliant, self-regulating governments.

Indian Land Claims

Indian land claims principally involve the federal government, which has the primary responsibility under the Constitution. In some cases, however, claims also involve the province. Under the Natural Resources Transfer Agreement, the province has an obligation to transfer back to the federal government unoccupied Crown lands to the extent necessary to allow the federal government to fulfill its treaty responsibilities.

This section coordinates all activities within the provincial government that relate to Indian land claims. Activities include research and assessment of the validity of individual claims, negotiation of valid claims on behalf of the Alberta government and implementation of settlements. This section also takes a support or client role in Aboriginal land claims litigation involving Alberta.

Corporate Services

This section coordinates provision of financial services, human resources services, information technology, records management and administration for the ministry.

Corporate Communications

This section provides a wide range of communication services including strategic communications planning, issues management, media relations, Internet homepage coordination and publication services.

Ottawa Office

The office keeps the Alberta government informed about parliamentary and federal government developments and provides office space and services for Alberta government officials and business people traveling to Ottawa.

Agencies Reporting to the Minister²

Metis Settlements Transition Commission

This independent entity assists Metis settlements to develop and implement fair and democratic local government and administration processes. The Metis Settlements General Council and the Government of Alberta jointly appoint its commissioner.

Metis Settlements Appeal Tribunal

The tribunal hears appeals between settlement members and councils in the areas of land and membership. It is made up of appointees from the Metis Settlements General Council and the Government of Alberta, with a chairman appointed by the Minister of Intergovernmental and Aboriginal Affairs, from a list submitted by the General Council.

Francophone Secretariat

The Francophone Secretariat, created in March 1999, serves as a liaison between the government and the Alberta Francophone community. It assists Alberta Francophones in the protection and development of their linguistic community.³

²In accordance with the Metis Settlements Accord Implementation Act, the Metis Settlements Transition Commission submits its own separate annual report to the Legislative Assembly through the Minister of Intergovernmental and Aboriginal Affairs. For a copy of their annual report, please call (780) 427-4843 or call toll free 1-800-661-8260.

In accordance with the Metis Settlements Act, the Metis Settlements Appeal Tribunal submits its own separate annual report to the Legislative Assembly, through the Minister of Intergovernmental and Aboriginal Affairs. For a copy, please call (780) 422-1541 or toll free at 1-800-661-8864.

³ In July 1999, the Secretariat was moved to the Ministry of Community Development.

Review of Operations

Goal 1: Securing Benefits for Alberta as an equal partner in a revitalized, united federation

Effective management of Alberta's role in the federation

Intergovernmental Meetings

As in previous years, Alberta participated in a number of key meetings in 1998/99 with a well-developed and cohesive strategy, strongly influencing the outcomes of the meetings with its views and priorities. IAA played an important role in coordinating Alberta's objectives and participation in these high level conferences, working closely with line departments to seek their input for agenda items, overall strategy, and briefing materials.

Western Premiers' Conference (July 1998)

Alberta had three key objectives going into the conference:

- to send a strong message to the federal government to restore funding for the Canada Health and Social Transfer to health care;
- to press the federal government to negotiate joint interpretation of the Canada Health Act as part of negotiations on the Framework Agreement on the Social Union; and
- to call on the federal government to continue discussions with provinces and territories on reaching a formal agreement to establish a more formalized provincial role in negotiating international agreements.

Alberta was successful in securing support from Western Premiers and Territorial leaders to take strong positions on each of these items and to bring them forward to the Annual Premiers' Conference.

Annual Premiers' Conference (August 1998)

Alberta's priority for the APC was to build on the consensus reached by Western Premiers and Territorial Leaders on a number of key issues. These included: restoring CHST funding to health care; maintaining a consensus provincial-territorial position on social policy reform in such key areas as the need for a mechanism to resolve disputes; and renewing the call on the federal government to work with provincial and territorial governments in developing a national response to reducing greenhouse gas emissions. Alberta was successful in obtaining support for each of the objectives.

Alberta's strong participation in these conferences has contributed to the achievement of significant results during the reporting period:

- Health care — the Premiers' strong position on restoring CHST funding to health care was reflected in the federal government's 1999 budget.
- A dispute resolution mechanism for interpreting the Canada Health Act was included in the Framework to Improve the Social Union, signed February 4, 1999.
- A national climate change process has been established to develop a coordinated federal-provincial-territorial approach to reducing greenhouse gas emissions.

Intergovernmental Agreements

Pursuant to the Government Organization Act, Intergovernmental and Aboriginal Affairs is responsible for reviewing and approving all intergovernmental agreements entered into by the Government of Alberta. The ministry provides advice and support to other government entities negotiating agreements to ensure a fair deal for Alberta, in addition to suggesting negotiating strategy and providing other support as requested. IAA successfully contributed to a number of intergovernmental agreements signed in 1998/99, including the bilateral agreement with the federal government on Employability Assistance for Persons with Disabilities and the Memorandum of Understanding on Economic Cooperation with the Northwest Territories.

As part of Intergovernmental and Aboriginal Affairs' responsibility for Intergovernmental Agreements, a comprehensive list of agreements signed in 1998/99 is included in Appendices I and II. In 1998/99, 119 Canadian intergovernmental agreements were signed.

Francophone Secretariat

In March 1999, the Minister established a provincial Francophone Secretariat. The Secretariat will have an annual budget of \$300,000, and will consist of the chair, a director and required support staff. The first chair is Denis Ducharme, MLA for Bonnyville-Cold Lake.

A restructured federal system that better serves Albertans' needs

In 1998/99, the Federal/Provincial/Territorial Ministerial Council on Social Policy Renewal continued to address issues of national importance that benefit from a coordinated approach by both orders of government. Key issues on the Council's agenda were the negotiation of a Framework Agreement for the Social Union and the National Children's Agenda.

Alberta's representative on the Ministerial Council during this period was Alberta's Minister of Family and Social Services Lyle Oberg. IAA provided support to Alberta's representative, including strategic advice and briefings. To ensure a common vision of Alberta's goals in the social policy renewal process, IAA worked with other key government departments including Family and Social Services, Health, Advanced Education and Career Development, and Treasury.

A Framework to Improve the Social Union for Canadians

A major focus of the Canadian Intergovernmental Relations section in 1998/99 was the negotiation of *A Framework to Improve the Social Union for Canadians*. Negotiations on the agreement began in March 1998; Dr. Oberg, in his capacity as Alberta's representative on the Council on Social Policy Renewal, led Alberta's negotiating team. First Ministers, except the premier of Quebec, signed the Framework on February 4, 1999.

It is hoped that the Framework Agreement will strengthen the relationship between governments, resulting in social policy for Albertans that is more effective, efficient, accountable, and sustainable.

National Children's Agenda

The other main priority of the Council on Social Policy Renewal was the development of the National Children's Agenda (NCA). Work on this initiative is led by the health and social services sectors. Federal/Provincial/Territorial Ministers discussed the NCA in March and June 1998, and directed further work from officials. IAA is a member of the Alberta Interdepartmental Steering Committee on the National Children's Agenda. The NCA complements the Alberta Children's Initiative.

Subsequent to the reporting period, and prior to the publication of this report, the Ministerial Council approved "A National Children's Agenda: Developing a Shared Vision." This document formed the basis for public consultations that were launched in May 1999.

Senate Reform

The Alberta government amended the *Senatorial Selection Act* in the spring of 1998, paving the way for an election in October to select two nominees to the Senate. IAA took a lead role in coordinating the preparation leading up to the election, including assisting with the legislative changes. The Ministry contracted with the Canada West Foundation to conduct a public awareness campaign, poll Albertans on the issue of Senate reform, and prepare reports on Senate reform and the election.

In total, over 890,000 valid ballots were cast in the October 19 Senate nominee election, with Bert Brown and Ted Morton chosen as Alberta's Senate nominees.

Although Alberta's Senate nominees have not been appointed to the Senate to date, the election demonstrated Albertans' support for Senate reform.

The Alberta government remains committed to pursuing meaningful Senate reform. IAA will continue to act on direction provided by the Alberta government to keep this issue on the national agenda.

Proposals for National Renewal

The primary focus for national renewal during the 1998/99 reporting period was the Social Union Framework discussions. The agreement is a practical response to the need for better coordination and cooperation between governments operating in the social policy field. It is also an important expression of the flexibility inherent in the Canadian federal system of government. The Framework has significant national unity implications: an efficient and effective federal system that benefits all Canadians is fundamental to a united Canada.

The Quebec government did not sign on to the Social Union Framework, in keeping with its non-participation in other multilateral social program initiatives such as the National Child Benefit.

Internal Trade Policies which Achieve Alberta's Goals and Priorities

The Agreement on Internal Trade (AIT) came into effect on July 1, 1995. It is a voluntary agreement among all Canadian governments (federal, provincial and territorial) to promote an open, efficient and stable domestic market and to reduce barriers to trade within the country.

Freer domestic trade enhances competitiveness, encourages investment, results in lower costs for consumers and taxpayers, and creates jobs for Albertans and other Canadians. Alberta regards the AIT as the primary instrument for reducing and eliminating barriers to domestic trade. The government has been very active in negotiating and implementing the Agreement and will press hard for improvements.

Progress was made on several fronts. Government purchasing is now much more open, providing new opportunities for Alberta suppliers. Purchasing by the MASH sector (municipalities, academic institutions, schools and hospitals) will be covered under the AIT starting in July

1999. There has been progress in improving the ability of professionals and other workers to move across the country. Under the Social Union Framework Agreement, barriers to labour mobility are to be removed by July 2001. Truck transportation has been improved, consumer protection has increased, and work is underway to broaden the coverage of agriculture under the Agreement.

Improving the AIT

In February 1998, Trade Ministers agreed to a process for identifying issues, topics, and sectors for consideration for further negotiations under the AIT.

In 1998/99, IAA established a comprehensive consultation process with Alberta private sector stakeholders. That process culminated in March 1999 with a full-day roundtable involving approximately 40 participants from a broad range of economic sectors, professions and business groups. The day was organized jointly by the Chambers of Commerce of Edmonton and Calgary in collaboration with Trade Policy, IAA.

Participants called for more efficient processes in the Agreement, and simplification of its language and the processes it describes. They also recommended considering the extension of the Agreement through regional or sectoral agreements. In this way, like-minded provinces could work together to get the most benefit from the Agreement, even if other provinces choose not to participate. Participants applauded government efforts to raise awareness of the AIT among the business community, but suggested that results could be improved with stronger participation by their own business and professional associations.

Resolving Alberta's Domestic Trade Disputes

The dispute settlement provisions of the *Agreement on Internal Trade* focus on cooperation and on resolving complaints before they become formal disputes that need to be referred to a panel. The existence of the panel mechanism appears to contribute to successful resolution of complaints.

Nevertheless, the existing dispute settlement process can be very time consuming for the complainant. In any future negotiations to improve the Agreement, Alberta will press for a streamlined and simplified process. Another improvement would be to provide a successful complainant with compensation for damages to his/her business, in addition to the costs involved in the dispute.

Alberta's current practices are in line with the Agreement, and Alberta has therefore faced very few challenges under the AIT. The benefit to Alberta businesses is largely in opening up opportunities for them throughout the rest of Canada.

Status of Complaints

Since 1995, 32 complaints have been filed by Albertans. Twenty have been resolved at the informal consultation stage. Of the twelve active disputes, nine are in labour mobility and involve non-recognition of professional/occupational credentials of Albertans moving to other provinces for work. Five long-standing, transportation-related complaints against British Columbia were resolved, to the extent possible, with BC altering or modifying a number of restrictive practices.

Six complaints have been made against Alberta, and all have been resolved at the informal consultation stage.

Alberta won its dispute against the federal government concerning the interprovincial movement of the gasoline additive MMT.

MMT Dispute

Alberta was the complaining Party in the first action to go before a panel under the AIT—a dispute with the federal government over the gasoline additive MMT. Alberta took this matter forward in response to a request from Alberta-based members of the Canadian Petroleum Products Institute. In the panel review, Alberta, supported by Quebec, Saskatchewan and Nova Scotia, argued that the federal government's unilateral action to restrict the interprovincial trade and import of this substance without having the grounds to ban it outright was inconsistent with the federal government's obligations under the AIT. The Panel report, released in June 1998, sustained Alberta's position. The federal government responded to the Panel report in July 1998 and lifted its restriction.

Discussion of Intergovernmental Activities

A Framework to Improve the Social Union for Canadians

The agreement signed by First Ministers achieves a number of important goals for Alberta.

- It includes a commitment to adequate and sustainable funding for social programs.
- The agreement provides some assurances that the federal government will use its spending power in consultation with the provinces. Given primary provincial responsibility for social policy, these measures should foster more coherent and effective social policy.
- Alberta has always pushed for a fair third party dispute resolution mechanism to ensure the efficient and effective cooperation between governments in the social policy sector. The Framework enables the development of such a mechanism.
- Governments are committed to public reporting of accountability measures to its constituents. This is an area in which Alberta is a national leader, providing citizens with the information they need to judge the performance of government.

An important strategy for Alberta in achieving these goals was provincial consensus. IAA built and maintained provincial consensus throughout the negotiations. Provincial and territorial ministers met 4 times between March 1998 and January 1999, and 5 times with the federal Minister. These interprovincial sessions ensured that provinces had a clear and coherent position in negotiating with the federal government.

The Framework Agreement did not develop in a vacuum. The vision of Canada that formed the basis of the Framework has been articulated by Premiers and territorial leaders since the 1996 Annual Premiers' Conference. Their ideas were reflected in the public communiqués from the 1996, 1997, and 1998 Conferences and Albertans have provided feedback on the direction taken by Alberta and the other provinces.

In addition, the vision of Canada that supports the Framework Agreement is articulated in Principle 7 of the *Calgary Declaration*, which recognizes the importance of federal, provincial and territorial governments working in partnership, particularly in the delivery of social programs. During public consultations on the *Calgary Declaration*, Albertans expressed strong support for this principle, which has been formalized in the Framework.

Senate Nominee Election

During the spring 1998 legislative session, the Alberta government introduced amendments to the *Senatorial Selection Act* to permit the holding of Senate elections prior to vacancies. Holding Senate nominee elections in advance of vacancies would, ensure that when an Alberta

vacancy did occur, the Prime Minister would be able to appoint the candidate who had already been democratically selected by Albertans. In April, the Alberta government called a Senate nominee election to coincide with Alberta's municipal elections on October 19, 1998.

IAA took a lead role in coordination of the preparations leading up to the election, including working closely with Legislative Counsel, the Chief Electoral Officer and Municipal Affairs.

The results of the Senate nominee election were as follows:

Candidate	Party	Total Votes
Bert Brown	Reform Party	332,985
Ted Morton	Reform Party	274,272
Guy Desrosiers	Independent	148,990
Vance Gough	Independent	135,943
Total		892,190

On August 28th, Alberta Senator Jean Forest announced her resignation. Premier Klein and Minister Hancock immediately wrote to their federal counterparts urging them to hold off on filling the vacancy until after Albertans voted in the October 19th election. However, Prime Minister Jean Chretien appointed Douglas Roche to fill the Alberta vacancy on September 17, 1998.

Despite the Prime Minister's actions, the election served to underscore Albertans continued belief in Senate reform. The presence of two elected nominees will also ensure that this issue remains on the national agenda.

IAA continues to work with other ministries to preserve Alberta's policy objectives in a number of areas including:

Environmental Harmonization — Under the Canada Wide Accord on Environmental Harmonization, Environment Ministers and officials worked on the completion of annexes to further define accountability and stakeholder involvement and the developed Canada wide standards for priority substances under the Standards Sub-agreement.

Climate Change — In October the Premier announced an Alberta climate change strategy. Alberta's Department of Energy continues to provide leadership on coordinating activities in Alberta and for Alberta's participation in the national process to develop national policies and strategies.

Pipeline Jurisdiction — At the fall meeting of Ministers of Energy, Ministers received a report from a working group of officials on options to clarify jurisdictional issues surrounding pipeline projects. While the federal government continues to be reluctant to undertake concrete actions such as amending the National Energy Board Act, Ministers directed the federal and western deputies to meet to further define options.

Western Economic Partnership Agreement — IAA and the federal department of Western Economic Diversification agreed to fund 18 projects totaling \$16.1 million early in 1999. The projects followed a process of IAA working with Alberta ministries to develop strategic themes and prioritize Alberta projects.

Grain Transportation — At the 1998 Western Premiers' Conference, premiers urged the federal government to act upon the recommendations of the Estey Review of Grain Transportation. Western ministers of transportation and agriculture continued to cooperate on the development of joint policies and submissions to the commission. Following the December 1998 release of the Estey Report, a joint western response was submitted to the federal Minister of Transportation.

Federal Environmental Legislation — IAA continued to work with Alberta Environmental Protection, stakeholders, other provinces and the federal government in respect to the reintroduced Canadian Environmental Protection Act (CEPA) and proposed federal endangered species legislation. CEPA, after second reading, remained under study of the Standing Parliamentary Committee on Sustainable Development and the Environment. The federal government has yet to reintroduce legislation on endangered species that had previously died on the Order Paper.

