Canada's Annual Report on Fiscal Transfers to Self-Governing Indigenous Governments

2022-2023

Government of Canada
Gouvernement du Canada

Canada

Canada's Annual Report on Fiscal Transfers to Self-Governing Indigenous Governments 2022-2023

For information regarding reproduction rights, please contact: communicationspublications@sac-isc.gc.ca

www.canada.ca/crown-indigenous-relations-northern-affairs
1-800-567-9604
TTY only 1-866-553-0554

Catalogue: R115-3E-PDF
ISSN 2564-4297

©His Majesty the King in Right of Canada, 2023.

This publication is also available in French under the title: Rapport annuel du Canada sur les transferts financiers aux gouvernements autochtones autonomes 2022-2023

Canada's Annual Report on Fiscal Transfers to Self-Governing Indigenous Governments 2022-2023

Introduction

In accordance with *Canada's Collaborative Self-Government Fiscal Policy* ("the Policy")[1], this annual report describes fiscal transfers from Canada to self-governing Indigenous Governments ("Indigenous Governments") and seeks to share information with Canadians consistent with the transparency principle of the Policy. This annual report does not identify specific expenditure amounts, as these allocations are at the discretion of Indigenous Governments. Rather, this report provides updates on the progress made in renewing Canada's fiscal relationship with Indigenous peoples and the fiscal transfers to Indigenous Governments in 2022-2023.

Since May 2016, Canada and 25 Indigenous Governments have been working together to co-develop funding methodologies for fiscal transfers to meet the expenditure needs[2] of Indigenous Governments under the *Collaborative Fiscal Policy Development Process* ("the Process"). In 2021-2022, the Process expanded its participation as part of a whole-of-government approach. The Department of Canadian Heritage (PCH) joined the technical working group for Culture, Language and Heritage. Representatives of Modern Treaty Nations that have not concluded Self-Government Arrangements also joined the technical working group for Lands, Resources and Treaty Management, as lands-related responsibilities may apply to their respective comprehensive land claim agreements. These groups include the Inuvialuit Regional Corporation, Gwich'in Tribal Council, Sahtu Secretariat Inc. on behalf of the Sahtu, Dene and Métis, Makivvik Corporation, and Naskapi Nation of Kawawachikamach.

2022-2023 Highlights

The 2022-2023 fiscal year reflects continued progress, building on results achieved in previous years while advancing key funding approaches and targeted investments that support Indigenous Governments:

- Expanded use of the Infrastructure Lifecycle Approach for existing assets.
- New specific-purpose housing investments flowing through fiscal agreements (Budget 2022).
- Continued Indigenous Community Infrastructure Fund (ICIF) flows (Budget 2021).

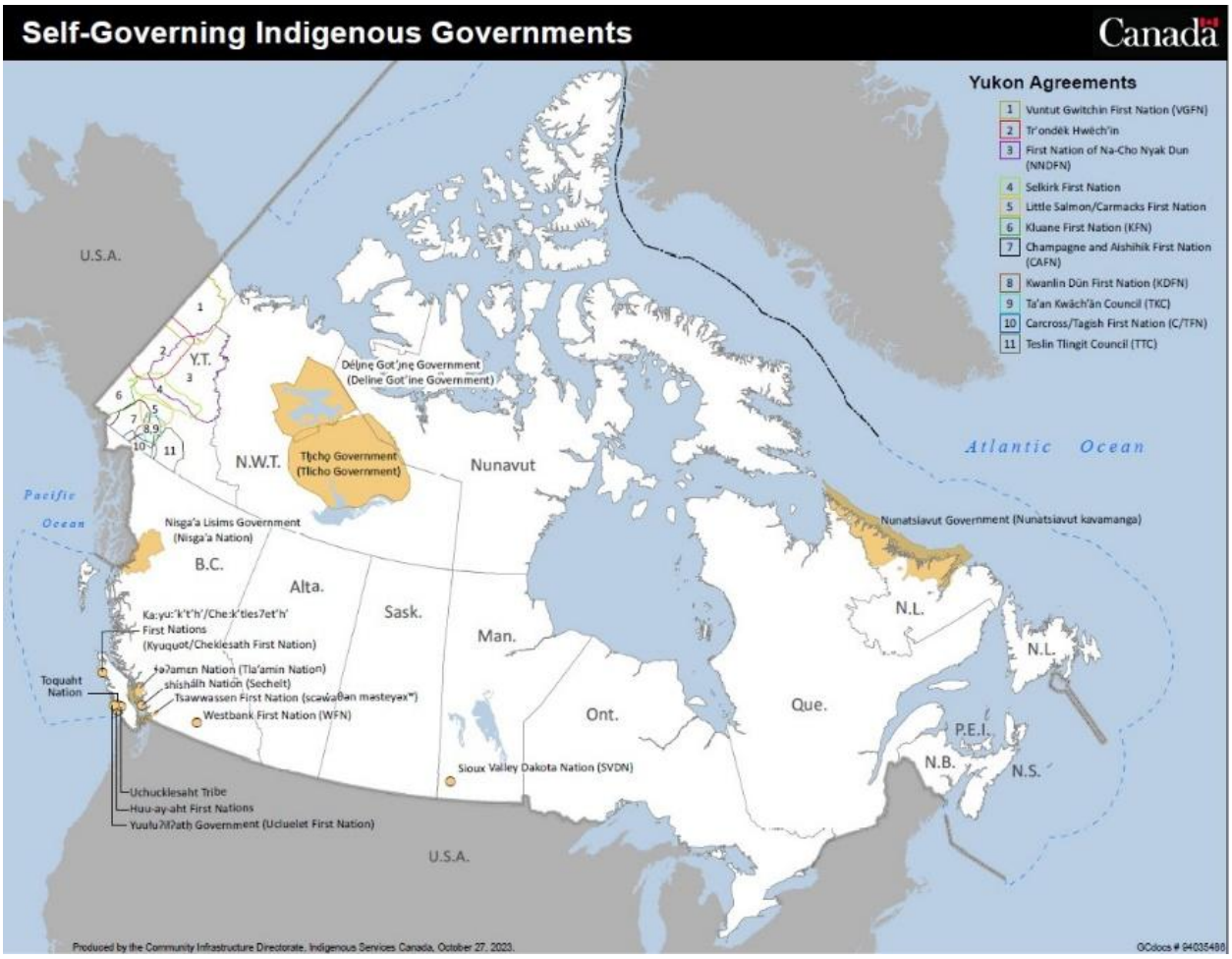
[1] *Canada's Collaborative Self-Government Fiscal Policy* (2019), paragraph 103, states that "Canada will publish annually, and make publicly available, a report on the fiscal transfers to Indigenous Governments."

