Linking Indigenous Communities with Regional Development 2019

Policy Highlights
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About this booklet

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Introduction

**Strengthening Indigenous economies will accelerate the achievement of sustainable development and inclusive growth outcomes**

There are approximately 38 million Indigenous people living in 12 OECD member countries\(^1\). Indigenous peoples make an important contribution to the culture, heritage and economic development of these member countries. They are significant owners and users of land and resources. Their traditional knowledge is rooted in kinship with strong connections to land and nature, emphasising its stewardship. Indigenous peoples are taking action to improve natural resources management, develop innovations in food production and harvesting, and own competitive businesses in areas such as mining, tourism, and arts and creative industries. Beyond these many achievements and contributions, they make a significant contribution to the world’s cultural and linguistic diversity. Indigenous peoples are key to achieving the Sustainable Development Goals (SDGs).

Despite these achievements, Indigenous peoples have to confront and overcome histories of discrimination, loss, and dispossession. European settlements, for example, severely shrunk and permanently altered the land and resources available for Indigenous peoples to sustain their traditional economies. Dependency relationships with states and religious institutions further resulted in Indigenous economic activities being determined within a framework set by non-Indigenous peoples. As a result, the capacity for Indigenous peoples to set their own development pathway was diminished, negatively affecting their well-being, language and culture.

According to the United Nations, there are 370 million Indigenous peoples worldwide across 90 countries. While Indigenous peoples represent about 5% of the world’s population, they comprise 15% of the world’s extreme poor and 33% of the rural poor. This study shows that across a sample of five OECD member countries (Australia, Canada, Mexico, New Zealand, and the United States) there are significant gaps between Indigenous and non-Indigenous populations across multiple dimensions (e.g. income, employment, life expectancy and educational attainment). Across these countries, Indigenous peoples have, for example, an annual household income that is on average about 30% lower than that of the non-Indigenous population. Indigenous rates of secondary school completion are 20 percentage points lower and employment participation is 13 percentage points lower compared to the non-Indigenous population.

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\(^1\) These jurisdictions are Australia, Canada, Chile, Denmark (Greenland), Finland, France (New Caledonia), Japan, Mexico, Norway, New Zealand, Sweden, and the United States. On May 25\(^{th}\) 2018, OECD countries agreed to invite Colombia as the 37\(^{th}\) member country, which also has an Indigenous population (approximately 1.4 million people in 2005).
Table 1. Average gaps in socio-economic indicators between Indigenous and non-Indigenous populations

Australia, Canada, Mexico, New Zealand, and the United States

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Average gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median income</td>
<td>USD 7,720</td>
</tr>
<tr>
<td>Employment rate</td>
<td>13 percentage points</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>5 percentage points</td>
</tr>
<tr>
<td>Life expectancy at birth rate</td>
<td>5.73 years</td>
</tr>
<tr>
<td>Educational attainment rate</td>
<td>20 percentage points</td>
</tr>
</tbody>
</table>

Note: Average gap of median household income refers to after-tax median personal income for Canada; to median household income for Mexico; to median personal income for New Zealand; and to median earnings for the United States.

For the first time, this study also undertakes comparative international analysis of Indigenous well-being at the sub-national level. Gaps in well-being between Indigenous and non-Indigenous peoples are typically larger in rural areas: the gap in the employment rate is, for example, at 8.6 percentage points in urban regions, while it is more than double –18.4 percentage points – in rural regions. At the same time, Indigenous peoples’ strong attachment and belonging to territories and traditional knowledge often remains an untapped asset for generating regional economic opportunities, mainly because Indigenous peoples are often disconnected from efforts to promote regional and rural development. This disconnect contributes to continued disparities in their socio-economic outcomes and often affects their ability to carry out their traditional way of life.