Bill C-54 — In the fall of 1998, the federal government introduced legislation to protect electronically held personal information and promote electronic commerce. Alberta Labour, with assistance from IAA and other Alberta ministries, examined the legislation, resulting in Alberta expressing concerns to the federal Minister of Industry.

Sulphur in Fuel — Under the Canadian Environmental Protection Act, Environment Canada announced its intentions to introduce regulations to limit the amount of sulphur in gasoline. IAA led an interdepartmental working group that worked closely with the Canadian Petroleum Products Institute and Nova Scotia to seek modifications to harmonize Canadian standards with expected regulations under the United States Environmental Protection Agency. Following the filing of formal Notices of Objections and a request for a review panel under the provisions of the Canadian Environmental Protection Act by all three parties, Environment Canada placed the regulations on hold pending the announcement of U.S. regulations.

Western and Northern Economic Cooperation — IAA negotiated a Memorandum of Understanding on Economic Cooperation with the Government of the Northwest Territories, signed by the Premier in Yellowknife in June 1998. In addition, Western Ministers responsible for Economic Development and Science and Technology met twice during the year and have initiated a number of activities to further western and northern economic development.

Activities of Parks Canada — IAA provided advice and assistance, and facilitated greater collaboration between Parks Canada and Alberta ministries on issues affecting Albertans living in national parks. Alberta Municipal Affairs continued to negotiate an agreement to allow greater local autonomy for the residents of Jasper and represented the Town of Banff at the Ministerial level on the development of a new community plan by Heritage Canada.

Environmental Impact Assessments — Federal procedures and legislation continued to inadequately provide predictability and clarity for project proponents, and duplicated efforts of Alberta Environment Protection. In 1998, the Federal Court ruled that permits issued under the federal Fisheries Act for the construction of bridges on the Sunpine Road did not take into effect the impact of the road. Alberta was successful in convincing the federal government to appeal this decision and has gained intervenor status in the appeal.

Although Alberta Environmental Protection has in place high standards and good processes to assess regional environmental effects, the approval for the Suncor Centennial Heavy Oil Projects was delayed by the federal government. Federal approvals have been successfully challenged in the courts for the proposed Cheviot mine.

Alberta and the Canadian Environmental Assessment Agency negotiated a proposed new bilateral agreement for coordinating Alberta and Canada environmental assessments. While the agreement will lead to greater coordination where both governments have legitimate legislative interests, federal legislative changes will be required to provide predictability and clarity.

Agreement on Internal Trade (AIT)

IAA has overall responsibility for implementation of the AIT. Progress was made on a broad range of sectors during the year.

Government Procurement

- Provisions for open tendering by the MASH (municipalities, academic institutions, schools and hospitals) sector will come into effect on July 1, 1999. The MASH Annex will open up a potential market for suppliers of approximately \$50 to \$60 billion annually. Within Alberta, the government held information sessions for MASH sector purchasers to acquaint them with the terms of the MASH Annex. The three-hour sessions were held in ten locations across Alberta in November and December 1998, attracting more than 300 participants.
- Work continues on negotiations to include procurement by Crown corporations under the open tendering provisions of the Procurement chapter.

Investment

- Premiers directed that clarifications and improvements be made to the code of conduct on incentives. Trade Ministers will review proposals on the use of incentives.
- At the direction of Ministers, officials are implementing a process for reconciling extra-provincial corporate registration and reporting requirements.

Labour Mobility

- The Labour Mobility Chapter calls for compliance by professional and occupational bodies by July 1, 2001. A workplan for the implementation of the chapter has been completed and the Forum of Labour Market Ministers is overseeing its implementation. Work is underway on recognizing occupational qualifications and reconciling differences among such qualifications.

Consumer-Related Measures and Standards

- Ministers have reached agreement on harmonized direct selling legislation; agreed to basic proposals for cost of credit legislation; and approved a cooperative enforcement plan that envisages sharing information using a common data base, formal agreements on information sharing, and a national approach to enhancing consumer awareness.
- The focus is now on future cooperative enforcement initiatives.

Agricultural and Food Goods

- Many trade barriers related to differences in agricultural regulations and standards became subject to the disciplines of the AIT in 1995. Technical barriers with policy implications subsequently became subject to these disciplines. Policy-based barriers such as supply managed commodities and producer safety-net programs are subject to workplans to be implemented by Ministers of Agriculture.
- At their annual meeting in July 1998 Agriculture Ministers, following the lead of the Alberta Minister, re-committed to pursuing negotiations to revise the scope and coverage of the Chapter. Officials were directed to prepare a proposed negotiating approach with recommendations on priority issues for consideration by deputy ministers.

Energy

- At their fall meeting, Energy Ministers approved the legal text of the Energy Chapter and forwarded it to Trade Ministers to deal with requests from other provinces for broad exemptions for energy development—exemptions that could have an impact upon other major chapters of the AIT: procurement, labour mobility, and investment. Alberta will be resisting any exemptions or changes that would undermine the existing commitments and central purpose of the whole AIT.

Goal 2: Enhancing Alberta's relationship with Aboriginal people

Increased self-reliance of Aboriginal communities

Self Reliance Initiatives

Aboriginal Self-Reliance Initiatives (ASRI) continued to work with a number of Aboriginal communities and organizations on improving their levels of self-reliance.

ASRI has been working with the Aseniwuche Winewak Nation, a society representing the six Grande Cache cooperatives and enterprises. As a result, the cooperatives and enterprises, for the first time, were able to pay their property taxes to the municipal district. The Aseniwuche Winewak Nation also made significant progress in the development of a municipal services plan with the municipal district and a contributing community plan whereby community members would contribute to the costs of services, including the payment of property taxes.

ASRI also initiated the first of a series of workshops between resource development industries and Aboriginal communities. The purpose of these workshops, co-hosted by the community, the Canadian Association of Petroleum Producers, and IAA, is to increase opportunities for Aboriginal communities to participate in the resource development sector.

ASRI provided advice and assistance to three First Nations and one Metis Settlement in the establishment of job corps within the communities. The purpose of the job corps is to provide training and work experience opportunities to prepare community members to participate in the work force.

Economic Development

The Aboriginal Relations Section administered the Community Liaison Office on Employment and Economic Promotion Program (CLOEEP). During 1998/99, IAA provided a total of \$152,500 to eight Aboriginal communities (Calling Lake, East Prairie, Fishing Lake, Fort McKay, Peerless Lake, Sandy Lake, Trout Lake and Wabasca/Desmarais) for the purpose of increasing business, employment and economic opportunities in these communities.

An example of CLOEEP impacts is Peerless Lake, where the community developed a skills inventory of all employable people and provided this data to oil, gas and forestry companies in the area to determine the skills required to secure employment with the companies. As a result, the community can now develop a training plan to ensure that community members will be qualified to work with companies active in the region.

A second important undertaking in the area of economic development was the agreement between Canada and Alberta to allocate \$1 million under the Western Economic Partnership Agreement to projects that would have a positive impact on Aboriginal employment/business growth.

Friendship Centres

During 1998/99, IAA provided approximately \$650,000 to 20 community Native friendship centres and the Alberta Native Friendship Centres Association (ANFCA). Specifically, \$27,000 was provided to each of the five non-core funded friendship centres and \$24,000 was provided to each of the 15 federally core funded friendship centres. In addition, approximately \$177,000 was provided to the ANFCA to assist in planning, accessing other program and services funding, and developing sound financial and management systems within friendship centres.

IAA funds for core funded friendship centres were primarily used for a wide variety of programs including referral assistance, community cross-cultural awareness, newsletters, computer access, tourism, small business development, and elders and youth initiatives. The IAA funding for non-core funded friendship centres was primarily used for operational expenses.

Program/Service Delivery Negotiations

Aboriginal Relations provided specialized support, advice and expertise to Alberta Family and Social Services (AFSS) in the negotiation of on-reserve Child Welfare service delivery arrangements with eleven First Nations. In addition, assistance and strategic advice was provided to AFSS on a wide range of ministry specific Aboriginal issues including:

- a departmental framework for on-reserve service delivery arrangements;
- scope and parameters of a proposed review of the Administrative Reform Arrangement;
- strategies and options for resolving federal/provincial cost-sharing issues concerning Fort Chipewyan;
- the regionalization of Children's Services; and
- strategies for future negotiations with First Nations organizations.

IAA assisted in on-going discussions with the Blood Tribe and federal government concerning the possible assumption of Child Welfare jurisdiction by the Tribe pursuant to federal enabling legislation. Together with senior federal and Blood Tribe officials, IAA participated in the process of examining governance models and infrastructures relating to the on-going Kianaiwa Child Welfare Legislation initiative.

IAA also participated in workshop discussions with senior AFSS officials and the Chief Executive Officers of the 18 Child and Family Services

Authorities concerning the Administrative Reform Arrangement and federal/provincial funding issues and methodologies relative to service delivery agreements with First Nations.

Education/Cultural Awareness

In the 1998/99 fiscal year, Aboriginal Relations, through its grant funding capacity, provided support to various education, community support and cultural awareness initiatives. Examples of initiatives that were provided financial support were:

- University of Alberta Indigenous Scholars' Conference;
- Arctic Institute of North America;
- The Pincher Creek Community Relations initiative;
- National Aboriginal Day;
- Calgary Aboriginal Awareness Week;
- St. Joseph's High School Cross-Cultural initiative; and
- The Bent Arrow Traditional Healing Society.

A review of grant funding goals, priorities and objectives was undertaken in an effort to maximize the benefits of public expenditures to Aboriginal communities and organizations.

Effective Alberta participation in Aboriginal self-government discussions

Consultation/Discussion Processes

To help achieve effective representation of Aboriginal views and interests in the processes of government, IAA, through the activities of its Aboriginal Relations Section, continued to provide support and advice to provincial government departments on a variety of issues, initiatives and projects of an Aboriginal nature. Specifically, IAA, worked with the departments of:

Environmental Protection: on rewriting the cooperative management agreement with the Little Red River Cree and Tallcree First Nations; providing input into Alberta's implementation plan for the National Forest Accord; and working on projects relating to Metis hunting, traditional land use and resource development consultations with First Nations.

Treasury: on consultations regarding changes to the Alberta Indian Tax Exemption Program (AITE); and on establishing the exemption of the Little Red River Cree Nation at Garden River from the AITE.

Transportation and Utilities: on the proposed extension of the Sarcee Trail in the City of Calgary (possibly through the Tsuu T'ina First Nation reserve).

Health: to ensure the compliance of the Muskawchees Ambulance Authority with the Ambulance Services Act, and

Advanced Education and Career Development: on the Edmonton Urban Aboriginal Single Window Initiative.

As well, the Aboriginal Relations Section participated, on behalf of the Alberta government, in existing consultative processes with various First Nations and Metis governments and organizations under the following agreements:

- Understanding on First Nations/Alberta Relations
- Alberta/Metis Nation of Alberta Association Framework Agreement
- Canada/Alberta/Metis Nation of Alberta Association Tripartite Process Agreement
- Canada/Alberta/Metis Settlement General Council Tripartite Process Agreement

The past year was highlighted by the achievement of an agreement-in-principle for a new seven-year Alberta/Metis Nation of Alberta Association (MNAA) Framework Agreement. During negotiations, various outstanding concerns were addressed. As a result, the MNAA secured a longer-term agreement and IAA ensured that the new agreement would focus on projects with practical and measurable outcomes that would benefit Metis people.

In addition, Aboriginal Relations facilitated, on behalf of a number of provincial departments, the development of a Protocol Agreement with the Peigan Nation. This Protocol, signed by Premier Klein and the Peigan Chief on October 22, 1998, established a formal process under which the Alberta government and the Peigan Nation can address and resolve numerous, longstanding issues relating to environmental, agricultural, resource development and cultural concerns.

Intergovernmental Discussions/Negotiations

The Honourable Dave Hancock represented Alberta at the Meeting of Federal/Provincial/Territorial Ministers Responsible for Aboriginal Affairs and National Aboriginal Leaders, May 19-20, 1998, in Quebec City. Participants agreed to begin development of a National Aboriginal Youth Strategy. They also agreed that the final report of the Royal Commission on Aboriginal Peoples provided a solid foundation to address the needs of Aboriginal peoples.

Ministers and Aboriginal leaders agreed that a comprehensive, coordinated and cooperative strategy needs to be developed to resolve some of the outstanding Aboriginal issues. As well, they directed officials to develop the nature, structure and priorities of an on-going process of dialogue between governments and national Aboriginal organizations.

Aboriginal Relations subsequently participated in two intergovernmental senior officials' working groups to develop a National Aboriginal Youth Strategy and an on-going process of dialogue between federal/provincial/territorial governments and national Aboriginal organizations. Working groups met several times during the year, and prepared draft reports by the end of the fiscal year.

On March 22, 1999, Premier Klein and Minister Hancock represented the Alberta government at a Meeting of Premiers, Territorial Leaders and National Aboriginal Leaders in Regina, Saskatchewan. At this meeting, the participants called upon the Prime Minister to convene a conference of First Ministers and national Aboriginal leaders to discuss the final report of the Royal Commission on Aboriginal Peoples. In addition, the participants agreed that a meeting of the Federal/Provincial/Territorial Ministerial Council for Social Policy Renewal, supplemented by Ministers of Aboriginal Affairs and national Aboriginal leaders would be appropriate to address the implications of the Social Union Framework Agreement upon Aboriginal people.

Premiers, Territorial Leaders and national Aboriginal leaders reviewed the progress to date on the development of a National Aboriginal Youth Strategy and directed Ministers of Aboriginal Affairs to expedite their efforts towards this significant initiative. The participants repeated their earlier call on the federal government to recognize its treaty, constitutional and fiduciary obligations towards all Aboriginal people.

Aboriginal Policy Framework

In September 1998, Deputy Ministers identified the development of an Aboriginal Policy Framework as a cross-government initiative in 2000-2001. This initiative was also included in the Speech from the Throne in February 1999. An interdepartmental drafting committee is developing a proposal. While still under consideration at year's end, the proposed Aboriginal Policy Framework is envisioned as a guide for provincial departments to strengthen their relationships with Aboriginal peoples, to better coordinate their activities around shared goals, principles and commitments to actions, and to facilitate renewed partnerships with Aboriginal communities and organizations.

The government's objective is to consult with Aboriginal governments, communities and organizations on the proposed policy framework and implementation process.

Settlement of Indian treaty land entitlement claims, in a way which is fair and equitable to all parties

During 1998/99, Alberta executed final agreements to settle the Alexander treaty land entitlement claim. IAA's Indian Land Claims section also concluded negotiations regarding the Loon River land claim, and made significant progress toward the settlement of the Salt River/Smith's Landing claims.

Alexander Settlement: On October 13, 1998, Canada, Alberta and the Alexander First Nation executed final agreements to settle the Alexander treaty land entitlement claim. Under the terms of the agreements, Alexander will receive up to 6,056 hectares (15,140 acres) of additional reserve land and \$10 million. The Government of Alberta will provide 2,956 hectares (5,140 acres) of provincial Crown land and \$3 million. The Government of Canada will provide \$7 million. Alexander will also be allowed to buy, on a willing seller — willing buyer basis, up to 4,000 hectares (10,000 acres) of privately owned land adjacent to the existing Alexander reserve.

Loon River Cree Agreement: Negotiations were concluded on a settlement of the claim of the Loon River Cree First Nation for a reserve pursuant to the terms of Treaty 8. Under the proposed settlement, Loon River will receive a reserve of not less than 180 square kilometers (70 square miles), \$29.5 million for reserve construction and \$22 million for socio-economic development. The Government of Alberta will provide the land and \$7.5 million. The Government of Canada will provide the funding for reserve construction and \$14.5 million. The settlement was ratified by members of the Loon River First Nation in a referendum on March 8 and 9, 1999, and will be considered by the Alberta and federal Cabinets early in the fiscal year.

Salt River/Smith's Landing Negotiations: In 1998/99, substantial progress was made toward the settlement of a claim by members of the Salt River First Nation for a reserve for those of its members who have traditionally lived at and used lands in and near Fort Fitzgerald, Alberta. When concluded, negotiations will result in the creation of the Smith's Landing First Nation and the provision of reserves in the vicinity of Fort Fitzgerald. It is anticipated that a Memorandum of Intent outlining the terms of a proposed settlement will be signed in 1999/2000.



Accountable, self-regulating, and self-reliant Metis Settlement governments

The Metis Settlements are the only Metis land base in Canada, and the only recognized form of Metis government. Located throughout northern Alberta, approximately 5,000 people reside on eight Settlements totaling 1.25 million acres.

IAA's efforts with Metis Settlements are primarily directed toward assisting them in their efforts to improve the accountability, self-regulation, and self-reliance of their governments. Aboriginal Self Reliance Initiatives (ASRI) works with the Metis Settlements General Council, individual Settlement councils and the Metis Settlements Transition Commission toward this mutual objective.

