

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

2023-2024



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Canada's Annual Report on Fiscal Transfers to Self-Governing Indigenous Governments 2023-2024

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Canada's Annual Report on Fiscal Transfers to Self-Governing Indigenous Governments 2023-2024

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 2023-2024.

2023-2024 Highlights

- Whitecap Dakota Nation joined the Process, increasing participation to 26 Indigenous Governments and expanding the geographic reach of the CFP.
- In-person Process meetings were held in Whitehorse, Yukon in July 2023, supporting relationship building and advancing technical work across multiple priority areas.
- Governance and infrastructure lifecycle methodologies continued to be applied through fiscal agreements, supporting predictable and transparent fiscal transfers.
- Specific-purpose transfers continued through fiscal agreements, including Budget 2022 housing investments and Budget 2021 ICIF funding.

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.

Prior to 2015, fiscal transfers between Canada and Indigenous Governments were largely guided by the fiscal chapters of individual treaties and self-government agreements, with no overarching national framework and limited transparency or consistency, contributing to lengthy negotiations and varied funding outcomes. In May 2016, Canada and Indigenous Governments launched the Collaborative Fiscal Policy Development Process ("the Process") to co-develop funding methodologies for fiscal transfers that better reflect Indigenous Governments' expenditure needs, defined as the estimated cost of

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."

delivering services and carrying out responsibilities based on comparative measures or standards. Through this collaborative approach, Canada and Indigenous Governments completed the Collaborative Self-Government Fiscal Policy in 2019, establishing shared principles to guide the fiscal relationship, identify priority areas of Indigenous Government responsibility, and support progress in addressing socio-economic gaps. These priority areas 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, supporting Indigenous Governments' ability to plan, budget, and make decisions consistent with self-determination and autonomy.

In early July of 2023, for the first time since inception, meetings under the Process were held in in the Yukon. Previously they had been held in Vancouver and Ottawa. Representatives from 26 Indigenous Governments and from the Government of Canada gathered in-person in Whitehorse and virtually to continue discussions and collaborative work around fiscal priorities related to culture, languages and heritage, social well-being, taxation, land, resources and treaty management, and infrastructure. Participants attended cultural activities organized by the Kwanlin Dün First Nation, the Ta'an Kwäch'än Council and the Carcross/Tagish First Nation and had the opportunity to learn about the Nations' rich histories, unique cultures, and their modern treaties and self-government journeys, and spend time on the lands where Indigenous Governments exercise their jurisdiction. Exploring these territories firsthand offered valuable context and deepened understanding of how modern treaties are implemented on the ground. These meetings supported progress across multiple workstreams and reinforced shared understanding of how modern treaties and self-government responsibilities are implemented in practice

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 amongst themselves and approach Canada with common policy interests.

The Collaborative Process has allowed the creation of other specific-purpose working groups, enhancing coordination and responsiveness with partners. It has enabled Canada to engage more efficiently with Indigenous Governments, particularly in emergent situations. There does, however, remain work to complete on the Policy through the Process and specifically the expenditure need methodologies for each area set out in Annex A of the Policy.

Participants in the Process

KEY HIGHLIGHT: Under modern treaty or self-government arrangements, Indigenous Governments take on both the general costs of operating their governments and the jurisdiction to provide programs and services transferred from Canada to the Indigenous Government.