[2] Expenditure need is defined as a measure of the estimated cost of performing a set of services, functions or activities to meet a set of responsibilities, based on comparative measures or standards, and is discussed later in this report.

Indigenous Governments

As of March 2023, 25 Indigenous Governments have continued to participate in the development of the Policy. Modern treaties or self-government arrangements set out an Indigenous Government's responsibilities to their citizens and the Indigenous Government's relationship to other orders of government. The responsibilities of Indigenous Governments are broader than the responsibilities of *Indian Act* bands, and the Policy and related fiscal transfers are developed to reflect this. Under self-government, Indigenous Governments have recognized jurisdiction and can assume responsibility for a wide range of activities, including both general government operations as well as delivery of a variety of programs and services. These responsibilities reflect the policy direction and laws of the Nation including where they assume responsibility for delivery of programs and services through fiscal agreements. The suite of assumed responsibilities varies widely across Indigenous Governments. Each self-government arrangement sets out the respective areas of jurisdiction of each Indigenous Government and a process for negotiating fiscal agreements with Canada. The funding agreed to in fiscal agreements and transferred to Indigenous Governments supports their programs and services, which includes areas that replace existing federal programs or services. Where an Indigenous Government exercises a jurisdiction in a program or service area, the Indigenous Government takes on accountability for program design, delivery and outcomes.

Figure 1 – Map of Indigenous Governments in Canada



Responsibilities of Indigenous Governments are extensive and can vary significantly depending on the jurisdictions exercised under the respective arrangements as well as their community priorities, capacity, population, geography and more. Responsibilities as currently identified in the Policy include the following areas: stewardship of lands and resources; environmental management; infrastructure maintenance and replacement; modern treaty management; economic development; culture, language and heritage; housing; health; education; and social development. The list is not necessarily exhaustive. Indigenous Governments also have responsibilities in other areas, including administration of justice. The transfer of funding for one area of responsibility does not typically require that Indigenous Governments apply it solely to that area. Indigenous Governments have discretion over their own internal policy decisions, program design and expenditure decisions, including budgeting and the allocation of fiscal resources. Indigenous Government populations are listed in Figure 2 below. These service populations may include citizens/members, persons of Indigenous ancestry, or others living or working on Indigenous lands.

Figure 2 – Table of Indigenous Governments, Province or Territory of Indigenous Governments and Total 2022 Populations[3]