One of the fundamental components of the funding arrangement between the Government of Alberta and the Metis Settlements is a commitment by the Settlements that they would put together business plans. Every Settlement has done so. The Settlement business plans are proving to be a valuable tool to improve the efficiency and effectiveness of Settlement governments.

An independent evaluation of the Metis Settlements Transition Commission (MSTC) was conducted to determine its effectiveness. The MSTC has two primary functions — to monitor Settlement financial expenditures and to assist Settlements in the improvement of their governing structures and systems. The evaluation of the Commission showed that, while progress has been made, changes are required to the overall governing structures and systems to enable the Settlements to make further progress. As a result, work has begun on a comprehensive review of the Settlements legislation to identify adjustments to the governance framework.

Prior to the evaluation of the Transition Commission, assessments of the financial and management practices of each of the Settlements and the General Council were conducted. While areas for improvement were identified on every Settlement, the assessments demonstrated that considerable progress has been made.

Every Settlement has identified within their business plan strategies to improve their financial and administrative practices. In respect to three Settlements, however, it was decided that immediate action had to be taken to assist in the improvement of their administrative practices. At one Settlement, a monitor/advisor was installed to review the Settlement's decisions and provide advice to the Council and administrative staff. On two other Settlements, comptrollers were temporarily installed to ensure the proper administration of the

Settlements' affairs and to provide assistance in improving their administrative practices. In both cases, sufficient progress was made to justify terminating the comptrollers' appointments.

As part of the province's and the Settlements' commitment to reviewing and improving the governance framework, a Task Force was established in February 1999 to examine the mandate of the Metis Settlements Appeal Tribunal to determine if it should be expanded. The Tribunal hears disputes regarding land allocation and membership decisions made by Settlement councils, and disputes regarding surface access for the purposes of developing mines and minerals. The Task Force is co-chaired by Denis Ducharme, MLA, Cold Lake-Bonnyville and Fred Martin, a lawyer with extensive experience working with Settlements. The Task Force's report is due on June 30, 1999.

IAA continued to work with the General Council and the Federal Privy Council Office under the terms of a tripartite agreement signed in April 1997. Focusing on the areas of justice, children's services and labour market training, the intent of the Tripartite Agreement is to examine opportunities for Settlements to exercise greater control or influence over the delivery on Settlements of programs and services in the identified sectors.

Data/Statistics

IAA continued to provide various information and data products to Alberta departments, other governments, the private sector and the public in print and through electronic mediums such as the new IAA web-site. In addition to the inventory of updated and custom products, the Aboriginal Relations Section began producing a twice-monthly Aboriginal News Summary for distribution.

Goal 3: Securing benefits for Alberta from strengthened international relations

Strengthened Alberta intergovernmental relations with key foreign economic partners

Promote the Alberta Advantage to foreign governmental decision-makers — IAA provided support to missions by Premier Klein to the Pacific Northwest and Mexico, to Minister Hancock to Washington D.C., San Antonio, Seattle, and Western Europe, and by various ministers and government officials to Asia, Europe, Africa and the Middle East. In addition, the ministry provided support to visits from the President of Peru, the President of Romania, and the Foreign Minister of China.

Focus existing strategic relations and agreements on economic cooperation, trade and investment — The Montana-Alberta Boundary Advisory Council was revived, with a focus on agriculture and transportation. As a result of the Team Alberta mission to the Pacific Northwest, IAA developed closer working relations with the states of Washington and Oregon. The mission to Jalisco, Mexico, focused on implementing the Memorandum of Understanding on Economic Cooperation signed in January 1998. The ministry welcomed a new representative of our sister-province of Hokkaido who was posted here to work with us on promoting two-way trade between the province and Japan.

Build alliances with key international decision-makers — IAA provided strong support to the restructuring and reform of the Pacific Northwest Economic Region, a regional public/private partnership that aims to reduce barriers to trade, encourage cooperation and share best practices. The province hosted Asia Pacific Economic Cooperation Finance Ministers in May 1998, the 1999 Northern Forum Regional Coordinators Conference in March, and 100 ambassadors to Canada in October 1998. The Chinese Consulate-General opened in Calgary.

Manage externally-funded Canadian and international assistance projects — IAA continued to work with the Canadian International Development Agency and other international organizations on international development projects. This year's work focused on the Canada-South Africa program on governance, the Canada/Ukraine legislative project, programs for several delegations of Yeltsin Fellows from Russia, and helping Alberta Education initiate a program to provide teacher training and curriculum development in South Africa. The International Cooperation and Governance Advisory committee was created in June 1998 to review Alberta's participation in international development projects.

Manage Alberta's transboundary relations to facilitate the flow of goods, services and people — To foster a closer working relationship with our neighbours, IAA developed and implemented a strategy to increase cross-border ties. Premier Klein, Minister Hancock and Minister Stelmach met with the governor of Montana in December 1998 to discuss informal mechanisms for resolution of agricultural trade disputes. Similar talks were held with the governors of Washington and Oregon in January 1999. Discussions were initiated with the Western Governors Association regarding closer ties.

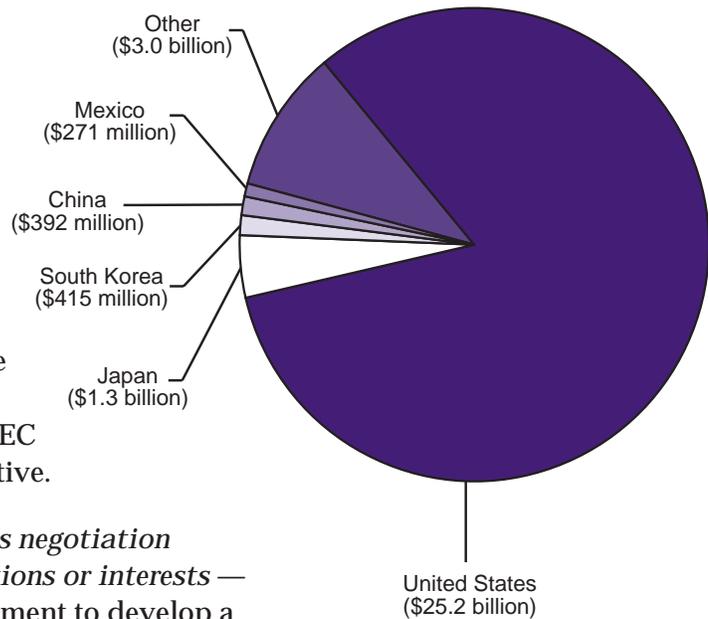
Improved foreign market access for Albertans through international trade and investment agreements

Reduce barriers to trade and investment — IAA provided input to the government of Canada on products to be considered under accelerated tariff reduction under NAFTA. In addition, the ministry monitored early negotiations towards a Free Trade Area of the Americas, and contributed to Canada's position on trade liberalization under the APEC Early Voluntary Sectoral Liberalization initiative.

Increase provincial participation in Canada's negotiation of agreements that affect provincial jurisdictions or interests — Alberta continues to press the federal government to develop a formal agreement on the provincial role in the negotiation, management and implementation of international trade and investment agreements. The federal government is reluctant to make any written commitments in this area, although Provincial Premiers and Territorial Leaders have identified this as an issue that must be addressed before the 1999 WTO Ministerial Conference in Seattle.

Work with private and public sector organizations to pursue the benefits of free trade — IAA worked with the Alberta accountancy industry on implementation of the WTO disciplines adopted in December 1998. The ministry consulted with the public and private sectors on provincial interests in negotiation of a European Free Trade Association agreement. IAA also worked with the ministries of Environmental Protection and Labour to ensure a strong provincial position on the negotiation of the Multilateral Agreement on Investment.

Alberta International Merchandise Exports in 1998



Manage government-wide implementation of trade agreements — The ministry worked closely with other provincial ministries to ensure the effective implementation of various trade agreements, such as the NAFTA side agreements.

Coordinate Alberta's participation in WTO negotiations — Alberta contributed to the establishment of Canadian priorities in upcoming WTO negotiations, including direct participation as part of the Canadian delegation to the WTO Ministerial meeting in May 1998. It also contributed to the Canadian position on nine sectoral proposals developed by APEC, which will be pursued through the WTO.

Manage disputes and defend Alberta's interest under NAFTA, WTO — Agricultural trade issues with the United States dominated the disputes faced by Alberta throughout the year. The Alberta government has retained legal counsel on action initiated in the U.S. on cattle exports. IAA has provided support to Agriculture, Food and Rural Development in monitoring and preparing Alberta positions on these disputes. Alberta also presented its views to the federal government on the WTO split-run magazine issue, the EU beef hormone ban, dairy pricing cases and the establishment of an arbitration panel and U.S. tariff reclassification initiatives under the Canada-U.S. *Softwood Lumber Agreement*.

Canadian foreign policies and positions which reflect Alberta's priorities and interests

Coordinating Alberta's Position on Trade Policy

In February of 1999, a meeting was held among federal and provincial ministers responsible for international trade. This meeting occurred as a result of a decision made during the previous year, committing trade ministers to convene on a regular basis. The meeting focused on a variety of issues including the Multilateral Agreement on Investment, international business development, and ways to improve federal/provincial cooperation on trade policy and international business development. Also of significant importance were discussions on Canadian trade policy priorities in upcoming negotiations including the World Trade Organization (WTO), and Free Trade Area of the Americas (FTAA).

Alberta Intergovernmental and Aboriginal Affairs represents Alberta on a trade policy committee consisting of federal and provincial representatives. This committee met a number of times during the reporting period, and has become a driving force in promoting ongoing federal/provincial dialogue on trade policy issues.

Discussion of International Relations

The United States

1998/99 has seen a concentrated strategy by the Alberta Government to strengthen transboundary relations with the US, particularly with the state governments and legislatures of western states such as Montana, Idaho, Oregon, Alaska, and Washington. During the year a special effort was made to establish links at the Premier's/Governor's level to augment those already established at the Minister/State Director level.

NAFTA has brought about greater integration of the North American markets and an increased focus on North-South ties. The strength of Alberta's economy continues to be tied closely to the U.S., which accounts for about 80 per cent of Alberta's exports or 25% of the province's BDP. The value of exports dropped in 1998 by 6.5 per cent to \$25 billion, due mainly to lower commodity prices.

Cross border tensions increased in 1998, with unilateral measures undertaken by U.S. states to disrupt the flow of Canadian agricultural goods during a time of low farm incomes. Increased truck inspections and added certification requirements in some states were intended to delay and deter Canadian product from entering the US. This action lasted several weeks.

Montana

Montana, Alberta's only border state, is key to ensuring uninterrupted flow of goods to US markets, cross-border cooperation and joint projects. The two jurisdictions work together to increase understanding of each others systems, share best practices, advance mutual interests and resolve problems. In May 1998, IAA was successful in reinvigorating Alberta's formal mechanism with the State of Montana. The Montana Alberta Boundary Advisory Council (MABAC) includes members of the executive and legislative branches of both governments as well the private sector. The Committee is co-chaired by the IAA Minister and Montana Lieutenant Governor Judy Martz. MABAC was instrumental in influencing developments on a number of key issues in transportation and agriculture.

Alberta and Montana continued to partner in a number of sectors: water management, wildlife and forestry management, marketing of historic sites, student exchange, university and college linkages, heritage programs, joint facilities for vehicle inspection and border crossing, harmonization of trucking regulations, and cross border movement of cattle.

Premier Klein, accompanied by Ministers Hancock and Stelmach, met with Montana Governor Racicot in December 1998. Informal mechanisms for resolving trade disputes in agriculture and harmonization of transport regulations were identified as priorities.

Pacific Northwest

Premier Klein met with Washington Governor Locke and Oregon Governor Kitzhaber in January 1999 as part of a Team Alberta Mission to that Region. As a result, IAA has developed a closer working relationship with the governments of those states, focusing on cooperation in agriculture, transportation and tourism in Washington. Cooperation with Oregon is focussed on agriculture, as well as on strategies related to the Kyoto Protocol on “Climate Change.”

Alberta has been very active in the past year in the Pacific Northwest Economic Region (PNWER) (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia, and the Yukon). David Coutts, MLA, Livingstone-Macleod has served as President and has led the organization through restructuring and reform in the past year. IAA has provided support to the President in his reform mandate, and to PNWER while in transition. Efforts through the working groups of agriculture, transportation and tourism have highlighted Albertans involvement in the organization.



Missions and Visits

In launching a proactive approach for advancing Alberta’s interests in the U.S., Minister Hancock visited Washington, D.C. in June 1998 to meet with members of Congress and the Administration and the Canadian Embassy. This was followed by meetings with the Governors of Montana, Washington and Oregon.

Minister Hancock joined Edmonton in promoting economic cooperation and tourism in the Seattle market in May 1998 aboard the HMCS Edmonton. Minister Hancock and Mary O’Neill, MLA, St. Albert, joined the Edmonton Team in attending the International Development Research Council (IDRC) Conference in San Antonio, Texas, profiling Edmonton as a designated “Smart City.”

In Alberta, IAA provided programs for visits from the Executive Director of the Can-Am Border Trade Alliance and the newly appointed Canadian Consul General in Seattle.

Mexico

Exports to Mexico grew by 17.7 per cent in 1998 to move Mexico up to 5th place in Alberta’s export market rankings (versus 9th place in 1993). In recognition of this, and as a follow up to the Team Canada Mission to Mexico of 1998, Premier Klein led a Team Alberta Mission to Mexico in January 1999. The Alberta Mission, which included 26 Alberta companies and associations, focused on Alberta’s expertise in



the energy sector, increasing awareness within Mexico of Alberta's capabilities as a supplier and partner.

During this Mission, Premier Klein visited the State of Jalisco to follow up on the 1998 Memorandum of Understanding on Economic Cooperation and to explore opportunities for further cooperation. Alberta companies were able to strengthen ties in agriculture, environmental services, infrastructure and education.

Newly appointed Mexican Ambassador to Canada Padilla visited Alberta as did Canadian Ambassador to Mexico Gouch.

Latin America

Due to global economic conditions, and decline in growth rates in Latin America in 1998, Alberta's exports to South America declined by 33.7 per cent during this period. Lower prices for commodities, such as wheat, accounted for some of this decline. Much of the export activity in this region consists of services or invisible exports, including engineering consulting services. Alberta companies continue to be very active in a number of countries in pipeline construction.

IAA received a number of high level visits to Alberta from Latin America in the past year. These included President Fujimori of Peru, who was interested in Alberta's oil technology.

For the first time ever the Canadian Department of Foreign Affairs held their annual meeting of the Canadian Heads of Post for Latin America outside Ottawa, in Calgary. This provided the Alberta Government as well as the business and academic communities in Alberta opportunities to provide key messages to those working directly on their behalf in Latin American countries.

Albertans continue to build closer ties in Latin America, particularly in energy-related projects, agriculture production, and education.

Asia-Pacific Region

Alberta's strategy of building economic and other relationships in the Asia-Pacific continued, despite the Asian economic crisis, underlining the province's long-term commitment to the region. In 1998, the Asia Pacific remained Alberta's second most important trade partner, accounting for 55 per cent of non-US exports. The total value of merchandise exports to the region was \$2.9 billion, down by 26% from 1997. Asia continued to be a significant market for service exports like tourism, education and training, and consulting services in areas such as agriculture, oil and gas and infrastructure development. Despite the decline that has occurred as a result of the economic crisis, the Asia Pacific region remains an important tourism market for Alberta.



As was announced in 1997, the People's Republic of China established a Consulate General in Calgary in October 1998. IAA worked with the Chinese government in the establishment of the office. IAA also worked with Economic Development in its negotiations with the federal government aimed at establishing an Alberta China trade office co-located in the Canadian Embassy in Beijing.

Intergovernmental Visits and Missions

IAA continued to promote the Alberta advantage to Asian government decision-makers through incoming visits and Alberta missions abroad. In all, 19 incoming official visits from the Asia Pacific region were organized through the ministry. A highlight was the APEC Finance Ministers meeting held in Kananaskis in May. The Minister of Advanced Education and Career Development led a mission to Asia in October 1998, which was organized in part by IAA.

Strategic Relationships

Recognizing the importance of sister province "strategic relationships" to the province's overall international strategy, Intergovernmental and Aboriginal Affairs commissioned a study to assess them and make recommendations concerning their future contribution. The study was scheduled for completion in 1999.

IAA worked closely with Alberta municipalities twinned with Japanese counterparts to help them to establish an Alberta-Japan twinned towns association to support the municipal twinings. This organization also received support of the Ministry to establish the "Twin Talk" newsletter, a forum for the exchange of news and ideas of interest to twinned municipalities.

A new Hokkaido representative was posted to Alberta in June 1998 to work with IAA in promoting Hokkaido in Alberta.

IAA posted its first representative (an intern) to its Korean sister province of Kangwon. This was done to increase our knowledge and understanding of the economy and governmental operations in Kangwon, as well as to aid their understanding of Alberta. Through this internship and the opportunities identified, Alberta undertook to participate in the Kangwon International Travel Expo in the fall of 1999.

