What is the history of this issue and how does it impact First Nations?

First Nations chiefs know that funding does not keep pace with inflation or the needs of the fastest growing population in the country, forcing First Nations to try and do more and more with less and less. The result was a growing gap in the quality of life between First Nations people and Canada. It’s time for a new, better approach, consistent with the original nation-to-nation relationship based on partnership, mutual respect, mutual recognition, and sharing. The AFN is working to close the gap in the quality of life between First Nations people and Canada, eliminating the funding gap, and establishing a new fiscal relationship with equitable escalators for ongoing funding.

On June 10, 2019, the Joint Advisory Committee on Fiscal Relations (JACFR) submitted its Interim Report for Engagement – Honouring our Ancestors by Trailblazing a Path to the Future – to the National Chief of the AFN and the Minister of Indigenous Services (ISC). The report also was the subject of a dialogue session at the Annual General Assembly (AGA) in Fredericton, New Brunswick on July 21, 2019, and was provided in kits to all delegates at the AGA.

Resolution 24/2019, passed during this Assembly, calls on members of the JACFR, the AFN and ISC to engage extensively with First Nations about this interim report, and bring their findings back to Chiefs at a subsequent AGA.

The JACFR last met in Ottawa, February 26-27, 2020 to continue work. For the 2019-2020 fiscal year, one hundred and ten (110) First Nations are receiving the New Fiscal Relationship (NFR) Transfer (formerly known as the 10-year grant). The NFR Transfer is an alternative to contribution agreements for transferring funds between Canada and First Nations. It increases predictability by providing ten years of guaranteed funding. Any unspent funds can be carried forward into the next fiscal year and all funds received under the NFR Transfer can be applied to the priorities set by the First Nation. This will help First Nations plan their own futures and apply funding to the greatest needs or best opportunities for that First Nation. The NFR Transfer also increases First Nations control by eliminating program terms and conditions, recipient audits, and compliance reviews, as set and conducted by Canada. The NFR Transfer also decreases the reporting burden on First Nations governments, with 92% less data to be provided to Canada than is currently required under contribution agreements. First Nations not currently participating in the NFR Transfer received a letter asking for expressions of interest to participate for the 2020-2021 fiscal year and those interested are being contacted to complete the process to qualify for the NFR Transfer beginning in fiscal year 2020-21.
How has the AFN’s recent advocacy affected this area?

Work on the New Fiscal Relationship has continued by advancing Resolution 24/2019. To date, some regional engagement activities have been conducted, focusing on the recommendation for a statutory funding transfer to First Nations and a mutual accountability mechanism between Canada and First Nations.


Where do we hope to go in the future?

Plans for continued engagement on the JACFR report and its recommendations are being adjusted to accommodate restrictions in place due to the COVID-19 pandemic, while research and analysis continue.

Online engagement is being considered in light of COVID-19 on statutory funding transfers and a mutual accountability mechanism.

First Nations not currently receiving the 10-year Transfer will receive a letter asking for expressions of interest to participate for the 2021-2022 fiscal year.