Indigenous Government	*Province or Territory*	*Total 2022 Population*
Carcross/Tagish First Nation (C/TFN)	YT	977
Champagne and Aishihik First Nation (CAFN)	YT	1,278
Délı̨nę Got'ı̨nę Government (Deline Got'ine Government)	NT	1,280
Huu-ay-aht First Nations	BC	876
Ka:yu:'k't'h'/Che:k'tles7et'h' First Nations (Kyuquot/Cheklesath First Nation)	BC	602
Kluane First Nation (KFN)	YT	237
Kwanlin Dün First Nation (KDFN)	YT	1,043
Little Salmon/Carmacks First Nation	YT	782
First Nation of Na-Cho Nyak Dun (NNDFN)	YT	638
Nisga'a Lisims Government (Nisga'a Nation)	BC	7,960
Nunatsiavut Government (Nunatsiavut kavamanga)	NL	6,960
shíshálh Nation (Sechelt)	BC	1,701
Selkirk First Nation	YT	746
Sioux Valley Dakota Nation (SVDN)	MB	2,684
Ta'an Kwäch'än Council (TKC)	YT	472
Teslin Tlingit Council (TTC)	YT	770
ɬəʔamɛn Nation (Tla'amin Nation)	BC	1,205
Tłı̨chǫ Government (Tlicho Government)	NT	4,608
Toquaht Nation	BC	168
Tr'ondëk Hwëch'in	YT	1,286
Tsawwassen First Nation (scəẃaθən məsteyəxʷ)	BC	516
Uchucklesaht Tribe	BC	313
Yuułuʔiłʔatḥ Government (Ucluelet First Nation)	BC	707
Vuntut Gwitchin First Nation (VGFN)	YT	838
Westbank First Nation (WFN)	BC	892
Grand Total[4]	-	**39,539**

[3] Populations as reported by Indigenous governments in 2022.

Description of the Fiscal Relationship

KEY HIGHLIGHT: Just as the relationship between Canada and each Indigenous Government is unique, each Indigenous Government's fiscal agreement is unique to the government-to-government relationship that Canada and Indigenous Governments have pursuant to their respective modern treaty or self-government arrangement.

Canada provides fiscal support to Indigenous Governments to carry out their responsibilities as self-determining governments within the Canadian federation. Each Indigenous Government has a fiscal agreement with Canada which sets out their annual fiscal transfers. Other funding is occasionally provided to Indigenous Governments for short-term or specific purposes.

Just as the relationship between Canada and each Indigenous Government is distinct, each fiscal agreement is specific and unique to the government-to-government relationship that Canada and Indigenous Governments have under their respective modern treaty or self-government arrangement. While there are commonalities across the fiscal relationships, each fiscal agreement has its own particular set of authorities and functions.

Additionally, the scope and context of the jurisdictional responsibility may differ for each Indigenous Government. These variations reflect differences in the programs and services delivered, as well as how funding is allocated based on each Indigenous Government's needs. For example, each Indigenous Government's programs and services related to education may have a different scope: some Indigenous Governments may apply the majority of fiscal transfers to kindergarten-to-grade-12 education while other Indigenous Governments' contributions to education may be in the form of greater supplementary programs or subsidies for post-secondary attainment. Figures 3 and 4 illustrate the funding categories related to jurisdictional responsibilities that Canada supports through fiscal agreements, and which responsibilities Indigenous Governments may have taken on with varying capacities and unique scopes based on internal policy priorities. It should be noted that Indigenous Governments have discretion to allocate funding from all sources in accordance with their internal budgeting processes. Accordingly, the data in Figures 3 and 4 do not reflect the actual expenditures by Indigenous Governments of the fiscal transfer nor the total expenditure from all sources.

Fiscal Transfer Calculations

The amount of each Indigenous Government's fiscal transfer is determined in accordance with the Policy and is set out in an Annual Fiscal Plan specific to each Indigenous Government. The funding categories used in the fiscal transfer is determined based on what was negotiated with the Indigenous Government and are intended to align with the areas of the Indigenous Government's responsibility and where covered by the Policy. Not all Indigenous Governments receive funding in each category. Fiscal transfer

amounts are derived from each Indigenous Government's Annual Fiscal Plan, with funding categories determined based on the intended program functionality areas. Special purpose transfers and time-limited funding are not included in the total transfer chart but are presented separately in other charts later in the report. Except for fiscal transfers from PCH for language revitalization, all funding from other federal departments is excluded.

For clarity, this report focuses on fiscal transfers reflected in CIRNAC fiscal agreements and includes, where applicable, specified PCH language revitalization funding; any other departmental transfers are not included in totals unless confirmed as in-scope of the Policy and consistently reportable across Indigenous Governments and years.

Figure 3 – Table of Funding Categories and Indigenous Governments Receiving Fiscal Transfers for Each Category[6] ($M), 2022/2023

• = Indigenous Government received a fiscal transfer for this funding category in 2022/2023