China, and most notably, Alberta's sister province of Heilongjiang, was seriously affected by severe flooding in 1998. IAA worked with Albertans, local Chinese Canadian communities, and aid agencies to coordinate and provide donations for flood relief. IAA also arranged for a Heilongjiang environmental protection official to visit Alberta to study our province's flood forecasting and mitigation techniques. This initiative

appeared likely to pave the way for broader interaction and cooperation between environmental protection ministries in the two provinces.

Middle East

The Middle East region presents a variety of opportunities for Alberta's private sector, from investments in the oil and gas industry, to engineering consulting services, and education and training services. A significant number of Albertans also work in various oil-rich countries in the region.

Alberta's trade with the Middle East is subject to large swings, hinging on the volume and value of wheat and barley exports. In 1998 export of these commodities declined significantly and total merchandise exports to the region dropped to \$294.6 million, from a 1997 high of \$438 million. Alberta's top export partners in the region were Iran (\$84 million), the United Arab Emirates (\$65 million) and Israel (\$28 million).

The Ministry was involved in arrangements for a number of incoming visits from the Middle East and provided assistance for the visit to Israel and Lebanon of Alberta's Minister of Community Development. IAA participated in a mission to Saudi Arabia, the UAE and Israel led by Canada's Minister for International Trade, and attended the Canada/Saudi Joint Economic Commission meeting. On the policy side, IAA continued to liaise with the federal government in regard to both Canada's policies and U.S. sanctions legislation aimed at Libya and Iran.

Western Europe

In 1998/99, Western Europe was a regional destination for more than \$1 billion in Alberta exports, an increase of 6.4 per cent from 1997. Five of the region's countries ranked in Alberta's top 15 export markets worldwide, and Western Europe remains a significant source of foreign investment and tourism for the Alberta economy.

Some steps are being taken to invigorate our historical relationship with our major strategic trading partners in Western Europe. In July of 1998, the Minister of Intergovernmental and Aboriginal Affairs visited the U.K., Switzerland, France, Germany, and Belgium to meet with senior officials. Discussions focused on renewing ongoing commercial relations and barriers to furthering bilateral trade.

Alberta welcomed President Constantinescu of Romania, who led a 45-member government/private sector delegation to Alberta. During the two-day visit, Romanian and Alberta government and private sector representatives met to pursue joint cooperation in the oil and gas, heavy oil extraction, agriculture and coal mining sectors.

A mission of 22 German Parliamentarians, from the central and regional governments, studied intergovernmental consultative/dispute resolution mechanisms, departmental business plans and performance measurements and the role of the Auditor General's office.

Eastern Europe

For the past several years, Alberta's intergovernmental relations in Eastern Europe have primarily focused on Russia and the Ukraine. However, due to the continuing economic problems (e.g. the financial crisis in Russia which began in August 1998, as well as the delay by Ukraine in adopting IMF plans for government reform) there has been a dramatic decline in Alberta's private sector interest in these two countries. IAA has worked to maintain and focus our strategic interests through participation in internationally funded governance development projects, such as the Yeltsin Democracy Fellowship Program, and through international groups, such as the Northern Forum, of which three Russian sister provinces are also members.

IAA continued to participate in the Canada/Ukraine Legislative Cooperation Project in partnership with the provinces of Saskatchewan, Manitoba, and Ontario. The program provides elected and non-elected senior officials from Ukraine an opportunity to visit Canada to study governmental structures and practices in a democratic, market-oriented system.

Ron Stevens, MLA Calgary-Glenmore attended the Parliamentarians of the Arctic Conference in Salekhard, Yamalo Nenets Okrug. Deputy Governor Medvedev of the Tyumen Oblast visited Alberta to revitalize bilateral relations.

Northern Forum

Alberta also was the host region for the 1999 Northern Forum Regional Coordinators Conference in mid-March, which involved government decision-makers from 21 states and provinces in 10 northern countries. The Northern Forum is an international organization aimed at bringing regional government leaders and senior government officials together to share information and discuss potential solutions to problems faced by many governments in northern climates. Alberta will act as the host region for the Northern Forum General Assembly and Governors/Premiers Summit in 2001.

International Governance Projects

The ministry's experience on the Russia-Canada Collaborative Federalism Project, and as a participant in other international governance projects, has resulted in IAA acting as a source of expertise to other Alberta government departments. In addition, international financial institutions and organizations have become aware of Alberta's role in international development projects and actively seek us out as potential partners in upcoming projects (e.g. the World Bank).

IAA continues to work through the Canadian International Development Agency's (CIDA) Yeltsin Democracy Fellowship Program with Russia to

introduce Alberta to new regional governments in Russia. IAA was contracted to coordinate a three-week cross-Canada program for Russian participants on cold weather construction technologies and natural resources management.

In 1998, IAA acted as an advisor to the Alberta Ministry of Education in their negotiation with CIDA for a five-year project on teacher upgrading and outcome based education in South Africa.

As part of IAA's involvement in the Canada-South Africa Program on Governance, IAA coordinated and implemented the Alberta-Mpumalanga Finance Exchange. Ten Mpumalanga senior financial officers from various ministries spent three weeks in Alberta under the auspices of Alberta Treasury, and were partnered with their counterparts in various Alberta ministries. The Mpumalanga officials studied Alberta's business planning and financial management systems, financial accounting and reporting, as well as the interaction between the executive and legislative branches of government on fiscal matters. Nine Alberta senior financial officers then traveled to Mpumalanga for two-week periods to assist with the implementation of the concepts identified in Alberta, and in explaining Alberta's practices to other Mpumalanga ministries.



In June of 1998, Premier Klein announced the creation of the International Cooperation and Governance Advisory (ICAGA) Committee, consisting of elected representatives, government officials and the private sector. IAA acted as the secretariat for the ICAGA Committee. ICAGA was asked to examine mechanisms to create more effective partnerships between the Alberta government and Alberta's private sector and post-secondary institutions to bring more international governance projects to Alberta.

The ICAGA Committee held public consultations with the stakeholder groups in December 1998, in Edmonton and Calgary, involving more than 100 representatives from Alberta's public and private sectors. The consultations resulted in a list of criteria being developed for the Alberta government's involvement in international projects to ensure the government does not compete with the private sector, as well as an action plan for the Alberta government's role in this field.

Protocol

The Alberta Protocol Office develops and conducts programs for all senior level international visitors to the province and prepares and carries out domestic ceremonial events such as Legislature openings. The office also provides the Alberta government with translation and

interpretation services through the Translation Bureau. Meeting services are provided through the operations of the Government House facility.

International Visits

In 1998/99 this office prepared programs for approximately 45 senior level international delegations from foreign governments. These visits have provided an opportunity to advance Alberta's interests internationally.

The Alberta Protocol office worked with Canadian Protocol and other officials during the meeting of the 21 finance ministers of the Asia Pacific Economic Commission in Kananaskis. The visit of the Foreign Minister of the People's Republic of China to officially open the Chinese Consulate General in Calgary was another highlight. Assistance was also provided for The Banff Diplomatic Forum and Federalism Seminar when the Department of Foreign Affairs and International Trade arranged for 100 Ambassadors and High Commissioners to meet in Banff.

Other important visits included the Ambassadors/High Commissioners of the U.S.A., Chile, Britain and Mexico.

The Protocol Office also participated in the Team Alberta Mission to the Pacific Northwest and Mexico. This is the first time that this office has had a direct role in an outgoing mission.

Other Events and Activities

The Alberta Protocol Office maintains relations with the 46 members of the Alberta Consular Corps located in the province and develops the annual Alberta Government Briefing for Consular and other representatives.

Domestic ceremonial events planned and carried out included the opening of the Legislature and Remembrance Day wreath-laying events across the province.

The Translation Bureau administered approximately 400 contracts worth \$220,000 working with more than 60 private sector contractors on a continuous basis. Contracting out and working exclusively with the private sector is in accordance with IAA's business plan.

At Government House some 286 meetings and events were conducted along with a regular program of public tours of the facility on Sundays, attended by 2,323 persons. The total numbers of people at Government House was 8,850.

The Protocol office provided consultation services to other Alberta government departments, community groups and individuals, answering some 2,000 protocol and etiquette questions yearly.

Discussion of International Trade Policy Activities

World Trade Organization (WTO)

IAA developed and submitted Alberta priorities for the new round of WTO negotiations and, in May 1998, represented Alberta as part of the Canadian delegation to the WTO Ministerial meeting. In March 1999, Alberta participated directly in WTO high-level consultation on trade and the environment and made a strong contribution to the Canadian position.

In December 1998, the WTO's Council for Trade in Services adopted the *Disciplines on Domestic Regulation in the Accountancy Sector*. The disciplines are applicable to all WTO Members, including Canada, who have scheduled specific commitments for accountancy under the General Agreement on Trade in Services (GATS). The ministry worked with the Alberta industry and interested Alberta departments to ensure the consistency of the disciplines with existing practices and regulations.

The WTO financial services agreement came into force March 1, 1999.

North American Free Trade Agreement (NAFTA)

The fifth meeting of the NAFTA Commission occurred on April 29, 1998, and NAFTA ministers announced a package of products that would be subject to accelerated tariff elimination. Implementation of the tariff cuts began on August 1, 1998. Alberta had provided input to the Government of Canada on products that should be covered by the initiative. Prior to the Commission meeting, Alberta had urged the federal government to seek reform of trade remedy rules, the elimination of agricultural export subsidies in NAFTA, and the negotiation of comprehensive agricultural free trade with the U.S. Though few disputes directly involved Alberta interests, Alberta noted with concern the increasing use of the investor-state dispute resolution processes of Chapter 11 and acknowledged the need to develop agreed interpretations on expropriation, compensation, and procedural issues. The Ministry continued to work closely with colleagues in Alberta Labour and Environmental Protection on the implementation of NAFTA side agreements. The NAFTA completed its fifth year of operation on January 1, 1999.

Free Trade Area of the Americas (FTAA)

Negotiations among 34 countries of the Western Hemisphere leading to a "free trade area of the Americas" (FTAA) formally commenced during the reporting period. The negotiations are at an early stage, with the conclusion of negotiations not expected before 2005. The ministry has monitored these negotiations and provided input to the federal government negotiators in areas of interest to the province.

Asia Pacific Economic Co-operation (APEC)

Throughout 1998, APEC countries worked to complete the Early Voluntary Sectoral Liberalization (EVSL) initiative, launched in Vancouver in November 1997. This initiative would see APEC countries liberalize trade in 15 economic sectors, including nine priority sectors: environmental goods and services, medical equipment and instruments, energy, forest products, fish and fish products, chemicals, toys, gems and jewelry, and a telecommunications mutual recognition agreement. Alberta contributed actively to the development of the Canadian position on these sectoral initiatives, particularly for environmental services and goods, energy, chemicals, forest products, oilseeds and oilseed products, and food products.

In June 1998, a telecommunications mutual recognition agreement was concluded as part of the EVSL initiative. In November, APEC countries found themselves unable to agree on a further liberalization package, and instead agreed to submit the nine priority sectoral proposals to the next WTO trade round, scheduled to begin in late 1999. APEC countries will continue to work on the six remaining sectors and on other initiatives related to the nine priority sectors, and will implement the EVSL tariff commitments on a voluntary basis.

European Free Trade Association (EFTA)

Canada commenced free trade agreement negotiations with the European Free Trade Association (Iceland, Switzerland, Norway, and Liechtenstein) in 1998. Canada and the EFTA are attempting to conclude a broad agreement, containing provisions on investment and services. The two parties also wish to conclude Mutual Recognition Agreements to strengthen cooperation on technical standards.

Alberta supports Canada — EFTA free trade negotiations as an opportunity to increase market access in Europe and to establish transparency in areas such as investment and standards. In 1998, Intergovernmental and Aboriginal Affairs consulted with other departments and private sector sources to identify Alberta's interests in the negotiations, and informed the federal government of provincial trade priorities. The Ministry continued to monitor the negotiations throughout the year, in order to provide input to the federal government on areas of provincial interest and concern.

Multilateral Agreement on Investment (MAI)

During the reporting period, OECD countries agreed to cease negotiations on a Multilateral Agreement on Investment. Up to the close of negotiations, the ministry continued to provide input on topics of concern to the province, including the effect that the MAI may have on the management of natural resources within the province. In addition,

the ministry worked closely with the Alberta departments of Environmental Protection and Labour to ensure a strong and unified position on environment and labour provisions in the MAI.

Resolving Foreign Trade Disputes

In summer/fall, 1998, several northern U.S. states implemented inspection measures intended to disrupt Canadian imports of grain and livestock. Canada requested WTO and NAFTA consultations, and the measures were withdrawn. On December 4, 1998, Canada and the U.S. concluded a Record of Understanding, which included a 17-point action plan to enhance bilateral trade. The action plan envisages regular consultations and joint activities to deal with a wide range of regulatory and technical matters. Alberta will take advantage of opportunities provided for provincial input.

On December 22, 1998, the United States Department of Commerce (DOC) initiated anti-dumping and countervailing duty investigations of Canadian live cattle imports, pursuant to petitions filed by the Ranchers-Cattlemen Action Legal Foundation (R-Calf), an association of American cattlemen. The Alberta government has retained outside legal counsel to represent it before U.S. administrative bodies for the countervail investigation. The Alberta government (IAA and Agriculture, Food and Rural Development) will work closely with the Alberta industry to demonstrate that it does not confer unfair subsidies.

Increased use of the WTO dispute resolution system, increased multilateral scrutiny over domestic regulatory measures, and still-evolving rules concerning the implementation of panel decisions requires that close attention to be paid to WTO panel proceedings to determine their impact upon Alberta interests. Alberta contributed its views to the federal government on the WTO split run magazine, EU beef hormone ban, and Canadian dairy pricing cases.

This was the third year of operation of the Canada-U.S. *Softwood Lumber Agreement*. This continues to require close cooperation between the Alberta government (IAA and Environmental Protection) and the Alberta forest products industry to provide regular input to the federal government on the operation of the Canadian export permit system and on relations with the U.S. Alberta provided input to the Canadian federal government for the arbitration panel established under the *Agreement* to deal with recent forest management changes in B.C., and also provided input on U.S. tariff reclassification initiatives that threaten to extend the coverage of the *Agreement* beyond what negotiators had originally intended.

Raising Public Awareness of Trade Policy Issues

Intergovernmental and Aboriginal Affairs continued its sponsorship of the University of Alberta's Western Centre for Economic Research annual report on the experience of Alberta under the Canada-U.S. Free Trade Agreement and the North American Free Trade Agreement. Again in 1998, this study reflected the remarkable growth the Alberta economy has experienced since the signing of these two trade agreements.

Intergovernmental and Aboriginal Affairs also initiated a number of public consultations in 1998/99, using seminars, mail-outs, and on-line opinion forms to educate the public and gather feedback on such issues as the Agreement on Internal Trade, government procurement, and trade in services. The Ministry intends, where possible, to incorporate this material into its submissions in upcoming trade negotiations.

The Trade Policy section of Intergovernmental and Aboriginal Affairs revised its web-site in 1998. The new site, at http://www.gov.ab.ca/iaa/html/trade_policy.html, provides public access to a valuable collection of reports, agreements, and other useful trade-related web sites.

Report of the Auditor General on the Results of Applying Specified Audit Procedures to Key Performance Measures

To the Members of the Legislative Assembly

I have performed the following procedures in connection with the *Ministry of Intergovernmental and Aboriginal Affairs'* key performance measures included in the *1998-99 Annual Report of the Ministry of Intergovernmental and Aboriginal Affairs* as presented on pages 50 to 59:

1. Information obtained from an independent source, such as Statistics Canada, was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.
2. The calculations which converted source information into reported measures were tested.
3. The appropriateness of the description of each measure's methodology was assessed.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit of the set of key measures and therefore I express no opinion on the set of key measures included in the *1998-99 Annual Report of the Ministry of Intergovernmental and Aboriginal Affairs*.

original signed

FCA
Auditor General

Edmonton, Alberta
August 24, 1999

Results Analysis and Performance Measures

IAA's goals are focused on the long-term, and our success depends on many factors and other players in addition to the ministry itself. Results often take many years to achieve, and are measured in non-numerical ways.

The chief measure is the narrative account of achievements and results outlined in the Annual Report of the ministry. This is a vital document in chronicling the year-to-year progress on goals which are multi-year if not generational in their scope.

A key element in IAA's success is the quality of the relationships it builds with clients (especially other Alberta departments) and partners (other governments and Aboriginal groups). To help advance Alberta's interests, these relationships must be developed and fostered over the long term. As a result, client and partner feedback are key instruments for assessing the quality and effectiveness of these relationships.

Another important measure of the ministry's success is the regular tracking by polling of the views of Albertans on the performance of their government in two areas, intergovernmental relations and Aboriginal relations.

In summary, IAA measures its performance in several ways, including:

- Narrative records of performance (Annual Report, mission reports)
- Comprehensive client satisfaction surveys
- Intermediate outcomes or progress reports on long term issues
- Secondary economic and socio-demographic indicators
- Polling by Environics Canada on the views of Albertans.