Over recent decades, many Indigenous peoples have asserted their rights to determine their own economic destinies and developed innovative partnerships to promote regional development. These efforts show that vibrant Indigenous economies are fundamental to self-determination. This OECD report provides recommendations in four main areas to strengthen the enabling environment for Indigenous economies and build on these achievements:

1. Improving Indigenous statistics and data governance.
2. Creating an enabling environment for Indigenous entrepreneurship and small business development at regional and local levels.
3. Improving the Indigenous land tenure system to facilitate opportunities for economic development.
4. Adapting policies and governance to implement a place-based approach to economic development that improves policy coherence and empowers Indigenous communities.
1. Indigenous economic development and wellbeing: Statistics and data governance

*Indigenous peoples are more likely to live in rural areas and experience poorer socio-economic outcomes*

Indigenous peoples are distributed unevenly across national territories, and are concentrated mainly in rural areas compared to non-Indigenous populations. At the scale of small regions across these countries, 44% of the Indigenous population live in predominantly rural regions (19 percentage points more than the non-Indigenous population) compared to 30% in urban areas (25 percentage points less than the non-Indigenous population). Indigenous peoples constitute 8% of the total rural populations and 5% of the total urban populations in these five countries. Indigenous peoples are also increasingly urbanised due to migration and propensity to self-identify.

**Figure 1. Distribution of Indigenous population by type of region and country, 2016**

![Bar chart showing distribution of Indigenous population by type of region and country, 2016](chart.png)


**Gaps in socio-economic outcomes between Indigenous and non-Indigenous populations are higher in rural areas than in cities.** For example, gaps in the employment rate between Indigenous and non-Indigenous peoples living in urban regions is on average 8.6 percentage points in Australia, Canada, Mexico, New Zealand and the United States as compared to 18.4 percentage points in rural regions. In the case of the unemployment rate, the average difference is 5.2% (urban) and 10.2% (rural). In addition, there are some significant gaps within countries. For example:

- In Australia, the Indigenous employment rate in predominantly rural regions is 40%, which is 35 percentage points less than the non-Indigenous employment rate in those regions.

- In Canada, the unemployment rate for Indigenous peoples in predominantly rural regions is 21%, which is 13 percentage points more than for non-Indigenous people in those areas.
Figure 2. Urban and rural regions by percentage of labour force participation across Australia, Canada, Mexico, New Zealand and the United States (latest year available)

Note: The plot below compares labour force participation rates using the same scale. The proportion of regions falling into each category is used because there are many more PR than PU regions (89 vs 442). The latest available year is 2013 for New Zealand; and 2015 for Mexico. For Canada, labour force participation rate refer to populations aged 15 and over.

Factors associated with better outcomes in the labour force participation rate for Indigenous peoples in rural regions include a larger share of higher skilled people, a lower share of Indigenous populations and a higher share of younger people. Rural regions with large Indigenous populations tend to face greater challenges than other types of regions in terms of socio-economic inequalities between Indigenous and non-Indigenous populations. Accessibility to cities is not a factor in shaping differences in labour force participation for Indigenous peoples. These findings suggest the importance of place-specific policy responses that build upon local assets and opportunities.
Figure 3. Indigenous labour force participation rate, top and bottom performers, rural regions

Note: All indicators represent shares; the scale goes from 0 to 1. Top refers to rural regions in the top 20% of labour force participation rates of Indigenous peoples and the bottom refers to rural regions in the 20% of labour force rates of Indigenous peoples in 2016. Includes only regions with a relatively high share of Indigenous peoples in Australia, Canada and New Zealand.

Inclusion of Indigenous peoples in data governance will enable better data that incorporates their values and perspectives

The formal definition of Indigenous peoples is not always consistent or inclusive and this contributes to poor and fragmented data regarding them. The United Nations defines Indigenous peoples as those who inhabited a country prior to colonisation and self-identify due to ancestry, and belonging to Indigenous social, cultural or political institutions. Not all countries apply this inclusive definition and use different objective criteria (language, occupation, blood quantum and legal registration) to define Indigenous peoples. Definitions are not applied consistently in statistical systems across different state agencies and between levels of government. Combined with lower levels of trust regarding public institutions and data collection, this contributes to poor or fragmented data about Indigenous peoples.