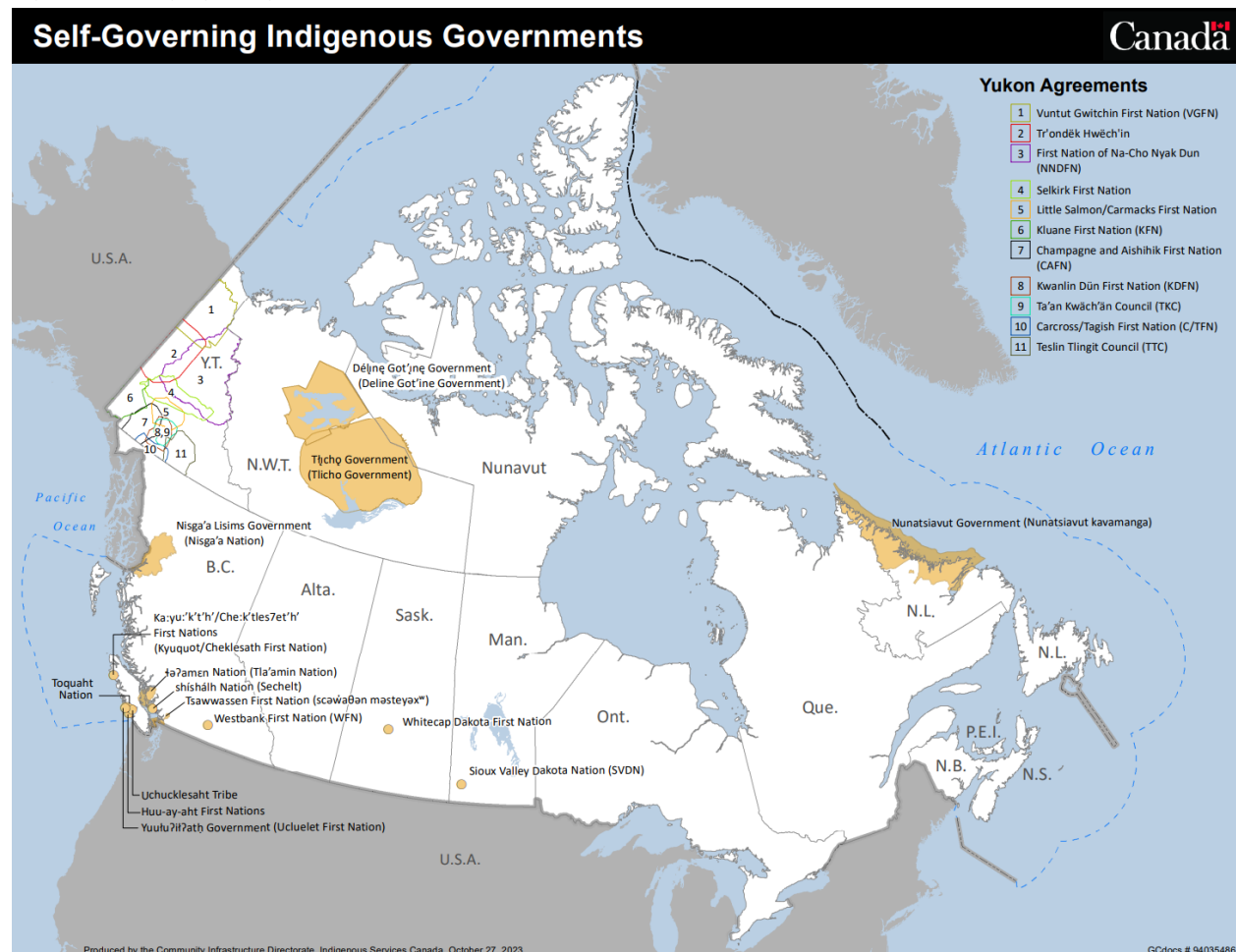
In 2021-2022, the Process expanded its participation as part of its whole-of-government approach. The Department of Canadian Heritage (PCH) joined the technical working group for Culture, Language and Heritage. Representatives of Modern Treaty Nations that have not concluded Self-Government Arrangements also joined the technical working group for Lands, Resources and Treaty Management, as lands-related responsibilities also 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.

In 2023, the Process welcomed Whitecap Dakota Nation as the first Indigenous Government to join the Process since the Policy was developed. A community vote in October 2022 yielded a resounding approval from Whitecap Dakota Nation members of their self-government agreement with 92% voting in favor and over 60% participation of the vote. Following changes in government policy, the Whitecap Self-Government Agreement was enhanced and re-ratified in May 2023 as a self-government treaty – the first modern treaty of its kind in Canada concluded with a partner that had not also concluded a comprehensive land claim. In September 2023, the agreement took effect increasing the number of Indigenous Governments participating in the Process to 26. Whitecap Dakota Nation is the first Indigenous group to become a self-governing Indigenous Government in the province of Saskatchewan. This marks significant progress in supporting Indigenous self-determination and expanding the Process both in terms of the number of members and geographic reach. Future annual reports will reflect fiscal transfers associated with Whitecap Dakota Nation's fiscal agreement once reportable.