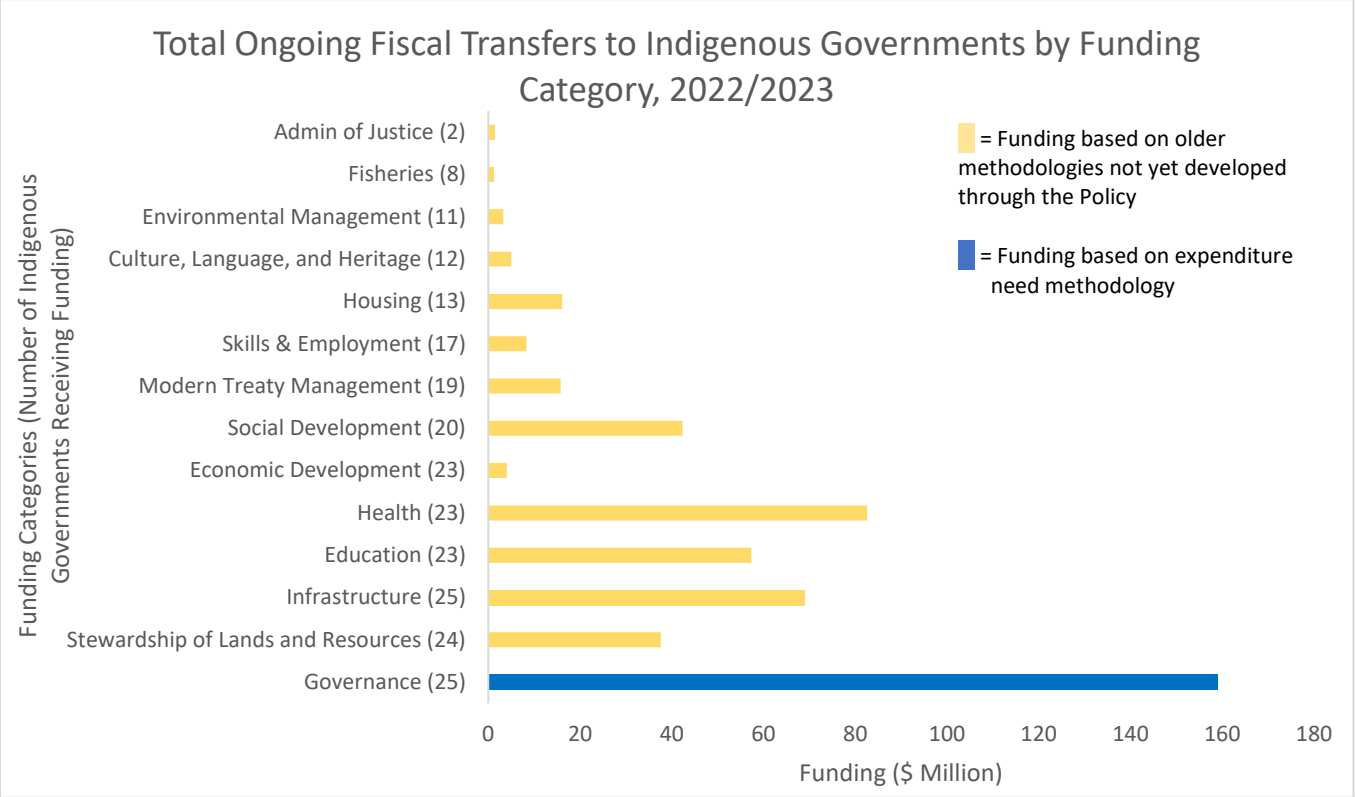
- = Indigenous Government did not receive a fiscal transfer for this funding category in 2022/2023

Indigenous Government	Governance	Stewardship of Lands and Resources	Modern Treaty Management	Economic Development	Culture, Language, and Heritage	Environmental Management	Infrastructure	Housing[5]	Education	Social Development	Health	Fisheries	Admin of Justice
Carcross/Tagish First Nation (C/TFN)	•	•	•	•	•	•	•	•	•	•	•	-	-
Champagne and Aishihik First Nation (CAFN)	•	•	•	•	•	•	•	•	•	•	•	-	-
Dél˛ıné Got'˛ıné Government (Deline Got'ine Government)	•	•	-	-	-	-	•	-	-	-	-	-	-
Huu-ay-aht First Nations	•	•	•	•	-	-	•	-	•	•	•	•	-
Ka:yu:'k't'h'/Che:k'tles7et'h' First Nations (Kyuquot/Cheklesath First Nation)	•	•	•	•	-	-	•	-	•	•	•	•	-
Kluane First Nation (KFN)	•	•	•	•	•	•	•	•	•	•	•	-	-
Kwanlin Dün First Nation (KDFN)	•	•	•	•	•	•	•	•	•	•	•	-	-
Little Salmon/Carmacks First Nation	•	•	•	•	•	•	•	•	•	•	•	-	-
First Nation of Na-Cho Nyak Dun (NNDFN)	•	•	•	•	•	•	•	•	•	•	•	-	-
Nisga'a Lisims Government (Nisga'a Nation)	•	•	-	-	-	-	•	•	•	•	•	-	-
Nunatsiavut Government (Nunatsiavut kavamanga)	•	-	•	•	•	-	•	•	•	-	•	•	-
shíshálh Nation (Sechelt)	•	•	-	•	-	-	•	-	•	•	•	-	-
Selkirk First Nation	•	•	•	•	•	•	•	•	•	•	•	-	-
Sioux Valley Dakota Nation (SVDN)	•	•	-	•	-	-	•	-	•	•	•	-	-
Ta'an Kwäch'än Council (TKC)	•	•	•	•	•	•	•	•	•	-	•	-	-
Teslin Tlingit Council (TTC)	•	•	•	•	•	•	•	•	•	•	•	-	•
ɬəʔamɛn Nation (Tla'amin Nation)	•	•	•	•	-	-	•	-	•	•	•	•	-
Tłı̨chǫ Government (Tlicho Government)	•	•	•	•	-	-	•	-	-	-	•	-	-
Toquaht Nation	•	•	•	•	-	-	•	-	•	•	•	•	-
Tr'ondëk Hwëch'in	•	•	•	•	•	•	•	•	•	•	•	-	-
Tsawwassen First Nation (sc̓əw̓aθən məsteyəxʷ)	•	•	-	•	-	-	•	-	•	•	•	•	-
Uchucklesaht Tribe	•	•	•	•	-	-	•	-	•	•	•	•	-
Yuułuʔiłʔatḥ Government (Ucluelet First Nation)	•	•	•	•	-	-	•	-	•	•	•	•	-
Vuntut Gwitchin First Nation (VGFN)	•	•	•	•	•	•	•	•	•	•	•	-	-
Westbank First Nation (WFN)	•	•	-	•	-	-	•	-	•	-	-	-	•
Total Per Funding Category	159.00	37.61	15.78	4.06	5.06	3.30	69.09	16.13	57.39	42.34	82.64	1.28	1.46

