



UPDATE ON PROGRESS TOWARDS A NEW NATION-TO-NATION RELATIONSHIP

ANNOUNCING A NEW NEWSLETTER FROM THE CHIEFS OF ONTARIO AND THE INSTITUTE ON GOVERNANCE

While the parties (federal government and the Assembly of First Nations) work together at the national level to come up with recommendations on how to improve the nation-to-nation relationship, there is a growing need to consult with chiefs in the regions in order to surface an understanding of local and regional perspectives, differences and recommendations in these areas. Past history reinforces the need to effectively engage with chiefs in the regions on issues that require a national solution.

Over the next 6 months, the Chiefs of Ontario, in conjunction with the Institute on Governance, will be consulting with chiefs across Ontario on key issues and recommendations emerging under these joint initiatives. We will also be providing a monthly newsletter to update all community members on these joint initiatives.

By doing so, the Chiefs of Ontario hope to provide a portal to bring the issues, ideas and recommendations of the Chiefs to these national discussions. Stay tuned...

NEWSLETTER

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Institute on Governance

LEADING EXPERTISE

CHIEFS OF ONTARIO

Toronto Administration Office
468 Queen St E, Suite 400
Toronto, ON M5A 1T7
Toll free: 1-877-517-6527

Political Office
236 Frontenac Street
Batchewana First Nation, ON
P6A 6Z1
T. 705-254-1477

www.chiefs-of-ontario.org
 @ChiefsOfOntario

INSTITUTE ON GOVERNANCE

Ottawa Office
60 George Street
Ottawa, ON K1N 1J4
Tel: 613-562-0090 or 0092

Toronto Office
150 Bloor St West, Suite 200
Toronto, ON M5S 2X9
Tel: 416-923-5612

iog.ca
 @IOGca



KEY AGREEMENTS

Within the last year, the former department of Indigenous and Northern Development Canada (INAC) and the Assembly of First Nations (AFN) signed two historic memorandums of understanding (MOU) to support the establishment of a new Nation-to-Nation relationship. These two MOUs are intended to set out a discussion towards self-government:

1. The AFN entered into a MOU with INAC in July 2016 on fiscal relationships guided by a First Nations – Canada Joint Committee on the Fiscal Relationship. The MOU terminated on December 31, 2017.
2. The AFN entered into a MOU on joint priorities with the Government of Canada in June 2017.
 - The MOU sets out the 8 joint priorities to be reviewed annually (see the full list of joint priorities at <https://www.afn.ca/uploads/files/canada-afn-mou-final-eng.pdf>)

OVERVIEW OF RECONCILIATION EFFORTS

Working Group of Ministers

A Working Group of Ministers was appointed in February 2017 responsible for the review that will examine relevant federal laws, policies, and operational practices to help ensure the Crown is meeting its constitutional obligations with respect to Aboriginal and treaty rights; adhering to international human rights standards, including the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP); and supporting the implementation of the Truth and Reconciliation Commission's (TRC) Calls to Action. This Working Group is chaired by the Minister of Justice and Attorney General of Canada, the Honourable Jody Wilson-Raybould.

Deputy Minister Task Force on Reconciliation

Also established is a Deputy Minister Task Force on Reconciliation tasked to oversee the implementation of UNDRIP and a review of laws and policies. The mandate of the Task Force includes providing leadership and undertaking action in key areas such as:

- Systematic tracking and public reporting of progress on reconciliation efforts;
- Coordination of engagement and relationships with Indigenous peoples and provinces/territories;
- Coordination of government communications (internal and external); and
- Developing a culturally competent Public Service that understands their roles and responsibilities in achieving the commitment to reconciliation.

UPDATE ON THE MEMORANDUM OF UNDERSTANDING ON JOINT PRIORITIES

A Commitment to Meet and Ensure Progress

The MOU establishes a commitment for Canada to meet with the AFN at least 3 times a year, with one of those meetings being chaired by the Prime Minister.

- First Nations will set direction for these meetings as well as the overall agenda.
- AFN will ensure progress is being made on the agenda.

On November 20, 2017, a delegation that included members of the AFN Executive, First Nations Chiefs, regional leadership, and Elders met with federal cabinet ministers to discuss joint priorities. The agenda, consistent with the MOU, included:

- The work towards a co-developed Indigenous Languages Act;
- Working in partnership on measures to implement the UNDRIP, including legislation to support implementation and co-developing a National Action Plan;

JUSTICE MINISTER ANNOUNCES GOVERNMENT SUPPORT FOR BILL C-262 TO IMPLEMENT THE UN DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES

Following the meeting on Joint Priorities, Minister of Justice Jody Wilson-Raybould announced on November 21, 2017 that the government will support Bill C-262, a Private Member's Bill put forward by NDP MP Romeo Saganash. Bill C-262 seeks to ensure all Canadians laws are consistent with the UN Declaration and requires the federal government to create an action plan to implement the Declaration. The AFN Executive Committee has formally supported this bill and the path it provides for implementing the UN Declaration.