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 have taken responsibility 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 2023 Populations²

<i>Indigenous Government</i>	<i>Province or Territory</i>	<i>Total 2023 Population</i>
Carcross/Tagish First Nation (C/TFN)	YT	1,033
Champagne and Aishihik First Nation (CAFN)	YT	1,299
Délı̨nę Got'ı̨nę Government (Deline Got'ı̨ne Government)	NT	1,204
Huu-ay-aht First Nations	BC	890
Ka:yu:'k't'h'/Che:k'tles7et'h' First Nations (Kyuquot/Cheklesath First Nation)	BC	619
Kluane First Nation (KFN)	YT	236
Kwanlin Dün First Nation (KDFN)	YT	1,081
Little Salmon/Carmacks First Nation	YT	782
First Nation of Na-Cho Nyak Dun (NNDFN)	YT	632
Nisga'a Lisims Government (Nisga'a Nation)	BC	8,064
Nunatsiavut Government (Nunatsiavut kavamanga)	NL	6,938
shíshálh Nation (Sechelt)	BC	1,701
Selkirk First Nation	YT	741
Sioux Valley Dakota Nation (SVDN)	MB	2,717
Ta'an Kwäch'än Council (TKC)	YT	466
Teslin Tlingit Council (TTC)	YT	761
łə́ʔamən Nation (Tla'amin Nation)	BC	1,216
Tłı̨chǫ Government (Tlicho Government)	NT	4,661
Toquaht Nation	BC	173
Tr'ondëk Hwëch'in	YT	1,293
Tsawwassen First Nation (scə́wəθən məsteyəxʷ)	BC	526
Uchucklesaht Tribe	BC	314
Yuułuʔiłʔatḥ Government (Ucluelet First Nation)	BC	691
Vuntut Gwitchin First Nation (VGFN)	YT	848
Westbank First Nation (WFN)	BC	903
Grand Total	-	39,789

Note: Whitecap joined in 2023; population/transfer reporting will be reflected once reportable.

² Populations as reported by Indigenous Governments in 2023.

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 programming 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

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, 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 Category⁴ (\$M), 2023/2024

- = Indigenous Government received a fiscal transfer for this funding category in 2023/2024
- = Indigenous Government did not receive a fiscal transfer for this funding category in 2023/2024

Indigenous Government	Governance	Stewardship of Lands and Resources	Modern Treaty Management	Economic Development	Culture, Language, and Heritage	Environmental Management	Infrastructure	Housing ³	Education	Social Development	Health	Fisheries	Admin of Justice
Carcross/Tagish First Nation (C/TFN)	•	•	•	•	•	•	•	•	•	•	•	-	-
Champagne and Aishihik First Nation (CAFN)	•	•	•	•	•	•	•	•	•	•	•	-	-
Déline Got'ine 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)	•	-	•	•	•	-	•	•	•	-	•	•	-
shishálh Nation (Sechelt)	•	•	-	•	-	-	•	-	•	•	•	-	-
Selkirk First Nation	•	•	•	•	•	•	•	•	•	•	•	-	-
Sioux Valley Dakota Nation (SVDN)	•	•	-	•	-	-	•	-	•	•	•	-	-
Ta'an Kwäch'än Council (TKC)	•	•	•	•	•	•	•	•	•	-	•	-	-
Teslin Tlingit Council (TTC)	•	•	•	•	•	•	•	•	•	•	•	-	•
łəʔamen Nation (Tla'amin Nation)	•	•	•	•	-	-	•	-	•	•	•	•	-
Tłıchq Government (Tlicho Government)	•	•	•	•	-	-	•	-	-	-	•	-	-
Toquaht Nation	•	•	•	•	-	-	•	-	•	•	•	•	-
Tr'ondëk Hwëch'in	•	•	•	•	•	•	•	•	•	•	•	-	-
Tsawwassen First Nation (scəwəθən məsteyəxʷ)	•	•	-	•	-	-	•	-	•	•	•	•	-
Uchucklesaht Tribe	•	•	•	•	-	-	•	-	•	•	•	•	-
Yuufuʔiiʔath Government (Ucluelet First Nation)	•	•	•	•	-	-	•	-	•	•	•	•	-
Vuntut Gwitchin First Nation (VGFN)	•	•	•	•	•	•	•	•	•	•	•	-	-
Westbank First Nation (WFN)	•	•	-	•	-	-	•	-	•	-	-	-	•
Total Per Funding Category	168.34	39.82	16.71	4.30	5.35	3.50	73.15	17.07	61.60	45.35	88.78	1.35	1.53

³ 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).