[5] Certain categories of funding may have been developed after some Indigenous Governments and Canada created their unique self-government agreements where the categories may have been combined (e.g. Housing is listed as a separate funding category in this report; however, some Indigenous Governments such as Carcross/Tagish First Nation, Kluane First Nation, Kwanlin Dun First Nation, Ta'an Kwäch'än, and Tr'ondëk Hwëch'in will have received funding for Housing as part of their Infrastructure funding).

[6] This figure illustrates funding categories and associated fiscal transfers in relation to the Policy and transferred by CIRNAC to Indigenous Governments.

Figure 4 – Graph of Total Ongoing Fiscal Transfers to Indigenous Governments by Category[7], 2022/2023



Similar to provinces and territories, Canada transfers agreed fiscal resources to Indigenous Governments through ongoing funds which provide Indigenous Governments with the flexibility to make expenditure decisions. The information that Indigenous Governments share with Canada is financial (e.g., audits) and statistical (e.g., citizenship/membership numbers, graduation rates) in nature. This reporting of financial information by Indigenous Governments to Canada reflects the government-to-government relationship. Indigenous Governments are accountable to their citizens, not to federal ministers. Federal ministers remain accountable to other Canadians for the allocation of federal resources.

Application of the Policy to Fiscal Agreements

KEY HIGHLIGHT: The collaborative effort on the Policy and newly developed funding methodologies led to more efficient fiscal agreement renewals to implement the enhanced funding levels.

[7] Brackets beside the funding categories listed in the graph refer to the total number of Indigenous Governments that received funding for that category in 2022/2023.

In 2019, Canada entered into fiscal agreement renewal negotiations with 25 Indigenous Governments, marking the first practical application of the Policy and its associated methodologies. The collaborative effort on the Policy and newly developed funding methodologies led to more efficient fiscal agreement renewals to implement the enhanced funding levels. All agreements took effect on April 1, 2019 for a five-year duration. The continued development of methodologies is expected to further streamline and facilitate fiscal negotiations with Indigenous Governments, which is noteworthy as the number of self-governing Indigenous Governments is expected to grow.

Figure 5 illustrates the fiscal transfers to each Indigenous Government, including the portion of fiscal transfer for governance, based on the expenditure need model for governance and administration, which provides funding for functions and responsibilities essential to government operation. Additionally, Figure 6 illustrates fiscal transfers for existing infrastructure assets, which provides infrastructure funding to Indigenous Governments through a lifecycle funding approach of an agreed-upon set of existing assets.

Both the governance methodology and the lifecycle infrastructure methodology have resulted in enhanced funding compared to prior fiscal transfer approaches. Public and transparent funding methodologies allow Indigenous groups negotiating self-government arrangements to predict the level of funding to expect once an agreement has been reached.