Better Indigenous statistics and data governance can inform better policies for Indigenous peoples across all types of regions. A number of strategies are suggested to improve Indigenous statistics and governance, including: adapting well-being measures to better reflect Indigenous values and perspectives; developing survey instruments specific to addressing knowledge gaps; incorporating traditional territories in geographic classifications for statistics; and supporting Indigenous data sovereignty. Moreover, international and national well-being frameworks can be more inclusive of Indigenous values and perspectives. This includes the incorporation of measures related to Indigenous languages, kinship relations, discrimination based on Indigenous identity, subsistence economies and representation in public institutions.
Recommendations: Improving Indigenous statistics and data governance

Indigenous statistical frameworks can be improved by:

- Developing an agreed national definition that is consistent with the principles of the International Labour Organization (ILO) Indigenous and Tribal Peoples Convention 169 (self-identification, descent and belonging to a group).
- Applying the agreed national definition consistently across different government agencies and between levels of government.
- Including Indigenous territories in the standard geographic classification for the collection and reporting of statistics.
- Providing regular reporting of Indigenous well-being outcomes (economic, social and environmental dimensions) at the national and subnational levels (disaggregated by urban, rural and remote regions) and by gender and age dimensions (internationally comparable and in line with the SDGs).
- Implementing specific population-based surveys on issues that are important to Indigenous peoples and that can address gaps in the statistical framework (e.g. subsistence, health, business, and leadership and governance).

Indigenous data governance can be strengthened by:

- Including Indigenous representatives in the governance of national statistical agencies to provide advice on strategic and operational issues impacting on Indigenous peoples (e.g. definitions for statistical purposes, the design of well-being indicators and data collection methods).
- Implementing protocols and agreements to enable the pooling of data between different agencies to increase sample sizes and the availability of data.
- Adapting data collection methods to the needs of Indigenous peoples through interview-administered surveys in Indigenous languages that include communities in the data collection process.
- Providing tools and capabilities for Indigenous organisations to collect their own data on issues that are important to their communities, and support more informed decision-making about development.
2. Promoting Indigenous entrepreneurship and small business development in partnership with Indigenous communities

Indigenous entrepreneurship can unlock own-source revenues and support businesses that respect and incorporate traditional knowledge and values

Indigenous entrepreneurship and business growth are fundamental to addressing the challenges facing Indigenous peoples across different regions. Entrepreneurship presents the opportunity to use assets and resources in ways that align with Indigenous objectives for development and can generate opportunities for own-source revenues. However, Indigenous peoples have lower rates of entrepreneurship than non-Indigenous populations. Typical market failures such as asymmetric information and the inefficient allocation of credit are often more pronounced in the Indigenous small business sector. This is due to the indivisible nature of Indigenous lands (often held collectively in trust), discrimination and poor credit histories. A proactive approach to Indigenous business growth can support self-determination by reducing dependency relationships and increasing decision-making autonomy.

Indigenous-owned businesses are embedded in a different cultural context, often shaped by traditional knowledge and connected with natural resources. Indigenous entrepreneurship also exists in an institutional context that emphasises the importance of kinship relations, the reproduction of traditional knowledge, language and culture, and linking business to community economic development. Across OECD member countries there are generally inconsistent practices or gaps regarding the identification of Indigenous businesses and producing statistics about them. This creates challenges in terms of understanding the size, growth trends and structure of the Indigenous business sector. Existing evidence shows a higher share of establishments in primary sectors and construction and a lower share of establishments in producer and consumer services. This means Indigenous peoples are more likely to be engaged in lower value-added activities and less likely to be engaged in sectors that are growing and generate high wage jobs.

Geography shapes the resources and markets available to Indigenous entrepreneurs and, across different types of rural regions, Indigenous peoples are exploiting business opportunities in the traded and non-traded sectors

Geography is fundamental to understanding the Indigenous business sector. Rural areas with a large Indigenous population have a very different economy than the average region within a country due to very small and remote settlements, traditional culture and livelihoods, and greater reliance on primary industries. Accessibility to cities, natural resources and amenities shapes the potential resources and markets available to Indigenous entrepreneurs. The following typology is used to help understand potential development trajectories for Indigenous economies in rural areas: rural areas close to cities (with or without natural resources and amenities) and rural remote areas (with or without natural resources and amenities).