Description of Performance Measures

Narrative Record of IAA Performance and Results

Through narrative records, the ministry outlines intergovernmental and Aboriginal outcomes and events with a view to assessing how they conformed to Alberta's objectives. The primary record is the Annual Report. Other records include communiqués from major intergovernmental meetings such as the 39th Annual Premiers' Conference (August 1998) and the Western Premiers' Conference (July 1998) and reports on missions such as the Premier's mission to the Pacific North West and Mexico (January 1999).

Comprehensive Client Satisfaction Surveys

Through regular surveys, IAA consults with clients on its contribution to advancing Alberta's priorities and positions. These surveys can consist of a mix of written questionnaires (for most clients), focus groups (for frequent users) and in-person interviews (for senior-level clients). The 1999 survey consisted of written questionnaires and a small sample of in-person interviews. Given the small sample size of the in-person interviews, those results are not included in the client survey report.

To ensure useful and credible survey feedback, IAA follows these principles:

- Surveys are conducted by a third party, with anonymity guaranteed.
- Selection of surveyed clients is inclusive. Known critics are included.
- Questions are probing and related to IAA goals and strategies.
- Surveys are followed up by an action plan.

The 1999 client survey indicated that clients consistently rate IAA high on satisfaction with services provided. The target level of 4 out of 5 was met or exceeded in all service areas: *advancing Alberta's interests, advice, coordination, and information.*

Specific details of the 1999 survey follow later in this report.

Intermediate Outcomes or Progress Reports

IAA also measures outcomes through status reports on major projects, such as the regular Progress Report to Premiers, coordinated for the Provincial/Territorial Council on Social Policy Renewal (e.g. Report #3, August 1998).

Status reports are also used to provide an intermediate outcome measure on the implementation of the Agreement on Internal Trade and the progress of complaints and disputes under that agreement (e.g. "Agreement on Internal Trade: Update," Feb. 1999, available on the department's website). Preparing such regular progress reports and measuring intermediate outcomes allows governments and taxpayers to keep track of complex, long-term issues.

Secondary Economic and Socio-demographic Indicators

IAA reports on a number of secondary indicators that track macro-economic and socio-demographic trends. While not direct measures of IAA's performance, these indicate the environment within which IAA works to achieve its goals.

The Aboriginal socio-demographic trends (published in "Alberta's Aboriginal Population: Selected Socio-demographic characteristics") provide valuable information on the policy needs of Aboriginal people in Alberta. They reflect the different socio-economic situations of Indian and Metis people.

Trade statistics that indicate the province's export performance (available on the department's website) are the result of many factors. Exports may increase because of fluctuations in world commodity prices or the Canadian dollar. In other cases, Alberta's trade performance reflects the aggressiveness of the Alberta private sector in opening up new markets. Some of the trade performance increase may be attributed to Alberta government successes in removing trade barriers in key markets or in resolving trade disputes that deter exports. Trade may also increase through door-opening contacts made on a Team Canada mission or in Alberta, through receiving foreign decision-makers.

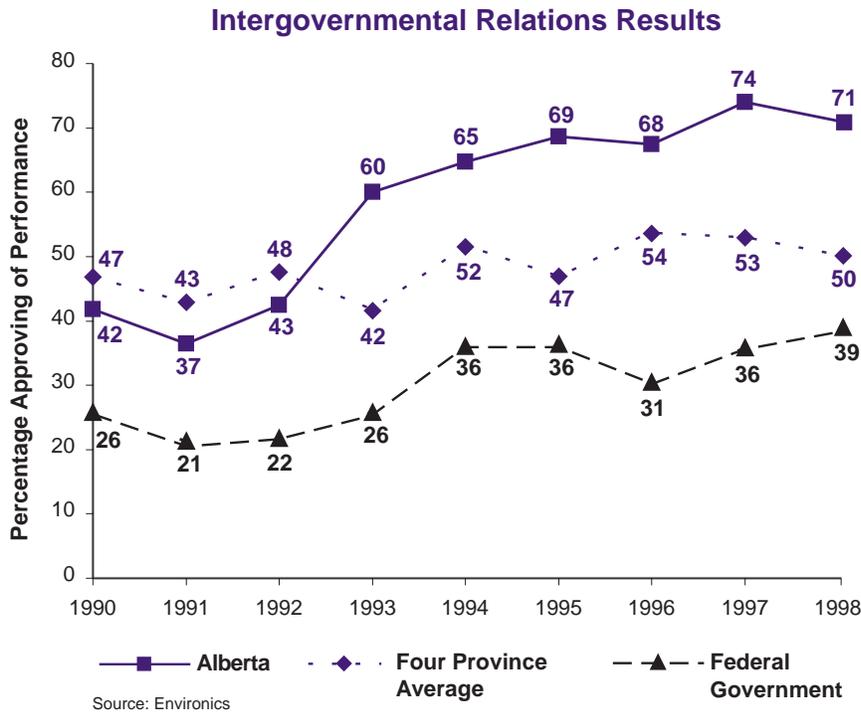
Public Polling

An important measure of Alberta government performance in intergovernmental and Aboriginal affairs is public polling data on the satisfaction level of Albertans in these areas. This polling data does not relate directly to the performance of the ministry, but tracks the performance of the government and the Premier. The ministry plays an important role in supporting the Premier and Cabinet in achieving intergovernmental and Aboriginal goals.

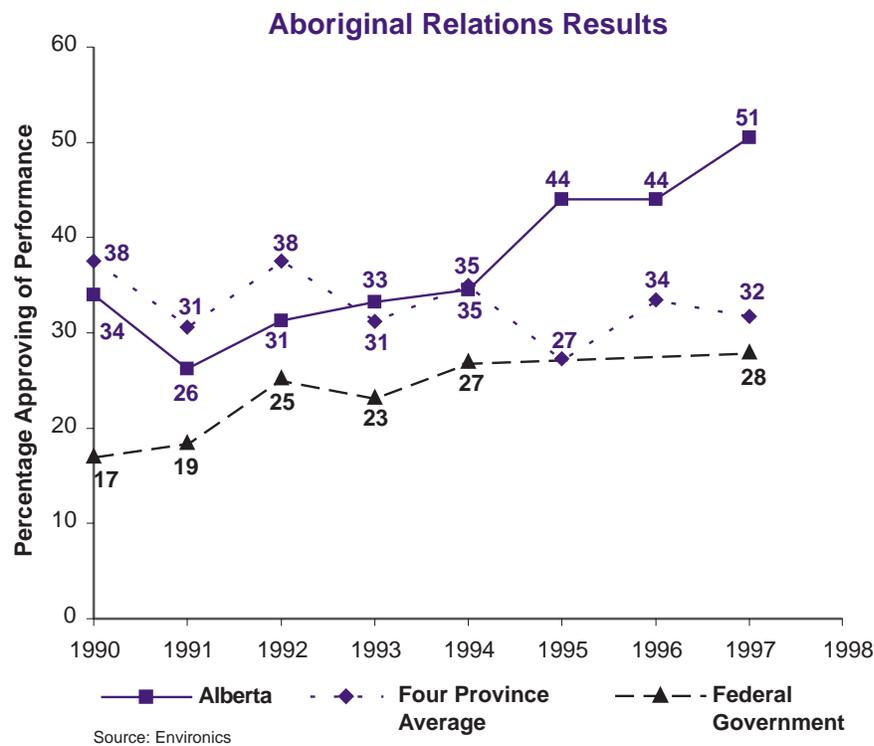
Polling data is based on a regular national opinion poll conducted by Environics Canada, surveying provincial and federal government performance, as reported in the *Focus Canada Report*. (Environics generally surveys approximately 2000 Canadians with a +/- 2% margin of error 19 times out of 20.) Alberta's target is to maintain the government's public approval rating in federal-provincial relations on a par with the average of British Columbia, Saskatchewan, Manitoba and Ontario. These four provinces are used as a benchmark because they are closest to Alberta in terms of geography, history, demographics and political concerns.

Alberta's approval rating in 1998 was 71 per cent. The four-province average was 50 per cent and the federal government rating was 39 per cent. A similar poll on Aboriginal relations conducted in 1997 showed an Alberta approval rating of 51 per cent versus a four-province average of 32 per cent. (Note: Survey questions regarding Aboriginal relations were not included in the Environics polling for 1998, and were reinstated for the whole country at the request of Alberta starting in January 1999.)

The following graph shows approval ratings of government performance in intergovernmental relations:



This next graph shows approval ratings of government performance in Aboriginal relations:



Government-wide Measures

The polling data described above is the key measure for Goal 17 of the Government of Alberta's business plan: Alberta will work with other governments to maintain its strong position in Canada.

The ministry also helps realize the following government-wide goals:

Goal 2: Our children will be well cared for and safe
(IAA strategies 1.2 and 2.1)

Goal 6: Alberta will have a prosperous economy
(IAA strategies 1.4, 3.1 and 3.2)

Goal 7: Our workforce will be skilled and productive
(IAA strategy 1.4)

Goal 12: Alberta business will increase exports
(IAA strategies 3.1 and 3.2)

Goal 15: The high quality of Alberta's environment will be maintained
(IAA strategy 1.2)

Analysis of Client Surveys

Target: To achieve a high satisfaction rating of 4 (out of 5) from ministry's key clients on departmental surveys.

Relationship to Business Plan: Regular client surveys track the department's performance in advancing Alberta's priorities and positions as lead, coordinating or support department. The 1998/99 client survey was used to measure satisfaction among the ministry's largest client group, provincial government departments, to track changes in use and perception since the 1997 client survey and to gather input on future program development for the ministry.

Measure: A series of questions, rating overall client satisfaction with IAA in four specific service areas: *advice, information, coordination* and *advancing Alberta's position*.

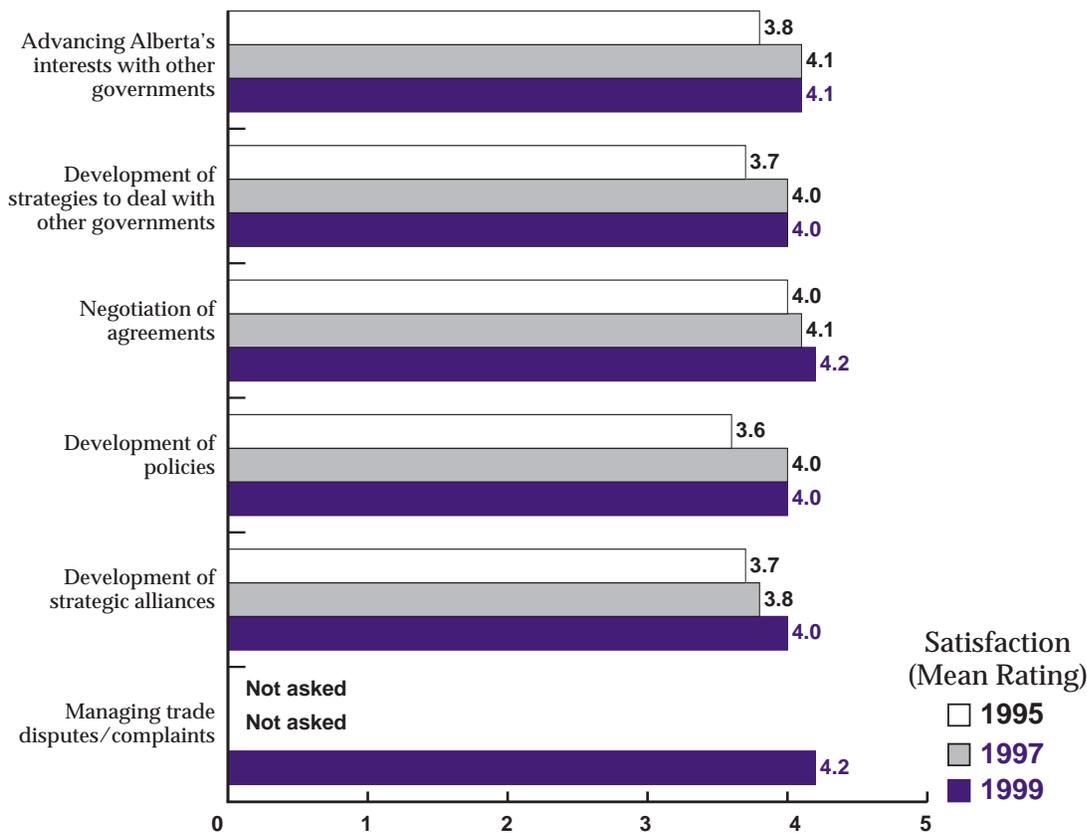
- **Advice** — Includes strategic advice, interpretation of external events, interpretation of major agreements and participation on interdepartmental committees.
- **Information** — Information from outside governments, briefing materials, general information and advice, and consultation regarding protocol.
- **Coordination** — Organization for meetings and conferences, organization for incoming visits, coordination of policy working groups, implementation of agreements and policies, coordination of briefing materials, coordination of translation services and coordination of intergovernmental social policy reform.

- Advancing Alberta's Interests — Advancing Alberta's position with other governments, development of strategies to deal with other governments, negotiation of agreements, development of policies and development of strategic alliances.

Methodology: Two hundred surveys were mailed to provincial government clients served by the Ministry. In addition a small number of in-person interviews were completed. 106 surveys were returned for a response rate of 53 per cent. Questions focused on business plan initiatives and satisfaction measures. Four new customer satisfaction measures were added to those used in previous surveys. Clients were also able to provide additional comments on service improvement or expansion, as well as on their degree of satisfaction. (Note: The 1999 survey involved only internal, Alberta government clients. Previous surveys involved both internal and external clients. It is the intention of the Ministry to survey non-government clients in the next major client survey.)

Results

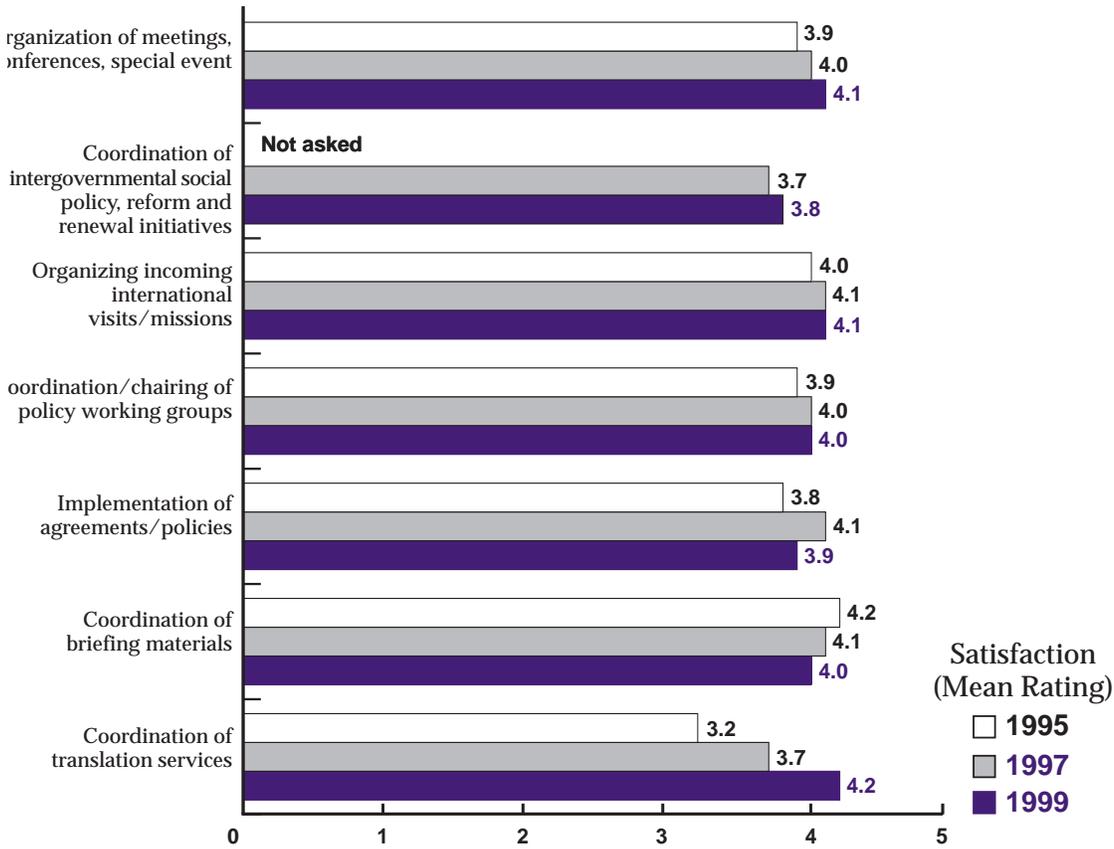
Advancing Alberta's Interests



Satisfaction Rating: 1= not satisfied 5= very satisfied

Satisfaction ratings have improved slightly since the 1997 survey. Overall, government clients are very satisfied with services in this category. One additional service explored on the 1999 survey was: managing trade disputes of complaints in the interests of Albertans and Alberta business. Clients were very satisfied with this service.