- Priorities for a joint policy review including the Comprehensive Claims Policy, Inherent Right Policy, Additions-to-Reserve Policy and Specific Claims Policy;
- Action on the TRC Calls to Action;
- Identifying priorities and measuring progress to close the socio-economic gap between First Nations and other Canadians, with a focus on First Nations education, child welfare, housing, water and infrastructure, and emergency management;
- Joint work towards New Fiscal Relationships; and
- First Nations Policing and community safety issues affecting First Nations.

During the meeting the AFN setting out positions consistent with AFN resolutions and direction from First Nations across the country. See the following link for further details.

<http://www.afn.ca/2011/06/16/resolutions-links/>

UPDATE ON THE MEMORANDUM OF UNDERSTANDING ON NEW FISCAL RELATIONSHIPS

Three technical working groups were established to coordinated research and evaluation on sufficiency, predictability, and sustainability of government funding of First Nations.

From October to November 20, 2017, INAC and the AFN met on nine occasions with First Nations leaders and technical experts around the country to seek their input. Over the past year, key changes introduced to renew the fiscal relationship include:

- **Carry over:** Previously, First Nations were required to spend all federal funds by the end of March. As of April 1, 2018, First Nations are able to carry forward federal funding for infrastructure programs from year to year. By April 1, 2019, all programs will allow for carry over. The Government of Canada has committed to reforming the funding model for operations and maintenance support for infrastructure.
- **Sufficiency of transfers:** Announcements have been made to lift the 2% funding cap. As was noted in the 2016 federal budget:

“The Government has committed to lift the 2-per-cent funding cap for First Nations programs and work to establish a new fiscal relationship that gives First Nations communities sufficient, predictable and sustained funding. By 2020-21, total funding for Indigenous programs will be 22 per cent above the level of funding that would have been provided under the previous 2-per-cent funding cap.”



REPORT FROM THE NEW FISCAL WORKING GROUPS

In December 2017, the AFN and the federal government released a report entitled: *A New Approach: Co-Development of a New Fiscal Relationship Between Canada and First Nations*. The report describes the co-development journey taken by officials from the AFN and INAC (now Indigenous Services) over the past 17 months under the MOU signed in July 2016. The report articulates a shared vision for a new fiscal relationship for First Nations, reviews the ideas explored and lessons learned throughout the collaborative process, and presents recommendations for action.

Key Recommendations

To support the establishment of a New Fiscal Relationship with First Nations, officials from the AFN and IS recommend that the Government of Canada commit to the following actions:

1. Establish a permanent advisory committee – appointed by Order in Council and reflective of regional circumstances and interests. By April 1, 2019, core areas of advice from the Advisory Committee will include recommendations:
 - for a new Fiscal Policy Framework to address sufficiency and identify priority funding areas;
 - to increase revenue generation opportunities for First Nations, developed in collaboration with provinces and territories;
 - to finalize new funding arrangement policies to strengthen the commitment to flexible and predictable funding, the reduction of reporting burdens and a shift from program to outcome-based reporting, and the elimination of General Assessment Scoring of First Nation communities in favour of First Nations-led tools; and,
 - to finalize a Mutual Accountability Framework, including a national

outcome-based framework aligned with United Nations Sustainable Development Goals.

2. Take immediate action to create ten-year grants for qualified First Nations to leverage full flexibility under the Policy on Transfer Payments, to be implemented on or before April 1, 2019. A plan will be prepared for the orderly preparation and inclusion of additional First Nations over time, based on a co-develop approach between the Government of Canada, the AFN, and First Nation Fiscal Institutions.
3. Co-develop an approach to repeal the First Nations Financial Transparency Act in 2018 and replace it with a co-developed mutual accountability framework supported by First Nations Institutions-led audit and statistical functions.
4. Replace the Default Prevention and Management Policy (DPMP) with a new, proactive, approach that includes continued work under the First Nations Financial Management Board pilot project to move First Nations out of third party management and direct funding from the Government of Canada to pay for third party managers.

COMING NEXT ISSUE

The February COO-IOG newsletter will continue to update you on progress made at these tables as well as outcomes from the first regional consultation with Ontario chiefs.

For further information, please contact:
Nation-to-nation@iog.ca

For further information on the Institute on Governance's initiative Characteristics of a Nation-to-Nation Relationship, please go to the link below.

<https://iog.ca/services/indigenous-governance/characteristics-of-a-nation-to-nation-relationship/>