Across these different types of rural regions, Indigenous peoples are developing competitive businesses in the tradeable sector. This includes the production of traceable and territorially differentiated food and beverage products, mining and extractive industries, land management and environmental services, cultural and ecotourism, arts and creative industries, and renewable energy. These are a source of competitive advantage for rural regions and can help maximise their growth potential. The study identifies a number of examples of where Indigenous entrepreneurs and communities have combined local assets (land, culture and traditional knowledge) to create competitive businesses that meet the community’s objectives for development and benefit the wider region.
also exist for Indigenous communities to use social enterprise models to meet local demand, and achieve social and environmental objectives.

**A place-based approach to development can help create an enabling environment for entrepreneurship – this needs to be Indigenous-led with governments playing a supportive and facilitating role**

Place-based approaches to development identify competitive advantages, engage stakeholders and mobilise and co-ordinate relevant policy instruments. It is crucial that this process is led by local Indigenous institutions that can develop consensus on future development objectives, mediate and resolve internal conflicts, and represent the community in negotiations with outside parties on development issues. These local institutions can also create mechanisms that link Indigenous business growth with community economic development and well-being. For example, Indigenous communities can use trust structures to set up businesses and invest own-source revenues to deliver community development programmes and to support the creation of new enterprises.

Governments can create an enabling policy environment for a place-based approach to Indigenous entrepreneurship addressing both supply and demand side factors that generate bottlenecks to business growth. Coherent policy packages are needed, which are matched to the circumstances of different places and: i) increase access to finance; ii) build business capabilities; and iii) improve market access through preferential procurement policies. These economic development policies are more effective if they are tailored to the unique circumstances and needs of Indigenous peoples (e.g. support for subsistence activities) and Indigenous leaders and organisations participate in the design and implementation of them.

**Recommendations: Creating an enabling environment for Indigenous entrepreneurship and small business development at the local and regional levels**

- Improve the quality and reliability of **Indigenous business data** by introducing a consistent Indigenous business identifier into the system of national statistics.
- Ensure better **cultural and intellectual protection** for Indigenous products and services by supporting initiatives to certify authentic Indigenous products and services within countries and implement mechanisms for monitoring and enforcement.
- Enable a **place-based approach** to economic development by:
  
  o Providing frameworks, guidance and tools to support community-led economic development plans that are based on Indigenous values and perspectives.
  
  o Integrating policies and investments in enabling factors (infrastructure, skills and innovation) for different places, their development objectives and levels of development.

- Increase **access to finance** for Indigenous business by:
  
  o Incorporating Indigenous values and perspectives into the design of economic development programmes (e.g. objectives such as the strengthening of Indigenous language and culture, addressing social needs and support for subsistence activities).
  
  o Providing Indigenous-specific equity and loan facilities that address imperfections (such as less competition, lack of collateral and discrimination) in credit markets for Indigenous communities in rural areas (from micro-enterprises to established businesses).
• Ensuring these equity and loan instruments have flexibilities that reflect the characteristics of Indigenous economies in rural areas such as lower levels of collateral, variability in cash flow and substituting wage income with subsistence and seasonal business activities.

• Increase the effectiveness of financial intermediation by supporting the formation of locally owned Indigenous institutions that can provide financial and business development support services to local communities (thereby building capacity within communities and better matching business support to local conditions).

• Ensure these institutions are at the right geographic and population scale to be viable and support the creation of mechanisms that enable them to pool risk and resources for larger loans.

• Providing mechanisms and infrastructure, and reducing regulatory barriers to encourage the formation of social impact markets (financing of activities that deliver social and/or environmental outcomes and a return on investment) for Indigenous entrepreneurs.

• Build entrepreneurial skills and capacity by:
  
  o Providing coaching and mentoring support to develop business plans and access technical advice for emerging entrepreneurs.

  o Promoting success stories of individual and community-owned firms.

  o Providing access to resources and tools that can build financial literacy in Indigenous communities.

  o Providing targeted business development services that are packaged with grants that contribute to start-up and operational costs for Indigenous entrepreneurs and business owners.