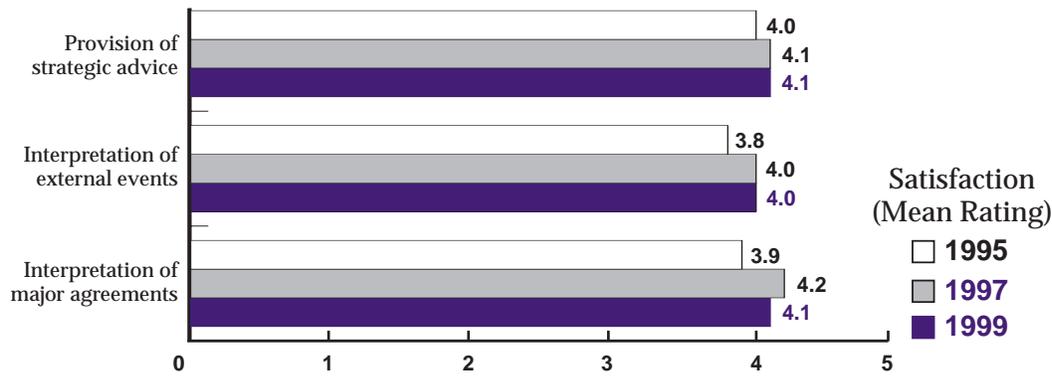
Coordination Services



Satisfaction Rating: 1= not satisfied 5= very satisfied

Satisfaction ratings for 1999 are similar to those of the 1997 survey. One service with a significant increase in satisfaction ratings was the coordination of translation services. Overall, government clients are very satisfied with coordination services provided by the ministry.

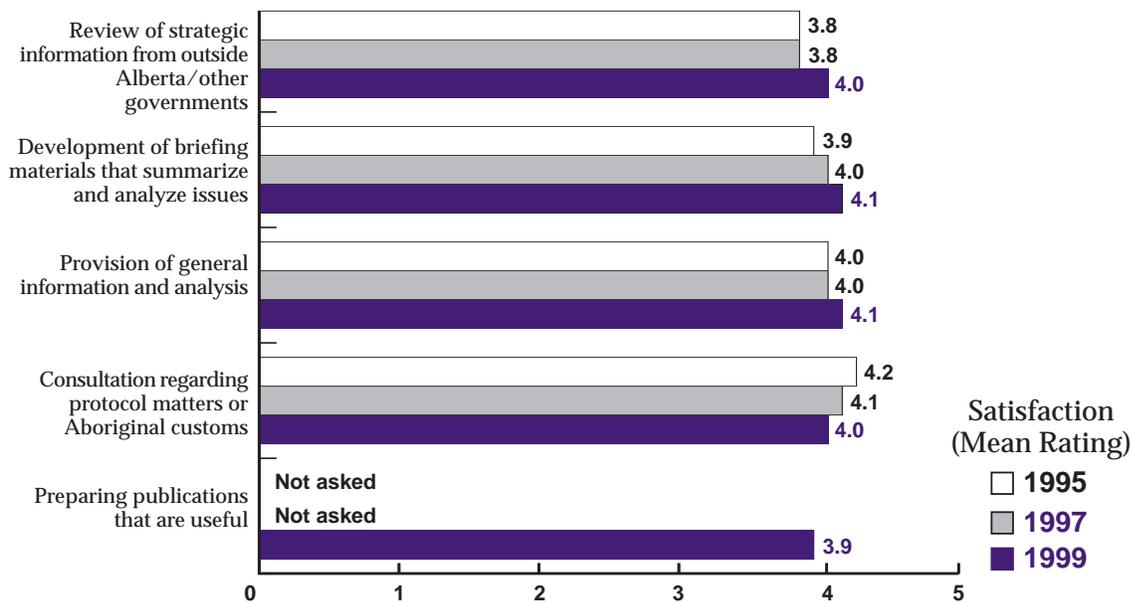
Advice



Satisfaction Rating: 1= not satisfied 5= very satisfied

Satisfaction ratings for 1999 are similar to those of the 1997 survey. Overall, government clients are very satisfied with strategic advice services provided by the ministry.

Information



Satisfaction Rating: 1= not satisfied 5= very satisfied

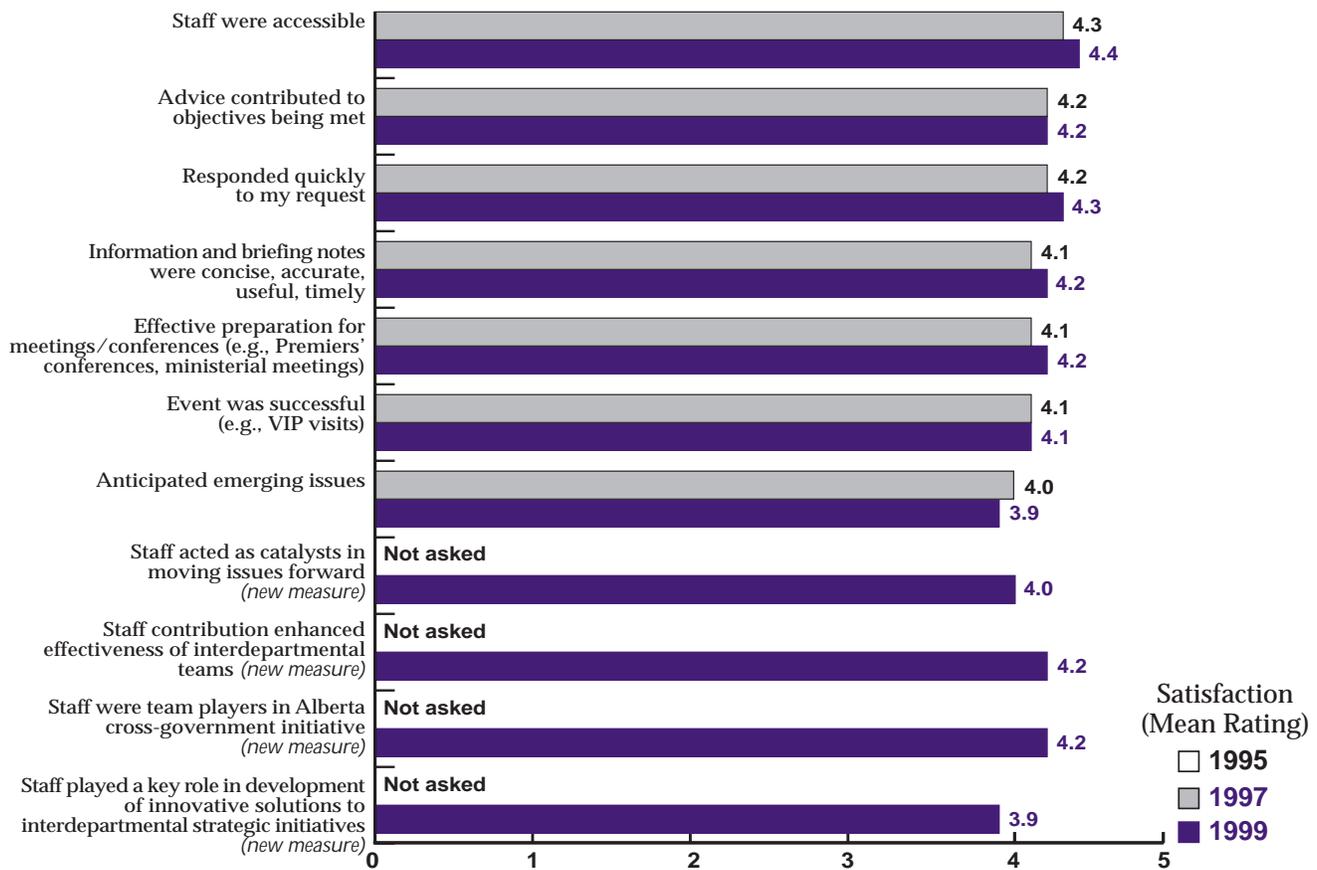
Satisfaction ratings for 1999 are similar to those of the 1997 survey. Overall, government clients are very satisfied with information services provided by the ministry. One additional information service was explored on this survey — preparing publications that are useful.

Changes in Client Use

While useful information was obtained regarding client use, changes to the questionnaire from 1995 to 1999 make it difficult to provide accurate comparative data.

Client Satisfaction with Specific Services

In the 1999 survey, four new questions were added (see below). The four questions relate to contributions made by department staff to cross-departmental initiatives. One question, relating to publications, was dropped.



Satisfaction Rating: 1= not satisfied 5= very satisfied

Action Taken on 1997 Client Survey

Feedback received from the 1997 Client Survey and suggestions over the last two years from individuals both inside and outside government have led the Ministry to make a number of changes. Changes include:

- improving and expanding the IAA web site so that it contains more relevant information. The website was expanded in October 1998 and since that time there has been a significant increase (more than 15,000 requests took place in October 1998), likely a result of the IAA website improvements.
- hosting meetings between IAA's Executive Committee with the Executive Committees of other departments to share business plan strategies, key issues and areas of cooperation.
- senior managers within the Ministry began using feedback from the survey to assist in improving their working relationships with other departments and clients.
- increasing the opportunities for MLAs to be more involved in receiving foreign delegations and participating on Canada/U.S. consultative bodies (e.g. Pacific North West Economic Region (PNWER), Montana/Alberta Boundary Advisory Council (MABAC)).
- increasing the flow of information on Aboriginal issues to MLAs whose constituencies include First Nations or Metis Settlements.
- expanding the profile of the Ministry by making presentations to Alberta Deputy Ministers, Assistant Deputy Ministers and Executive Committees on key aspects of the ministry's responsibilities (e.g. Alberta's international strategy, Aboriginal issues, Alberta's trade negotiations priorities).
- providing advice and support to other ministries on incorporating the special needs of Aboriginal people into their program design and into business plans.
- sharing socio-economic demographic data on Aboriginal people through reports such as "Alberta's Aboriginal Population: Selected Socio-demographic Characteristics," and,
- preparing background papers on Alberta's bilateral relations with key trading partners (e.g. "Germany — Alberta Relations") which can be found on the department's website.

Financial Information

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Intergovernmental and Aboriginal Affairs as at March 31, 1999 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry of Intergovernmental and Aboriginal Affairs is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 3. These accounting policies have been established by Alberta Treasury and are consistent across ministries. With certain exceptions, the basis of accounting is in accordance with generally accepted accounting principles. My reservations of opinion in this auditor's report identify the exceptions from generally accepted accounting principles that arise from following the accounting policies established by government.

The following accounting policies employed are exceptions from generally accepted accounting principles:

Pension obligations

Obligations to pension plans for current and former employees of the Ministry have not been recognized as a liability in the accompanying statement of financial position and consequently the annual change in the liability has not been recognized in the statement of operations.

In my view, an amount of approximately \$476,000 due to pension plans

at March 31, 1999, in the Ministry's capacity as employer, and which is reflected in the financial statements of Alberta Treasury, should be recognized as a liability in these financial statements. The effect of not recognizing the annual change in the liability is to overstate the Minister's expenses by \$334,000 for the year ended March 31, 1999.

Excluded direct costs

Accommodation and certain other administration costs incurred in the operation of the Ministry have not been included in expenses. These costs estimated at \$987,000 for accommodations only, are recorded by the departments that paid the expenses on the Ministry's behalf.

In my opinion, except for the effects of the matters discussed in the preceding section, these financial statements present fairly, in all material respects, the financial position of the Ministry as of March 31, 1999 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

I also report that the Ministry paid approximately \$76,000 from its supply vote for certain salary costs incurred by another ministry. The individual being paid was not an employee of the Ministry and the related program was approved under the other ministry's supply vote for the year. In my opinion, the *Appropriation Act, 1998* does not provide for the payment of such expenses on behalf of other ministries. Therefore, these payments were made without proper legislative authority.

original signed

FCA
Auditor General

Edmonton, Alberta
May 21, 1999

Management's Responsibility for Reporting

The Ministry of Intergovernmental and Aboriginal Affairs includes the activities of the department of Intergovernmental and Aboriginal Affairs, as well as the Metis Settlement Transition Commission and the Metis Settlements Appeal Tribunal.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, we ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry for the year ended March 31, 1999, rests with the Minister of Intergovernmental and Aboriginal Affairs. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under ministry administration,
- provide Executive Council, Treasury Board, the Provincial Treasurer and the Minister any information needed to fulfil their responsibilities, and
- facilitate preparation of ministry business plans and annual reports required under the Government Accountability Act.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.



Ron Hicks
Deputy Minister
Intergovernmental and
Aboriginal Affairs

Ministry of Intergovernmental and Aboriginal Affairs

Statement of Operations For the Year Ended March 31, 1999

	(in thousands)		
	1999	1998	
	Budget	Actual	Actual
	(Schedule 1)		
Revenues			
Other miscellaneous revenue	\$ —	\$ 50	\$ 23
Expenses			
Voted (Schedules 2 and 3):			
Intergovernmental and Aboriginal Affairs	11,844	12,806	24,800
Metis Settlements Governance	12,506	12,529	12,356
	<u>24,350</u>	<u>25,335</u>	<u>37,156</u>
Statutory:			
Metis Settlements Legislation	10,000	10,000	10,000
Valuation adjustments:			
Provision for vacation pay	—	73	291
	<u>34,350</u>	<u>35,408</u>	<u>47,447</u>
Net operating results	<u>\$ (34,350)</u>	<u>\$ (35,358)</u>	<u>\$ (47,424)</u>

The accompanying notes and schedules are part of these financial statements.

Ministry of Intergovernmental and Aboriginal Affairs

Statement of Changes in Financial Position For the Year Ended March 31, 1999

	(in thousands)	
	1999	1998
	Actual	Actual
Operating transactions:		
Net operating results	\$ (35,358)	\$ (47,424)
Decrease (increase) in accounts receivable	(10)	(21)
Decrease (increase) in advances	(3)	(3)
Increase (decrease) in accounts payable	(3,134)	14,246
Net cash used by operations	(38,505)	(33,202)
Financing transactions:		
Net transfer from general revenues	38,538	33,207
Net cash provided	33	5
Cash at beginning of year	21	16
Cash at end of year	<u>\$ 54</u>	<u>\$ 21</u>

The accompanying notes and schedules are part of these financial statements.

Ministry of Intergovernmental and Aboriginal Affairs

Statement of Financial Position as at March 31, 1999

	(in thousands)	
	1999	1998
Assets		
Financial Assets:		
Cash	\$ 54	\$ 21
Accounts receivable	31	21
Advances	16	13
	<u>101</u>	<u>55</u>
Liabilities		
Accounts payable (Note 4)	11,640	14,774
	<u>11,640</u>	<u>14,774</u>
Net Liabilities	<u>\$ (11,539)</u>	<u>\$ (14,719)</u>
Net liabilities at beginning of year	\$ (14,719)	\$ (502)
Net operating results	(35,358)	(47,424)
Net transfer from general revenues	38,538	33,207
Net liabilities at end of year	<u>\$ (11,539)</u>	<u>\$ (14,719)</u>

The accompanying notes and schedules are part of these financial statements.

Ministry of Intergovernmental and Aboriginal Affairs

Notes to the Financial Statements

March 31, 1999

Note 1 Authority

The Minister of Intergovernmental and Aboriginal Affairs has been designated as responsible for various Acts by the Government Organization Act and its regulations. As at March 31, 1999, the Minister was responsible for administration of the following Acts.

- Constitutional Referendum Act
- International Trade and Investment Agreements Implementation Act
- Senatorial Selection Act
- Constitution of Alberta Amendment Act, 1990
- Metis Settlements Act
- Metis Settlements Accord Implementation Act
- Metis Settlements Land Protection Act

Note 2 Purpose

The purpose of the Ministry of Intergovernmental and Aboriginal Affairs is to lead the development of government-wide policies and strategies for Alberta's relations with other Canadian governments (federal and provincial), the Aboriginal community and international governments and organizations.

Note 3 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the Government for all ministries. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting entity

The reporting entity is the Ministry of Intergovernmental and Aboriginal Affairs and is comprised of the Department of Intergovernmental and Aboriginal Affairs for which the Minister of Intergovernmental and Aboriginal Affairs is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Provincial Treasurer. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of financial reporting

Revenues

All revenues are reported using the accrual method of accounting.

Expenses

Expenses represent the costs of resources consumed during the year on the Ministry's operations.

Pension costs included in these statements comprise the cost of employer contributions for the current service of employees during the year and additional employer contributions for employees' service relating to prior years.

Certain expenses, primarily for office space; legal advice; and banking services, incurred on behalf of the Ministry by other Ministries are not reflected in the Statement of Operations.

Valuation Adjustments

Valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to employee vacations.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivable from other organizations, employees and other individuals. The fair values of the financial assets are estimated to approximate their book values. Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Accounts receivable are non-interest bearing and unsecured.

Advances represent amounts provided to department employees for travel expenses and are non-interest bearing and recoverable on demand.