Figure 5 – Table of Fiscal Transfers to Indigenous Governments

Indigenous Government	*Fiscal Transfer Portion for Governance ($M)*	*Total Fiscal Transfer[8] ($M)*
	2022 – 2023 (Expenditure Need Methodology)	***2022 – 2023***
Carcross/Tagish First Nation (C/TFN)	5.09	14.96
Champagne and Aishihik First Nation (CAFN)	5.22	17.81
Délı̨nę Got'ı̨nę Government (Deline Got'ine Government)	4.65	8.86
Huu-ay-aht First Nations	3.72	8.56
Ka:yu:'k't'h'/Che:k'tles7et'h' First Nations (Kyuquot/Cheklesath First Nation)	3.77	10.56
Kluane First Nation (KFN)	4.10	11.83
Kwanlin Dün First Nation (KDFN)	5.57	22.73
Little Salmon/Carmacks First Nation	4.77	16.33
First Nation of Na-Cho Nyak Dun (NNDFN)	4.90	15.21

[8] Total Fiscal Transfer amounts include funding for governance and administration, interim funding and funding from existing methodologies.

Nisga'a Lisims Government (Nisga'a Nation)	21.77	99.02
Nunatsiavut Government (Nunatsiavut kavamanga)	19.55	69.95
shíshálh Nation (Sechelt)	4.30	13.18
Selkirk First Nation	4.87	17.59
Sioux Valley Dakota Nation (SVDN)	5.93	28.18
Ta'an Kwäch'än Council (TKC)	4.13	9.56
Teslin Tlingit Council (TTC)	5.01	16.91
łəʔamɛn Nation (Tla'amin Nation)	4.45	15.44
Tłı̨chǫ Government (Tlicho Government)	17.99	29.17
Toquaht Nation	3.27	6.17
Tr'ondëk Hwëch'in	5.41	16.54
Tsawwassen First Nation (scəẇaθən məsteyəxʷ)	4.75	10.97
Uchucklesaht Tribe	3.19	6.23
Yuułuʔiłʔatḥ Government (Ucluelet First Nation)	3.50	9.44
Vuntut Gwitchin First Nation (VGFN)	5.27	17.05
Westbank First Nation (WFN)	3.82	11.16
Grand Total[9]	**159.00**	**503.41**

Figure 6 – Table of Infrastructure Transfers to Indigenous Governments

Indigenous Government	*Fiscal Transfer Portion for Infrastructure ($M)*	
	2021-22	***2022-2023 (Infrastructure Lifecycle Approach Methodology)***
Carcross/Tagish First Nation (C/TFN)	0.93	1.84
Champagne and Aishihik First Nation (CAFN)	1.29	3.07
Délı̨nę Got'ı̨nę Government (Deline Got'ine Government)	0.00	1.75
Huu-ay-aht First Nations	0.56	1.75
Ka:yu:'k't'h'/Che:k'tles7et'h' First Nations (Kyuquot/Cheklesath First Nation)	0.73	2.78
Kluane First Nation (KFN)	0.59	2.72
Kwanlin Dün First Nation (KDFN)	1.38	2.45
Little Salmon/Carmacks First Nation	0.95	1.82
First Nation of Na-Cho Nyak Dun (NNDFN)	0.99	1.88
Nisga'a Lisims Government (Nisga'a Nation)	4.37	10.07
Nunatsiavut Government (Nunatsiavut kavamanga)	5.49	5.72
shíshálh Nation (Sechelt)	0.93	2.60

[9] Grand total may not add up due to rounding.

Selkirk First Nation	0.98	3.58
Sioux Valley Dakota Nation (SVDN)	1.65	3.96
Ta'an Kwäch'än Council (TKC)	0.48	0.61
Teslin Tlingit Council (TTC)	0.95	2.00
ɬəʔamɛn Nation (Tla'amin Nation)	1.01	2.09
Tłı̨chǫ Government (Tlicho Government)	0.00	3.94
Toquaht Nation	0.21	1.21
Tr'ondëk Hwëch'in	1.17	1.89
Tsawwassen First Nation (scəẇaθən məsteyəxʷ)	0.69	2.46
Uchucklesaht Tribe	0.27	1.07
Yuułuʔiłʔatḥ Government (Ucluelet First Nation)	0.64	2.07
Vuntut Gwitchin First Nation (VGFN)	1.43	3.28
Westbank First Nation (WFN)	0.68	2.45
Grand Total[10]	**28.36**	**69.09**

The values are shown side-by-side to illustrate the year-over-year change as lifecycle transfers were expanded.

Since 2019, the impact of expenditure needs-based funding for governance and administration has been of significant benefit to Indigenous Governments. With the stability and predictability of this funding, Indigenous Governments can better undertake long-term planning with increased staffing and improved retention rates, along with organizational reviews and expansion. With improved funding levels for governance and administration, resources that may have been previously dedicated to governance and administration can now, be redirected to other Indigenous Government priorities. Similarly, the lifecycle funding approach for existing capital assets as now included in the Policy and as adopted by Indigenous Governments, has resulted in a $39.8 million dollar annual incremental increase (154%) in infrastructure-related funding to Indigenous Governments. The approach, which funds a capital reserve (physical works fund) over time, as opposed to capital funding being proposal-based, results in Indigenous Governments having greater flexibility and the ability to better plan capital management activities over a longer time period.