• Improve public procurement policies targeted for Indigenous businesses (which are already operating in Australia, Canada and the United States) by:

  o Using a combination of targets and set-asides to facilitate the inclusion of Indigenous owned businesses in public procurement markets and provide regular reporting on outcomes.

  o Designing procurement packages in a way that reduces barriers to entry for micro and small businesses.

  o Providing “wraparound” business development support for Indigenous businesses in the public procurement market (mentoring and joint ventures, certification training, and targeted equity and loan instruments).

  o Providing information about the scheduling of future public works between different levels of government at the regional level to provide greater certainty for Indigenous-owned businesses.
3. Indigenous lands: Recognition, management and development

*Land rights and security of tenure are a foundation for economic development and different models of Indigenous land management exist across countries*

Indigenous land rights and clear property rights provide the basis for economic development. Indigenous lands are territories and waters that Indigenous peoples traditionally use or occupy. These lands have a unique legal status where Indigenous peoples have formal recognition as “first peoples”. Clarification of property rights over land and waters is critical for Indigenous peoples to mobilise assets and achieve self-determination. There is a range of statutory Indigenous property rights across countries which confer different rights regarding ownership, exclusion of others, use and transfer. Effective Indigenous land tenure systems require transparent and fair procedures to recognise rights, allocate them to groups, demarcate and title land, and protect from intrusion.

**There are different forms of Indigenous land management that govern the conditions under which Indigenous peoples use land and may mobilise it for development.** Indigenous peoples use the land for a spectrum of activities that includes subsistence hunting and fishing, cultural practices and the commercial exploitation of natural resources. Indigenous peoples may manage these activities with different agencies and levels of government (e.g. agencies responsible for agriculture, fisheries, mining, water and land use). Indigenous land management encompasses the processes whereby these agencies and different levels of government make decisions about the use of Indigenous lands. Three types of Indigenous land management are defined based on the degree of autonomy granted to Indigenous peoples:

- **Self-governance of Indigenous land:** The Indigenous group has been empowered by the state to have a level of autonomy over the management of Indigenous lands and natural resources located within it. This conditional autonomy may derive from the self-government capacity of the group, attributed by a treaty or agreement that addresses nation-to-nation relations. Alternatively, it may arise from specific agreements that hand over regulatory authority over environmental issues from the government to the Indigenous group.

- **Joint land management model:** In this model of joint, shared or co-operative management, also referred to as co-management, the Indigenous group shares the responsibility and the authority over land issues with government authorities. It may arise from the creation of specific institutions, such as natural resources boards and land councils, which are equally composed of Indigenous and non-Indigenous representatives. It may also come from the creation of protected areas, such as parks or nature reserves, with a management model defined as shared. It can eventually be that the government has the authority over natural resources but the Indigenous group participates in the decision-making process of issuing licenses and permits.

- **Co-existence:** In this model, Indigenous groups are considered an interested party in land management issues that affect their designated lands. Their lands may be affected directly or indirectly, for instance, if a project does not occur in their lands but its impacts extend over them. Without autonomy to decide over such issues, they can nonetheless be part of decision-making processes. They may be consulted in administrative procedures, such as environmental licensing, and influence the elaboration of laws, plans and other policy documents.

Different land management models can be observed within the same country, as the underlying land rights frameworks are diverse.
There are a number of different legal and governance instruments that are available to facilitate economic development opportunities on Indigenous lands

The report identifies a range of instruments that can be deployed to enable Indigenous peoples to mobilise the economic development potential of the land. Because of these different land management models, there is no single set of instruments and good practices. The different instruments are:

- **Indigenous land use planning**: delegating land use planning competencies to self-governing Indigenous nations and ensuring that there are mechanisms to include traditional knowledge and Indigenous interests in local municipal and regional land use planning.

- **Natural resource conservation and management**: governance instruments that support the inclusion of Indigenous peoples in the management of land and water resources, which create jobs, enable funding and capacity-building to carry out these responsibilities and facilitate co-ordinated decision-making with relevant agencies.