Liabilities

Liabilities include all financial claims payable by the Ministry at fiscal year end, except long-term disability benefits and certain pension benefits, which are reflected in the financial statements of Treasury Department on behalf of all departments. The fair value of accounts payable is estimated to approximate its book value.

Net Liabilities

Net liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

Note 4 Accounts Payable

	(in thousands)	
	1999	1998
Accounts payable	\$ 129	\$ 261
Accrued liabilities		
– Litigation and third party costs associated with Indian Land Claims	9,334	12,850
– Vacation	673	600
– Grants	830	130
– Other	674	933
	\$ 11,640	\$ 14,774

Note 5 Commitments

As at March 31, 1999, the Ministry has a commitment of \$80 million (1998 – \$90 million) under the Metis Settlements Accord Implementation Act. The Act requires payment of \$10 million per year until April 1, 2006.

Under the Matching Grants Replacement Agreement between the Ministry and the Metis Settlements General Council, there is a commitment at March 31, 1999 of \$10,848,000 (1998 – \$22,396,000). This amount will be paid in the 1999 – 2000 year.

Sections 7, 8 and schedule 1 of the Metis Settlements Accord Implementation Act outline future obligations with respect to matching double the amount the settlement council collects from eligible sources each year until March 31, 2002 and providing matching grants in the years from April 1, 2002 to March 31, 2007. The amounts of these future year obligations cannot be determined.

The Ministry has entered into various fee for service contracts. The aggregate amounts payable for the unexpired terms of these contracts are as follows:

	(in thousands)	
	<u>1999</u>	<u>1998</u>
2000	\$ 340	\$ —
2001	258	—
2002	194	—
	<u>\$ 792</u>	<u>\$ —</u>

Note 6 Related Party Transactions

The Ministry paid \$335,000 (1998 – \$454,000) to various other Government of Alberta departments, agencies or funds for supplies and/or services during the fiscal year. In addition, the Ministry paid Payment Systems Corporation (PSC), which until March 31, 1999, was a joint venture partially owned by the Province of Alberta, \$31,000 (1998 – \$14,000) for computer processing. Accommodations, legal, telecommunications, personnel, and certain financial costs were provided to the Ministry by other government entities at no cost. The estimated value of accommodation is \$987,000 (1998 – \$978,000). There were no receivables or payables to related parties outstanding at year-end.

The Ministry and its employees paid certain taxes and fees set by regulation for permits, licenses, and other rights. These amounts were incurred in the normal course of business and reflect charges applicable to all users.

Note 7 Contingent Liability With Respect to Indian Land Claims

The Province, as represented by the Ministry of Intergovernmental and Aboriginal Affairs, has a contingent liability in respect of 28 claims (1998 – 24 claims) by Indian Nations and Indian Bands concerning Aboriginal rights, Indian title and Treaty rights. In most cases, these claims have been filed jointly against the Province of Alberta, Government of Canada and specified third parties. Seventeen (1998 – fourteen) of these claims have specified amounts totalling \$107,423 million (1998 – \$65,875 million) and the other eleven have not specified any amount. At this time, the outcome of these claims cannot be determined. In addition, there are five treaty land entitlement claims (1998 – 4 claims) for which Alberta may have an obligation under the Natural Resource Transfer Agreement (NRTA). The amount of this obligation can not be determined.

Note 8 Uncertainty Due to the Year 2000

The year 2000 issue is the result of some computer systems using two digits rather than four to define the applicable year. Government computer systems that have date sensitive software may recognize a date using “00” as the year 1900 rather than the year 2000, which could result in miscalculations or system failures. In addition, similar problems may arise in some systems if certain dates in 1999 are not recognized as a valid date or are recognized to represent something other than a date. The effects of the year 2000 issue may be experienced before, on, or after January 1, 2000. If not addressed, the effect on operations and financial reporting may range from minor errors to significant systems failure that could affect the ability to conduct some Government operations. Despite the government’s efforts to address this issue, it is not possible to be certain that all aspects of the year 2000 issue affecting the Government, including those related to the efforts of customers, suppliers and other third parties, will be fully resolved.

Note 9 Subsequent Events

On May 25, 1999, the government announced a major re-organization. As a result, effective April 1, 1999, the Ministry of Intergovernmental and Aboriginal Affairs was reorganized. The Ministry’s responsibilities for Intergovernmental and Aboriginal Affairs (except Protocol) became part of the newly established Ministry of International and Intergovernmental Relations and Protocol became part of the Ministry of Executive Council. As part of the reorganization, a newly established position of Associate Minister of Aboriginal Affairs, who reports to the Minister of International and Intergovernmental Relations, was created.

Note 10 Comparative Figures

Certain 1998 figures have been reclassified to conform to the 1999 presentation.

Due from General Revenues reported in 1998 has been reclassified to net liabilities in 1999, with the exception of \$13,000 relating to GST receivables which has been reclassified as accounts receivable. The change in net liabilities reported on the Statement of Financial Position includes net transfer from General Revenues. As a result, the net contribution from General Revenues, as previously reported, is no longer required.

Note 11 Approval of Financial Statements

These financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Ministry of Intergovernmental and Aboriginal Affairs

Schedules to the Financial Statements

For the year ended March 31, 1999

Schedule 1

Budget

	(in thousands)		
	1999		
	Estimates (c) and Budget	Voted Supple- mentary (c)	Authorized Budget
Revenue			
Other revenue	\$ —	\$ —	\$ —
Expenses			
Voted (a):			
Intergovernmental and Aboriginal Affairs	\$ 11,844	\$ 1,006	\$ 12,850
Metis Settlement Governance	12,506	18	12,524
	24,350	1,024	25,374
Statutory (b):			
Metis Settlements Legislation	10,000	—	10,000
Valuation adjustments (b):			
Provision for vacation pay	—	—	—
	\$ 34,350	\$ 1,024	\$ 35,374

(a) In the event that actual voted expenses exceed the authorized budget, the difference which is known as an encumbrance, reduces the budgeted amount in the subsequent year.

(b) In the event that actual statutory expenses and actual valuation adjustments exceed the authorized budget, there is no impact to budgeted amounts in the subsequent year.

(c) Government Estimates were approved on March 26, 1998 and Supplementary Estimates were approved on March 8, 1999. Included in the Supplementary Estimates was \$830,000 to provide a grant to the Faculté Saint-Jean of the University of Alberta to promote francophone cultural and historical development to mark 1999 as the Year of the Francophone. In addition, the Supplementary Estimates included \$27,400,000 for an achievement bonus program for government employees. These funds were placed temporarily in a central pool administered by Personnel Administration Office and then distributed to ministries. The amount distributed to the Ministry of Intergovernmental and Aboriginal Affairs was \$194,000.

Schedule 2

Voted Expenses by Program Detail

(in thousands)

1999

	Budget	Voted Supple- mentary	Authorized Budget	Actual Expense	Unexpended (Over- Expended)
Intergovernmental and Aboriginal Affairs					
Minister's Office	\$ 260	\$ 6 ¹	\$ 266	\$ 266	\$ —
Corporate Services	2,306	39 ¹	2,345	2,226	119
International Relations	1,268	31 ¹	1,299	1,537	(238)
Trade Policy	558	17 ¹	575	725	(150)
Canadian Intergovernmental Relations	1,486	866 ²	2,352	2,482	(130)
Aboriginal Self-Reliance Initiatives	1,820	14 ¹	1,834	1,782	52
Aboriginal Relations	2,638	21 ¹	2,659	2,540	119
Indian Land Claims	1,508	12 ¹	1,520	1,248	272
	11,844	1,006	12,850	12,806	44
Metis Settlement Governance					
Metis Settlements Transition Commission	2,078	11 ¹	2,089	2,075	14
Metis Settlements Appeal Tribunal	958	7 ¹	965	984	(19)
Metis Settlements Funding	9,470	—	9,470	9,470	—
	12,506	18	12,524	12,529	(5)
	\$ 24,350	\$ 1,024	\$ 25,374	\$ 25,335	\$ 39

1. Represents achievement bonus.

2. Represents \$830,000 grant to Faculté Saint-Jean and \$36,000 for achievement bonus.

Schedule 3
Voted Expenses by Object

	(in thousands)		
	1999		1998
	Budget	Actual	Actual
Grants:			
Metis Settlements Funding	\$ 9,470	\$ 9,470	\$ 9,470
Metis Settlements Transition Commission	2,078	1,888	1,836
Other grants	3,331	3,701	3,269
	<u>14,879</u>	<u>15,059</u>	<u>14,575</u>
Salaries, wages and employee benefits	<u>4,898</u>	<u>5,720</u>	<u>5,597</u>
Supplies and services:			
Litigation and third party claims associated with Indian Land Claims	1,143	818	12,850
Miscellaneous	3,379	3,692	4,089
	<u>4,522</u>	<u>4,510</u>	<u>16,939</u>
Other	<u>51</u>	<u>46</u>	<u>45</u>
	<u>\$ 24,350</u>	<u>\$ 25,335</u>	<u>\$ 37,156</u>

Schedule 4

Salaries and Benefits Disclosure

	1999			1998
	Salary ¹	Benefits and Allowances ²	Total	Total
Senior Official				
Deputy Minister ³	\$ 141,394	\$ 15,498	\$ 156,892	\$ 113,033 ⁶
Executives				
Assistant Deputy Minister — International Relations	99,118	14,149	113,267	113,916
Assistant Deputy Minister — Aboriginal Self Reliance	99,118	14,291	113,409	109,784
Executive Director — Canadian Intergovernmental Relations	93,502	17,960 ⁶	111,462	98,675
Executive Director — Trade Policy	88,858	15,076 ⁶	103,934	98,327
Executive Director — Aboriginal Relations	84,425	13,897	98,322	93,265
Executive Director — Indian Land Claims	92,888	14,644	107,532	98,384
Executive Officer — Social and Fiscal Policy Reform ⁴	—	—	—	98,549
Director — Corporate Services	71,067	13,305 ⁶	84,372	24,312 ⁵

- Salary includes regular base pay, bonuses, overtime, lump sum payments, and any other direct cash remuneration.
- Benefits and allowances includes the employer's share of all employee benefits such as pension, health care, dental coverage, group life insurance, short and long-term disability plans, professional membership, tuition, and vacation payouts.
- The Deputy Minister is provided with an automobile. The value of this benefit is not included in benefits and allowances.
- This position was eliminated in 1997. The Executive Director — Canadian Intergovernmental Relations assumed these duties during 1998.
- This position was effective January 2, 1998.
- Includes vacation pay-out in lieu of vacation earned, but not taken, for the Deputy Minister [previous occupant] (1998 – \$20,359), Executive Director — Canadian Intergovernmental Relations (1999 – \$3,334), Executive Director — Trade Policy (1999 – \$1,667), and the Director — Corporate Services (1999 – \$1,326).

Appendix I

Intergovernmental Agreements

Signed April 1998 through March 1999

Date	Title	Alberta Ministry
04/01/1998	Agreement with Alberta Agricultural Research Institute (AARI) on Molecular Genetic Relationship Between Two Medicinally Important Echinacea Species (<i>E. angustifolia</i>)	Alberta Research Council
04/01/1998	Agreement with Alberta Cattle Commission (ACC) regarding Management Service for the Canada-Alberta Beef Industry Development Fund	Alberta Research Council
04/01/1998	Agreement with the Alberta Cattle Commission on Alfalfa Stand Establishment and Sustainability in a Direct Seeding System	Alberta Research Council
04/01/1998	Ammonia Emissions from Hog Facility Wastewater Lagoon and Hog Manure Field Application Sites Measure	Alberta Research Council
04/01/1998	An Evaluation of Current and Potential Modes of Knowledge Transfer to Forest-Based Resource Managers	Alberta Research Council
04/01/1998	Assignment Agreement with Alberta Environmental Protection on Ambient Air Levels of Volatile Organic Compounds (VOCs) and Polycyclic Aromatic Hydrocarbons (PAHs)	Alberta Research Council
04/01/1998	Biodiversity in Harvested Areas in Relation to the Dispersion of Standing Live Trees	Alberta Research Council
04/01/1998	Biology and Control of the Cabbage Seedpod Weevil, a new Pest of Canola in Alberta	Alberta Research Council
04/01/1998	Canada-Alberta Agreement on Employability Assistance for Persons with Disabilities (EAPD)	Family and Social Services
04/01/1998	Canada-Alberta Crop Insurance Agreement (signed November 2, 1998)	Agriculture, Food and Rural Development
04/01/1998	Canada-Alberta Provisional Arrangements for Minority-Language Education and Second-Language Instruction for 1998-99	Education
04/01/1998	Contract Renewal between Alberta (Michener Centre) and Northwest Territories	Family and Social Services
04/01/1998	Contract with Manitoba Agriculture on Biological Control of Scentless Chamomile	Alberta Research Council
04/01/1998	Development of Practical Criteria and Indicators for Biomonitoring of Forested Landscapes	Alberta Research Council
04/01/1998	Dioxins, Furans and PCBs in Ambient Air	Alberta Research Council
04/01/1998	Effect of Wildfire and Timber Harvest on Biodiversity and Forest Stand/Landscape Structure in Aspen	Alberta Research Council
04/01/1998	Expenditure Contract/Research Support Agreement for Inspection of Native Grass Breeder Seed Plots at Lethbridge Research Centre	Alberta Research Council

Date	Title	Alberta Ministry
04/01/1998	Heritage Canada/Alberta Bilateral Agreement on Official Languages in Education (One-year provisional)	Education
04/01/1998	Infrastructure Program — Emergency Preparedness and Response Services on Indian Reserves	Transportation and Utilities
04/01/1998	Integrated Control of Snow Mold Disease in Forage Grass Cultivars Council	Alberta Research Council
04/01/1998	Management of Woolly Elm Aphid Using Entomopathogenic Nematodes Council	Alberta Research Council
04/01/1998	Memorandum of Agreement for Federal Funding to Implement the Child Support Guidelines	Justice
04/01/1998	Memorandum of Agreement for Plants Reclamation and Habitat Restoration. Agreement no. C8040-85004	Alberta Research Council
04/01/1998	Memorandum of Agreement Providing a Framework for Community Tripartite Agreement for the RCMP First Nations Community Policing Service in the Province of Alberta	Justice
04/01/1998	Memorandum of Understanding on Intergovernmental Co-operation on Environmentally Sustainable Agriculture	Agriculture, Food and Rural Development
04/01/1998	Modeling Soil Compaction, Decompaction and Tree Growth on Alberta Forest Soils Following Timber Harvesting — Phase 2	Alberta Research Council
04/01/1998	Mutual Agreement for the National Centre for Upgrading Technology (NCUT) Staff Assignment	Alberta Research Council
04/01/1998	Mutual Agreement for the NCUT Staff Assignment (1998-1999)	Alberta Research Council
04/01/1998	Network Member Contribution Agreement No. 307807. Industrial Research Assistance Program (IRAP) Technology Advisory Network	Alberta Research Council
04/01/1998	North Saskatchewan River Basin Study — Giardia-Cryptosporidium	Alberta Research Council
04/01/1998	Productivity of Boreal and Foothills Forests	Alberta Research Council
04/01/1998	Services of Roger Lott as Project Leader for Imperial Oil ShyP Project at NCUT	Alberta Research Council
04/01/1998	Study of Toxicological Effects in Laboratory Animals and Cattle of Emissions from Waste Gases	Alberta Research Council
04/01/1998	Use and Occupancy: Canada/Alberta Services Centres (CASC), Medicine Hat	Public Works, Supply and Services
04/01/1998	Use and Occupancy Agreements, Lacombe Research Centre Lease	Public Works, Supply and Services
04/01/1998	Workshop on Biology and Management of Common Tansy	Alberta Research Council
04/09/1998	Agreement with County of Minburn No. 27 regarding Water Sampling Analysis for Vermilion River Project	Alberta Research Council
04/14/1998	Supply of Washed Drill Cuttings Contract	Energy
04/23/1998	Memorandum of Understanding, Greenhouse Gas Emission Reduction Trading Pilot	Energy
04/24/1998	Release and Termination Agreement with Canadian Airlines	Treasury