Ongoing Collaborative Fiscal Policy Development Process

> *KEY HIGHLIGHT: The collaborative approach to fiscal policy development has allowed a greater understanding, a higher level of trust and openness, and a stronger partnership between Canada and Indigenous Governments.*

Canada and Indigenous Governments committed to co-developing a new and improved policy to guide fiscal transfers to Indigenous Governments through the Process, an innovative endeavour when compared to past federal policy development approaches. Co-development began in May 2016 and

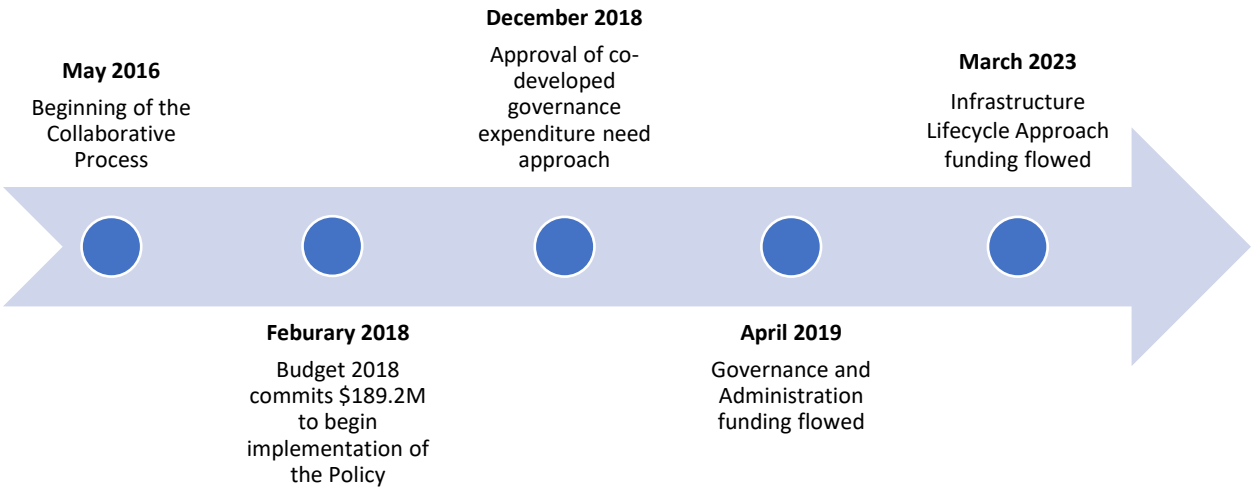
[10] Grand total may not add up due to rounding.

resulted in the completion of the Policy in 2019, which was the first key result of collaboration. Canada helped finance Indigenous Governments to enable their involvement in the Process, recognizing that such involvement was beyond the normal scope of their work. Canada and Indigenous Governments began the Process by co-developing a policy framework which outlined principles to guide the fiscal relationship, what areas of Indigenous Government responsibility would be addressed under the Policy, and how gaps in social well-being may be mitigated. Addressing the outstanding expenditure need areas will give Indigenous communities the flexibility to budget and make decisions with self-sufficiency, an outcome which aligns with the principles of self-determination and autonomy, as found in the Policy. Expenditure need areas under the policy framework include:

- modern treaty management;
- economic development;
- stewardship of lands and resources;
- infrastructure maintenance and replacement;
- housing;
- culture, language, and heritage;
- education;
- social development; and
- health.

This is not necessarily an exhaustive list of Indigenous Government responsibilities, as it does not capture all of the activities that they undertake in providing programs and services to their citizens. To date, the collaborative approach to fiscal policy development has allowed a greater understanding, a higher level of trust and openness, and a stronger partnership between Canada and Indigenous Governments. Additionally, it has facilitated communication between Indigenous Governments, allowing them to build relationships and approach Canada with common policy interests.

Figure 7 – Timeline of Developments of the Collaborative Fiscal Policy Development Process



Policy Development Accomplishments

KEY HIGHLIGHT: The infrastructure lifecycle approach for existing assets addresses Indigenous community infrastructure needs through a funding approach based on industry standards in asset management.

Infrastructure Lifecycle Approach For Existing Assets

Typically Indigenous Governments and Modern Treaty Nations without Self-Government assume responsibility for providing, maintaining and replacing infrastructure in their communities upon the Effective Date of their arrangements. Canada provides financial support to Indigenous Governments for the costs of infrastructure through the fiscal agreements.

In 2000, Canada established a new infrastructure lifecycle approach for existing assets for Nisga'a Nation. This aligned federal funding with the projected costs of supporting an existing set of assets currently present in Nisga'a communities – an approach based on prevailing industry standards in asset management. This infrastructure funding methodology addressed essential community infrastructure needs through funding new builds, major maintenance and repair of assets, and operations and maintenance costs for new builds, while providing Nisga'a Nation with the autonomy and flexibility to allocate infrastructure funding as they saw fit for their community needs. The approach was then adopted by Tsawwassen First Nation in 2009 and by Tla'amin Nation in 2016. Building on these earlier applications, 2022-2023 represents a significant milestone in the evolution of infrastructure funding under the Policy. This fiscal year, the Government of Canada has extended this existing methodology to the other 22 Self-Governing Indigenous Government partners. Through the process, Indigenous

Governments will work with Canada to develop a new infrastructure funding methodology that supports the infrastructure assets an Indigenous Government *should* have as opposed to the assets they currently have.

