

ASSEMBLY OF
FIRST NATIONS

SPECIAL CHIEFS
ASSEMBLY



ASSEMBLÉE DES
PREMIÈRES NATIONS

ASSEMBLÉE
EXTRAORDINAIRE
DES CHEFS

The New Fiscal Relationship: Update

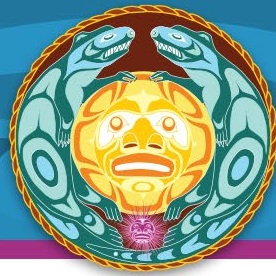
DECEMBER 4-6, 2018



DU 4 AU 6 DÉCEMBRE 2018

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ASSEMBLÉE EXTRAORDINAIRE DES CHEFS

Building a new fiscal relationship

- The gap between First Nations citizens & other Canadians must close.
- To get there, the Assembly of First Nations (AFN) & Indigenous Services Canada (ISC) are co-developing a new fiscal relationship that supports First Nations governments self-determination.



Phase I: Process

- 2016 Memorandum of Understanding signed between the National Chief and Minister Bennett.
- Created joint technical working groups for co-development:
 - The AFN created a Chiefs Committee on Fiscal Relations
 - Canada created an Assistant Deputy Minister Oversight Committee
- Engagement sessions across regions.
- Report to Chiefs-in-Assembly December 2017.



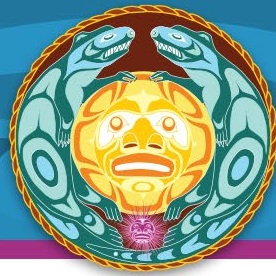
Phase II: Objectives

- Per Resolution 66/2017, *AFN-Canada Joint Report on Fiscal Relations*, Chiefs-in-Assembly directed Canada to:
 - Create 10-year grant
 - Repeal Default Prevention & Management Policy (DPMP)
 - Repeal First Nations Financial Transparency Act
 - Create a Joint Advisory Committee:
 - Direction on new fiscal policy framework
 - Recommendations on First Nation governance support structure



Phase II: Progress

- Joint Advisory Committee on Fiscal Relations (JACFR) created & operating.
- 10-year grant in place for April 1, 2019:
 - Will surpass target of 100 First Nations
 - Support for more grants April 1, 2020 & forward
- Recommendation for repeal to DPMP near ready:
 - Need to engage & validate
- Canada committed to repeal First Nations Financial Transparency Act (FNFTA) when new governance supports ready:
 - No enforcement of FNFTA in the interim



Phase III

- JACFR will provide advice to the National Chief and Minister Philpott by April 1, 2019.
- Recommendations for a new fiscal policy framework:
 - Transfer mechanism
 - Catch up & keep up
 - Revenue generation
- Recommendations to support First Nations governments with capacity investments, First Nations-led institutions & other services.



Conclusion

- Phase I completed with Resolution 66/2017.
- Good progress on Phase II to be completed by April 1, 2019.
- Phase III to be defined:
 - Note upcoming federal election in October 2019 in this context.