Date	Title	Alberta Ministry
04/30/1998	Agreement relating to the Communication of Information between Human Resources Development Canada and the Workers' Compensation Board—Alberta	Workers' Compensation Board
05/01/1998	Agreement with Queen's Printer Bookstore on Sale of Biological Pest Management of Interior Plantscapes	Alberta Research Council
05/05/1998	Canada-Alberta Hog Industry Development Companion Agreement: Amending Agreement no. 1	Agriculture, Food and Rural Development
05/05/1998	Canada-Alberta Value-Added Industry Development Program Companion Agreement	Agriculture, Food and Rural Development
05/08/1998	Renewal Contract between National Centre for Upgrading Technology and Imperial Oil. ShyP Project	Alberta Research Council
05/11/1998	Consulting Agreement for Improving Western Provinces Grain Logistics System	Agriculture, Food and Rural Development
05/12/1998	Contract on Purchase Requisitions with NCUT to Provide Analytical Services	Alberta Research Council
05/13/1998	Memorandum of Understanding between Canada, Alberta, Saskatchewan and Manitoba on the Prioritizing of Fisheries Science Activities in the Prairie Provinces	Environmental Protection
05/14/1998	Alberta-New Brunswick Licence Agreement on Development on Grade 6 French Language Arts Assessment Materials	Education
05/15/1998	Contract Amendment no. 8 with Natural Resources Canada — Devon Common Services	Alberta Research Council
05/15/1998	Contract with Western Research Centre regarding Imperial Oil (HC)3 Field Upgrading Tests	Alberta Research Council
05/15/1998	Renewal of Canada-Alberta General Agricultural Research Agreement	Agriculture, Food and Rural Development
05/21/1998	Biodiversity in Harvested Areas in Relation to Standing Live Trees and Snags	Alberta Research Council
05/22/1998	Transfer of Firearms Administration Services and Associated Operations from Alberta to Canada	Justice
05/25/1998	Letter of Agreement with Saskatchewan Research Council for the Development and Commercialization of Technology	Alberta Research Council
05/29/1998	Alberta-Northwest Territories Memorandum of Understanding regarding the adoption of the Partners in Compliance Program (PIC) in the Northwest Territories	Transportation and Utilities
06/01/1998	Expenditure/Consulting Agreement — Project Services with Ontario Ministry of Natural Resources	Alberta Research Council
06/02/1998	Agreement on Exchanges of Information pertaining to the Taxation of Corporations	Treasury
06/08/1998	Research Support Agreement — Native Grass for Reclamation, Lethbridge Research Centre	Alberta Research Council
06/18/1998	Research Agreement between the Alberta Research Council, Vegreville, Alberta and the Fur Institute of Canada	Alberta Research Council
06/26/1998	Amendment no. 4 to the Canada-Alberta Infrastructure Program Agreement	Transportation and Utilities
07/01/1998	Canadian Year 2000 National Clearinghouse for Health (CYNCH) Letter of Agreement	Health

Date	Title	Alberta Ministry
07/01/1998	Cost Sharing Agreement Orthotics and Porsthetics Program offered at the British Columbia Institute of Technology	Advanced Education and Career Development
07/03/1998	Alberta-Canada Barley Development Agreement	Agriculture, Food and Rural Development
07/06/1998	Data Access Agreement between Alberta Registries and the Office of the Chief Electoral Officer of Canada (OCEO)	Municipal Affairs
07/13/1998	Agreement no. 1259A with CANMET Energy Technology Centre on Novel Combustion and Power Generation Technology for Enhanced CO2	Energy
07/23/1998	Amendment 47 to the Canada Assistance Plan (CAP)	Family and Social Services
07/27/1998	Memorandum of Understanding between Alberta Health and Saskatchewan Health regarding Health Services for Residents of the Lloydminster Area	Health
07/31/1998	Amendment to the Memorandum of Understanding to Support the Spatial Public Health Information Exchange Alberta Pilot Project (SPHINX-APP)	Health
07/31/1998	Review the operations of Epsilon Chemicals to determine company's qualification as participant in the Biotechnology Lease Program in the Edmonton Research Park	Alberta Research Council
08/01/1998	AED — Higher Brightness	Alberta Research Council
08/01/1998	Establishing Telehealth Technical and Interoperability Guidelines	Alberta Research Council
08/01/1998	Roger Lutt Services on the Imperial Oil ShyP Project at NCUT	Alberta Research Council
08/05/1998	Agreement no. 1216A with University of Calgary and Institut Francais du Petrole on Water Content and Physical Properties of Acid Gases	Alberta Oil Sands Technology and Research Authority
09/01/1998	Agreement no. 1290A with Natural Resources Canada on Economics of SAGD in Alberta Heavy Oil Reservoirs and the Oil Sands	Alberta Oil Sands Technology and Research Authority
09/01/1998	Biomonitoring of Pulp Mill Effluent in Alberta Rivers (Sustainable Forest Management Research Program Assignment Agreement no. 8)	Alberta Research Council
09/01/1998	Disturbance Regimes and Ecosystem Dynamics in Alberta's Boreal Forest Waterbeds	Alberta Research Council
09/01/1998	Material Transfer Agreement with Agriculture Canada regarding Development of Bioherbicides for Clovers, Chickweed and Wild Buckwheat	Alberta Research Council
09/01/1998	Tripartite Optometry Agreement between the Province of Ontario, University of Waterloo and the Province of Alberta	Advanced Education and Career Development
09/08/1998	Information Use and Disclosure Memorandum of Understanding	Justice
09/08/1998	MOU for the Exchange of Personal Information between Federal and Provincial Institutions	Justice
09/09/1998	Alberta-Yukon Licence Agreement on Use of Mathematics 9 and Grade 6 and 9 French Language Arts Assessment Materials	Education
09/14/1998	Agreement between Alberta Health and British Columbia Ministry of Health for the Provision of Emergency Services	Health
09/17/1998	Research and Write Parts of Growing Native Plants of Western Canada Publication	Alberta Research Council

Date	Title	Alberta Ministry
09/22/1998	Memorandum of Understanding for the development and implementation of GrassRoots projects in Alberta	Education
09/23/1998	Memorandum of Understanding between the Canadian Labour Force Development Board and the Joint Apprenticeship Projects Steering Committee	Advanced Education and Career Development
09/25/1998	Industry Canada/Alberta Memorandum of Understanding to establish the GrassRoots projects in schools	Education
09/25/1998	Information Sharing Agreement between Revenue Canada and the Workers' Compensation Board — Alberta (WCB)	Workers' Compensation Board
09/28/1998	Characterization of Ultra-Fine Solids Associated with Bitumen Recovered by Surface Mining and In-situ Methods (Research Agreement no. 1313)	Energy
09/28/1998	Comparison of the Molecular Structure of Athabasca Bitumen and Conventional Feedstocks (Research and Development Project Agreement no. 1314) (Signed February 4, 1999)	Energy
09/28/1998	Research Agreement with CANMET no. 1320: Novel Combustion and Power Generation Technologies for Enhanced CO2 Recovery, Phase 4, Coal Combustion in Enriched Air and Recycled CO2 Mixtures	Energy
10/06/1998	Northwest Territories-Alberta Memorandum of Understanding for Cooperation and Development	Northern Alberta Development Council
10/13/1998	Canada-Alberta Agreement relating to the settlement of the Alexander treaty land entitlement claim	Intergovernmental and Aboriginal Affairs
10/15/1998	Partnership Arrangement for the Community Mobilization Program (CMP)	Justice
10/19/1998	Professional Services on the Foulon-BD-8-0406	Alberta Research Council
10/21/1998	Memorandum of Understanding with the Solicitor General of Canada (RCMP) for the investigation of offences relating to the Criminal Code of Canada on Student Loans Act, Alberta Student Finance Act, Alberta Heritage Scholarships Act, Provincial Offences Procedure Act and the Grants, Donations and Loans Act	Advanced Education and Career Development
10/22/1998	Peigan Nation-Alberta Protocol Agreement	
10/26/1998	Effect of Carbon Dioxide Levels on Hydrogen Sulphide Oxidation by Thiobacillus Species in Trickling Biofilter	Alberta Research Council
10/27/1998	Agreements on the Exchange of Information between Provinces and Territories	Family and Social Services
10/30/1998	Industry Canada/Alberta Intergovernmental Agreement on Services for the delivery of the GrassRoots project	Education
11/04/1998	GrassRoots Implementation Agreement	Education
11/04/1998	GrassRoots Implementation Agreement — Amendment 1	Education
11/04/1998	GrassRoots Implementation Agreement — Amendment 2	Education
11/06/1998	Coalbed Methane Study Phase II	Alberta Research Council
11/14/1998	Contract with Natural Resources Canada on Flash Calculations	Alberta Research Council
11/16/1998	Consulting Agreement on Shell W.O. #2 — Lease Ore Characterization. Contract no. 3081-1999	Alberta Research Council
11/23/1998	Training Courses for PPD Staff	Alberta Research Council

Date	Title	Alberta Ministry
12/04/1998	Memorandum of Understanding between Health Canada and Community Development for the Development of Seniors Policy and Programs Database	Community Development
12/09/1998	Alberta-Northwest Territories Licence Agreement on Development of Teaching Guide for 5 French Videos in Senior High Language Arts Series	Education
12/17/1998	Amendment of Memorandum of Understanding between Canada and Alberta for the Administration of the Alberta Seniors Benefit	Community Development
12/30/1998	First Supplemental Agreement 1997-98 on Vocational Rehabilitation of Disabled Persons	Family and Social Services
12/31/1998	Material Transfer Agreement (MTA) for Tobacco Cultivar for Genetic Transformation for Molecular Farming	Alberta Research Council
01/01/1999	IRAP Contribution Agreement with National Research Council — Amendment no. 1	Alberta Research Council
01/01/1999	Pulp Quality from Moderate and Severely Damaged Burnt Wood	Alberta Research Council
01/18/1999	Western Fluids and Slurry Transport Centre. Western Diversification Project Amended Agreement no. A98PE0007	Alberta Research Council
01/19/1999	Displacing Methane Gas Trapped in Coal Beds. Western Diversification Project no. A98PE0003	Alberta Research Council
02/04/1998	A Framework to Improve the Social Union for Canadians	
02/10/1999	Management and Suppression of Wildland Fires in certain areas along the Alberta-Saskatchewan Boundary	Environmental Protection
02/15/1999	Contract no. C485-99R, Utilization of Fire Killed Timber	Alberta Research Council
02/16/1999	Prescreening/Review of Westaim Discontinued Technologies	Alberta Research Council
02/17/1999	Contract Amendment with the County of Beaver No. 9 regarding Water Quality and Cattle Weight Gains	Alberta Research Council
Environmental Protection	Copyright Licensing Agreement for the Fire Equipment Management Intellectual Property Information System — Ontario Ministry of Natural Resources	
03/17/1999	Memorandum of Understanding on Francophone Economic and Human Resource Development	Advanced Education and Career Development
03/22/1999	Economic Partnership Agreement no. 1322 with Alberta Oil Sands Technology and Research Authority (AOSTRA)	Energy
03/22/1999	Letter of Agreement between Alberta and the Northwest Territories regarding the Canadian Year 2000 National learninghouse for Health (CYNCH) Agreement	Health
03/25/1999	Canada — Alberta Beef Industry Development Companion Agreement, Amending Agreement #1	Agriculture, Food and Rural Development
03/26/1999	Agreement between Western Economic Diversification and Alberta Agriculture, Food and Rural Development on Western Economic Partnership Agreement (WEPA)	Agriculture, Food and Rural Development
03/26/1999	Agreement with County of Thorhild No. 7 Strawboard Plant	Alberta Research Council
03/30/1999	Memorandum of Agreement to Exchange Plant Material and Plant Material Products with British Columbia Ministry of Forests	Environmental Protection

Appendix II

International Intergovernmental Agreements

Date	Title	Alberta Ministry
04/01/1998	Can-Asia Technology Commercialization Agreement	Alberta Research Council
05/04/1998	Amendment of solicitation/Modification of Contract with U.S. Department of Energy — Research and Reports, POC — Scale Testing of Oil Agglomeration Techniques and Equipment for Fine Coal Processing	Alberta Research Council
07/08/1998	Agreement between the Provincial Museum of Alberta and the Ministry of Culture, Syrian Arab Republic, for the exhibition “Syria, Land of Civilization”	Community Development
07/08/1998	Commercial Technology with Singapore Productivity Standards Board — WEPA Project No. A989PE0014.07081998	Alberta Research Council
07/28/1998	Agreement between the Provincial Museum of Alberta and the Museum of Civilization for the Exhibit “Syria, Land of Civilization”	Community Development
10/22/1998	Administrative Agreement 28527 for the South Africa Teacher Development Project	Education
10/22/1998	South Africa Teacher Development Project, Phase I Design Mission, Canadian International Development Agency — Alberta	Education
12/09/1998	Alberta-Montana Agreement on Provision of Educational Services for Non-resident Students	Education
12/10/1998	Memorandum of Understanding between the Department of Education of Alberta and the Ministry of Education and Culture of Spain	Education

Appendix III

Alphabetical list of Entities Financial Information in Ministry Annual Reports

Entities included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Agricultural Research Institute	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Community Development
Alberta Dairy Control Board	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Economic Development
Alberta Government Telephones Commission, The	Treasury
Alberta Heritage Foundation for Medical Research Endowment Fund	Treasury
Alberta Heritage Savings Trust Fund	Treasury
Alberta Heritage Scholarship Fund	Treasury
Alberta Historical Resources Foundation, The	Community Development
Alberta Insurance Council	Treasury
Alberta Motion Picture Development Corporation	Economic Development
Alberta Municipal Financing Corporation	
Alberta Oil Sands Technology and Research Authority	Treasury Science, Research and Information Technology
Alberta Opportunity Company	Economic Development
Alberta Pensions Administration Corporation	Treasury
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council	Science, Research and Information Technology
Alberta Risk Management Fund	Treasury
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Science, Research and Information Technology
Alberta Securities Commission	Treasury
Alberta Social Housing Corporation	Municipal Affairs
Alberta Special Waste Management Corporation	Environmental Protection
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Treasury
ATB Investment Services Inc.	Treasury
Calgary Rocky View Child and Family Services Authority	Family and Social Services

Ministry, Department, Fund or Agency**Ministry Annual Report**

Chembiomed Ltd.	Treasury
Credit Union Deposit Guarantee Corporation	Treasury
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Community Development	Community Development
Department of Economic Development	Economic Development
Department of Education	Education
Department of Energy	Energy
Department of Environmental Protection	Environmental Protection
Department of Family and Social Services	Family and Social Services
Department of Justice	Justice
Department of Municipal Affairs	Municipal Affairs
Department of Public Works, Supply and Services	Public Works, Supply and Services
Department of Treasury	Treasury
Edmonton Community Board for Persons with Developmental Disabilities	Family and Social Services
Education Revolving Fund	Education
Environmental Protection and Enhancement Fund	Environmental Protection
Gainers Inc.	Treasury
Gas Alberta Operating Fund	Energy
Government House Foundation, The	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
Lottery Fund	Economic Development
Michener Centre Facility Board, The	Family and Social Services
Ministry of Advanced Education and Career Development ¹	Advanced Education and Career Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Community Development	Community Development
Ministry of Economic Development	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environmental Protection	Environmental Protection
Ministry of Executive Council ¹	Executive Council
Ministry of Family and Social Services	Family and Social Services
Ministry of Health ¹	Health
Ministry of Intergovernmental and Aboriginal Affairs ¹	Intergovernmental and Aboriginal Affairs
Ministry of Justice	Justice
Ministry of Labour ¹	Labour
Ministry of Municipal Affairs	Municipal Affairs
Ministry of Public Works, Supply and Services	Public Works, Supply and Services
Ministry of Science, Research and Information Technology	Science, Research and Information Technology
Ministry of Transportation and Utilities ¹	Transportation and Utilities
Ministry of Treasury	Treasury
N.A. Properties (1994) Ltd.	Treasury
Natural Resources Conservation Board	Environmental Protection
Persons with Developmental Disabilities Calgary Region Community Board	Family and Social Services

Ministry, Department, Fund or Agency	Ministry Annual Report
Persons with Developmental Disabilities Central Alberta Community Board	Family and Social Services
Persons with Developmental Disabilities Foundation	Family and Social Services
Persons with Developmental Disabilities Northeast Alberta Community Board	Family and Social Services
Persons with Developmental Disabilities Northwest Alberta Community Board	Family and Social Services
Persons with Developmental Disabilities Provincial Board	Family and Social Services
Persons with Developmental Disabilities South Alberta Community Board	Family and Social Services
Public Works, Supply and Services Revolving Fund	Public Works, Supply and Services
S C Financial Ltd.	Treasury
Science and Research Fund	Science, Research and Information Technology
Utility Companies Income Tax Rebates Fund	Treasury
Victims of Crime Fund	Justice
Wild Rose Foundation, The	Community Development

¹ Ministry includes only the department so separate department financial statements are not necessary.

Entities not included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health
Alberta Heritage Foundation for Medical Research	Science, Research and Information Technology
Alberta Mental Health Board	Health
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts Trust Account	Municipal Affairs
Local Authorities Pension Plan	Treasury
Long-Term Disability Income Continuance Plan — Bargaining Unit	Advanced Education and Career Development
Long-Term Disability Income Continuance Plan — Management, Opted Out and Excluded	Advanced Education and Career Development
Management Employees Pension Plan	Treasury
Provincial Judges and Masters in Chambers Pension Plan	Treasury
Public Post Secondary Institutions	Advanced Education and Career Development
Public Service Management (Closed Membership) Pension Plan	Treasury
Public Service Pension Plan	Treasury
Regional Health Authorities	Health
School Boards	Education
771045 Alberta Ltd. operating as Travel Alberta	Economic Development
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Treasury
Universities Academic Pension Plan	Treasury
Workers' Compensation Board	Labour