- **Control over surface and sub-surface resources**: regulatory instruments that enable Indigenous peoples to earn own-source revenues by ensuring they have the means to quantify the size and value of natural resources, have control over licensing procedures, manage competing uses and utilise natural resources for commercial ventures (e.g. minerals, hydrocarbons, forests, fishing).

- **Land leasing, acquisition and co-ordination**: a suite of tools embedded in the Indigenous land tenure system that increases the development potential of land by facilitating access to credit, giving the means to expand Indigenous lands and consolidating smaller plots.

**Mechanisms to have a say in project assessment and to negotiate with project proponents can lead to better development outcomes**

Indigenous peoples should have a say in the assessment of projects that affect their lands, traditional activities, livelihoods and commercial interests. Evaluation of these projects (primarily infrastructure, mining and energy developments) usually occur through environmental approvals processes. The inclusion of Indigenous communities in these decision-making processes can be improved by governments and Indigenous peoples agreeing on the definition of consultation, facilitating dialogue at the pre-approval stage, strengthening the assessment of socio-economic and cumulative impacts, adapting processes to account for Indigenous decision-making processes and compensating for costs.

In some jurisdictions, mechanisms may also exist for Indigenous communities to negotiate monetary and non-monetary benefits with project proponents for developments on their lands. The efficacy of these benefit-sharing agreements can be improved with dialogue and agreement up-front regarding procedural rules, Indigenous communities having a proactive strategy to link the project with their development objectives and an agreed mechanism to monitor and enforce the agreement. Governments can play a value-adding role in supporting benefit-sharing agreements by providing guidance about the negotiating process, template agreements, data and by registering agreements.
Recommendations: Improve the Indigenous land tenure system to facilitate opportunities for economic development

Recognise and protect Indigenous land rights by:

- Ensuring Indigenous tenure is reflected in statutory instruments, in accordance with existing obligations under national law.
- Providing specific procedures to address conflicts related to existing treaties and agreements with Indigenous groups and unresolved land rights issues with Indigenous groups.

Support the allocation of land rights by:

- Adopting technical rules for demarcation processes in collaboration with Indigenous peoples and have Indigenous peoples participate in the delimitation of boundaries.
- Recording Indigenous land rights in registry systems that are transparent and easily accessible, in order to prevent competing land claims and facilitate access to data.
- Ensuring efficient and timely administrative processes for land demarcation, titling and registration.
- Providing technical support for Indigenous communities to collect data about land and water resources and map it to inform regulatory decision-making and to identify opportunities for economic development.

Activate and support economic development opportunities on Indigenous lands by:

- Providing Indigenous communities with the authority, data and support to develop land use plans, land codes and zoning maps that clearly identify areas of protection on ecological and cultural grounds, and for potential economic development (applicable under the self-governance model).
- Ensuring mechanisms are in place for Indigenous communities to have meaningful consultation on land use planning municipal and other authorities that have jurisdiction on or near their traditional territories (applicable under all models).
- Creating opportunities for Indigenous peoples to benefit from surface and sub-surface resources by:
  - Developing and updating data that provides information on the quantity and quality of these resources.
  - Ensuring that traditional knowledge and practices are incorporated into decision-making about natural resource management including planning and licensing.
  - Clarifying property rights over natural resources and providing commercially viable pathways to exploit these resources and/or lease them to third parties (applicable under the self-governance and joint management models).
- Creating agreements that support the inclusion and leadership of Indigenous peoples in conservation and natural resource management and give opportunities for Indigenous peoples to generate economic development opportunities from them (e.g. land stewardship, ecosystem services and cultural and tourism activities) (applicable under the self-governance and joint management models).
- Introducing efficient tools and processes into Indigenous land tenure regimes that **facilitate investment and open up markets for land:**
  - Support for the acquisition of lands that can be used for traditional purposes and to generate own-source revenues (including freehold and public lands).
  - Long-term leasing of land parcels that are transferrable.
  - Revision of succession rules and support for land consolidation that overcome problems of fragmentation (applicable to the self-governance model).