Co-developed Policy Work

As of 2022-2023, Canada and Indigenous Governments have completed several key elements of the Policy framework through the collaborative process. The co-developed policy work completed to date, includes:

- the governance and administration policy annex, which outlines functions and responsibilities essential to government operation;
- a framework to enable Indigenous Governments to lead the design and implementation of gap-closing initiatives according to their respective priorities;
- principles to guide the development of culture, language, and heritage funding; and
- an extension of the lifecycle infrastructure approach to the other 22 Self-Governing Indigenous Governments, supporting infrastructure maintenance and replacement for existing assets.

Future Policy Development

Co-development among Canada and Indigenous Governments continues, and will result in policy annexes for:

- modern treaty management;
- economic development;
- stewardship of lands and resources;
- infrastructure;
- housing;
- culture, language, and heritage;
- education;
- social development; and
- health.

The policy framework recognizes that culture, language, and heritage permeate all areas of government, and Canada and the Indigenous Governments have made commitments to continue the collaborative process and develop approaches for resourcing these other areas of jurisdiction and/or responsibility for Indigenous Governments, as well as related governance costs. This ongoing work reflects a shared commitment to progressively strengthening fiscal arrangements in a manner that supports Indigenous self-determination and long-term sustainability.

Specific-Purpose Transfers Through Fiscal Agreements

Budget 2022 Distinctions-based and Northern Housing Investments

Fiscal agreements can also be an instrument for Canada to flow specific-purpose funding to Indigenous Governments. Investments in Budget 2022 to accelerate the closing of Indigenous housing gaps are an example of such unique transfers. The funding, starting in 2022-2023, commits $4 billion over seven years with $565 million for modern treaty holders and Indigenous Governments over five years. Indigenous Governments[11] that were part of the Process received $263 million of the $565 million.

Figure 8 – Table of Annual Distinctions-based and Northern Housing Investment Transfers to Indigenous Governments

Fiscal Year	*Total B2022 Housing Transfers to Indigenous Governments ($M)[12]*
2022-2023	29.99
2023-2024	41.78
2024-2025	55.83
2025-2026	60.52
2026-2027	74.57

Housing was previously identified as an immediate priority of Indigenous Governments in closing socio-economic gaps. Through the Distinctions-based and Northern Housing Investments, Indigenous Governments can benefit from the strengthening of community ecosystems through the invigoration of local economies through housing initiatives. This effect, coupled with specified funding timespans and Indigenous Government autonomy, provides stable conditions suitable for flexible community planning that best suit the interests of their communities.

Ongoing Specific Purpose Investments

Budget 2021 Indigenous Community Infrastructure Fund

Funding from the Budget 2021 Indigenous Community Infrastructure Fund (ICIF) continues to flow this year as the government has committed $4.3 billion over four years, starting in 2021-2022 to satisfy immediate infrastructure needs in Indigenous communities. This year, $56.43 million flowed to Indigenous Governments[13].

[11] This does not include Modern Treaty nations without Self-Government and the Cree Nation Government.
[12] Grand total may not add up due to rounding.
[13] This does not include Modern Treaty nations without Self-Government and the Cree Nation Government.

Figure 9 – Table of Annual Indigenous Community Infrastructure Fund (ICIF) Transfers to Indigenous Governments

Fiscal Year	*Total ICIF Transfer to Indigenous Governments ($M)*[14]
2021-2022	45.28
2022-2023	56.43
2023-2024	86.54
2024-2025	48.84

The ICIF introduced in Budget 2021 committed $4.3 billion over four years, starting in 2021-2022. In the span of a year, the ICIF has benefited Indigenous communities in several ways. For example, efforts to improve the quality of housing and infrastructure helps create safer living conditions, which in turn, encourages the return of citizens/members and reinvestment in the community thereby invigorating and strengthening local economies. Indigenous Governments used this funding for a variety of housing initiatives which typically employed citizens in construction projects and bolstered the local economy.

Conclusion

This report describes the process and amount of fiscal transfers from Canada to Indigenous Governments. Canada and Indigenous Governments continue to co-develop the funding methodologies associated with the Policy and the work is ongoing. Future annual reports will reflect the ongoing progress and include fiscal transfer amounts associated with additional funding categories as expenditure need methodologies are completed.

For more information or comments, contact: admincfp-adminpcf@rcaanc-cirnac.gc.ca

[14] Grand total may not add up due to rounding.