Ensure the **participation of Indigenous peoples in decisions about projects** (e.g. infrastructure, energy, and mining projects) that affect their traditional territories by:

- Supporting and encouraging project proponents to engage in dialogue and meetings with Indigenous groups prior to submitting projects for approval and agreeing upfront on the terms and procedures for engagement (e.g. timing, location, language and translation, and financial support).

- Increasing the scope of environmental impact assessments to include traditional knowledge and socio-cultural issues, and to assess the cumulative and wider impacts of projects on Indigenous people’s cultural values and traditional activities.

- Developing a national framework for consultation with Indigenous groups about project development that seeks alignment with UN international standards of Free, Prior and Informed Consent (FPIC) and thus comprises:
  - Reduced or no costs associated.
  - Broad and early consultation.
  - Clear information and informed engagement.
  - Possibility to present alternatives.

- Supporting the implementation of **benefit sharing agreements** that:
  - Are guided by common tools and templates, and best practice examples.
  - Provide opportunities for third-party advice and support to Indigenous groups.
  - Combine monetary and non-monetary benefits that are linked to objectives for the community’s long-term development and well-being.
  - Establish agreed timing and an action plan for implementation.
  - Have mechanisms for addressing disputes and/or revising the terms of the agreement.
  - Include provisions for project closure and remediation.
  - Provide regular reports on progress and outcomes to community members.

- Developing **accessible databases** that systematically record and publish benefit-sharing agreements (excluding commercial-in-confidence information), in order to ensure more transparency and, ultimately, more accountability.
4. Strengthening multi-level governance and partnerships with Indigenous peoples for a place-based approach

A history of spatially blind policy settings for Indigenous development has generated governance challenges such as lack of coherence and opportunities for Indigenous peoples to shape policies.

Policies have to adapt to spatial differences and empower Indigenous communities to deliver on their objectives for development and contribute to stronger regional economies. As documented earlier, well-being outcomes for Indigenous peoples differ across regions with particular challenges in rural areas. Proximity to cities and access to natural resources and amenities shapes the potential markets and opportunities available to Indigenous entrepreneurs with remote areas facing particular challenges. The quality of local institutions is critical in determining the capacity of communities to promote economic development. Land use instruments need to be combined with investments in human capital, infrastructure and business support to activate a development process. This requires a shift toward a place-based approach and away from one that is spatially blind, sectoral, and top-down and government-led.

Historical approaches that were spatially blind and based on the principle of assimilation has resulted in four governance challenges that inhibit the implementation of a place-based approach. This analysis is based upon an assessment of a sample of five countries (Australia, Canada, New Zealand, Sweden and the United States) and each jurisdiction has specificities and differences (e.g. unitary vs. federal systems, the use of treaties, and the allocation of constitutional responsibilities). Within the context of this diversity of experience and different historical trajectories, four key governance challenges are identified:

1. **Lack of coherence in the delivery of services and programmes** for Indigenous peoples at the local level (this can be generated due to small populations with high needs receiving multiple programmes and services across ministries health, education, labour market, industry, etc.).

2. **Insufficient co-ordination across and between levels of government and sectors** to realise policy complementarities (this can be caused by differences in who is responsible for Indigenous lands between levels of government, which means services are not provided or co-ordinated due to these jurisdictional responsibilities).

3. **Limited opportunities for Indigenous organisations and communities to shape policy planning and resource allocation decisions** (can be due to the lack of political representation, inconsistent protocols for meaningful consultation and culturally inappropriate methods of engagement).

4. **Lack of Indigenous community capacity** including the quality and depth of leadership, financial management and sustainability, and lack of scale (Indigenous peak and representative organisations may be relatively young, have a high dependency on scarce public funding, and face many competing demands).

Governments and Indigenous communities have made significant progress in addressing these four governance challenges and a range of good practices and lessons in relation to each of them have been identified.

Governments are seeking to improve the coherence of policies by designing frameworks that adapt policies to different places, combine multiple policy sectors,
integrate Indigenous values and perspectives, and link funding to the achievement of outcomes. Progress in addressing these issues is uneven by countries and good practices are identified from Australia (Indigenous Affairs Evaluation Framework), Canada (First Nation Fiscal Management Act) and New Zealand (The Crown-Māori Economic Growth Partnership). For example, the New Zealand Māori Economic Growth Partnership recognises Whānau (extended family or community) as the foundation of the Māori economy and the need to increase Māori participation in regional economic governance.

To address co-ordination challenges governments are clarifying roles and responsibilities between agencies, creating co-ordinating agencies, building the brokering capacities of local staff and establishing regional agreements. These initiatives can help overcome problems such as the fragmentation of programmes and services, and administrative and regulatory burdens on Indigenous organisations. Good practices include mapping local service providers and developing a shared online platform for scheduling, Australia’s approach of allocating Indigenous Affairs to the Prime Minister’s Department to strengthen whole-of-government co-ordination and the Strategic Partnership Initiative in Canada that co-ordinates federal investment to maximise opportunities for Indigenous business and employment participation.

Opportunities to engage in equal partnerships are fundamental to giving Indigenous peoples a voice in decision-making about development. Across many countries, historical approaches to Indigenous policies and governance did not provide this opportunity to participate in decision-making. A number of good practices that seek to address this issue are identified such as cultural competency training for civil servants in Australia, programmes to build community capacity and developing protocols for engagement in Canada and the Natural Resource Management and Local Government Acts in New Zealand.

Self-determination can be advanced if Indigenous organisations and communities take a leadership role in regional and rural development strategies. Governments need to shift from primarily controlling and administrating resources and regulations toward playing a more supportive and enabling role. Governments can do this by strengthening Indigenous-led institutions and supporting the formation of networks and alliances that help Indigenous peoples shape decision-making and access resources. A number of tools to achieve this outcome, such as Indigenous advisory services and Indigenous community brokers, are identified and discussed.
Recommendations: Adapt policies and governance to implement a place-based approach to economic development that empowers Indigenous communities

Facilitate policy coherence by developing (or enhancing) national strategic policy frameworks for Indigenous economic development that:

- Incorporate Indigenous values and perspectives about development into policy frameworks.
- Align policy outcomes across levels of government and sectors and articulate differences in development challenges and opportunities for Indigenous peoples in urban, rural and remote regions.
- Incentivise the use of mechanisms and tools that support the implementation of a place-based approach and better link Indigenous peoples with regional development efforts (e.g. local area data, community brokers and participation in existing regional governance structures).
- Define short-, medium- and long-term outcomes that can be measured (and disaggregated across different types of regions) to enable evaluation, learning and feedback.

Align implementation and enhance co-ordination between levels of government and across different sectoral policies as well as with Indigenous communities by:

- Clarifying the roles and responsibilities of different actors involved in Indigenous economic development.
- Strengthening co-ordination mechanisms across ministries and agencies and between levels of government for Indigenous economic development programmes and projects.
- Building capabilities at the local level for public officials to broker and facilitate solutions (rather than just managing programmes and administrative matters).
- Using formalised agreements between levels of governments and Indigenous communities to address issues of strategic importance and monitor their implementation.

Create opportunities for meaningful participation in government decision-making for Indigenous peoples by:

- Establishing protocols and obligations for engagement of Indigenous peoples across the policy cycle (definition of the problem, the development of policies as well as implementation and evaluation of outcomes).
- Addressing asymmetries of power in engagement processes and strengthening the capacity of Indigenous leaders and organisations to participate in decision-making about development.
- Developing cross-cultural competencies within public institutions at all levels.
- Supporting the recruitment and progression of Indigenous staff in public institutions.

Strengthen capacity of Indigenous-led organisations by providing resources and tools that enable the:

- Creation of regional advisory services and innovation hubs, and support for co-development institutions (e.g. governance and leadership, research and development, and advocacy organisations).
- Emergence of Indigenous community brokers who can build relationships with public and private institutions, take advantage of development opportunities and address complex challenges.
- Building of alliances between Indigenous communities to increase economies of scale and address issues of common interest (e.g. on service provision, engaging with project proponents on major projects and procurement).