⁴ 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 Category⁵, 2023/2024

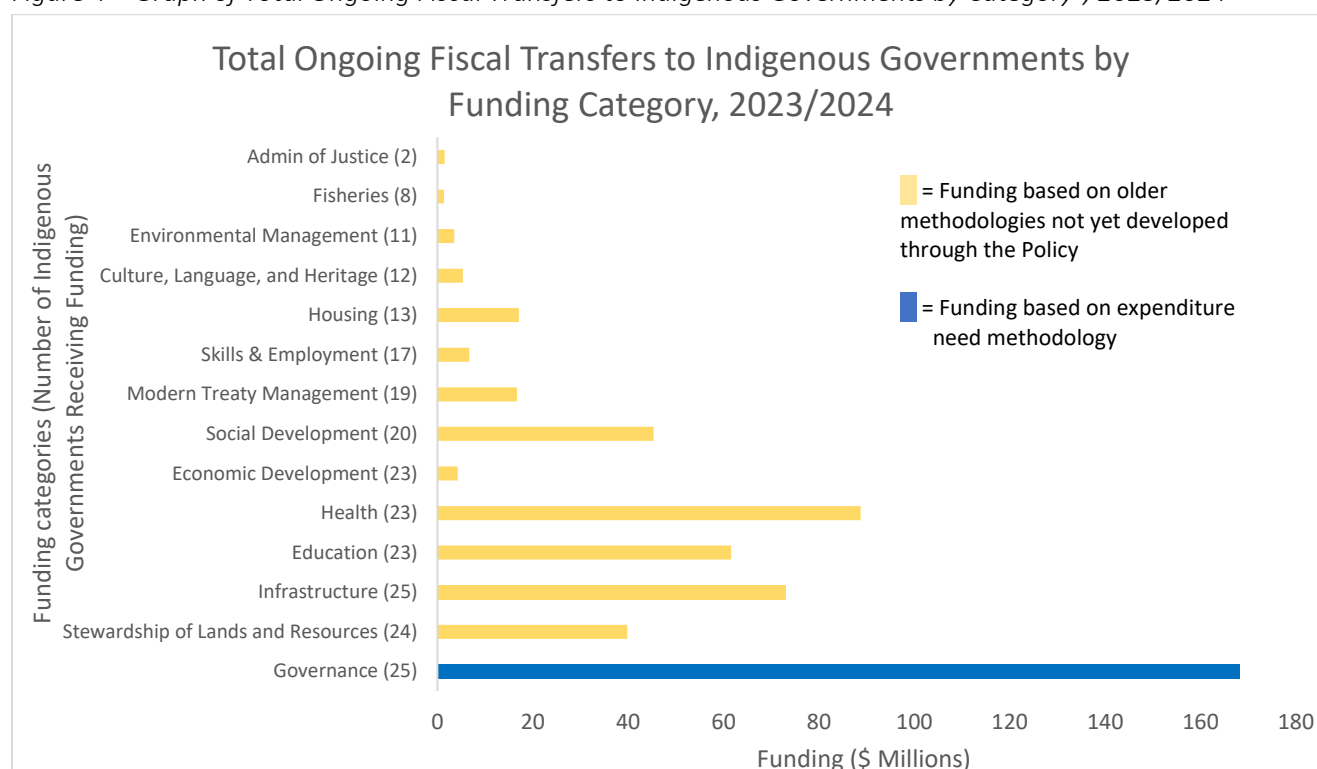


Figure 4 provides a high-level view of the distribution of ongoing fiscal transfers across responsibility areas in 2023-2024 and does not reflect actual expenditures by Indigenous Governments.

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.

⁵ Brackets beside the funding categories listed in the graph refer to the total number of Indigenous Governments that received funding for that category in 2023/2024.

Co-developed Policy Work

KEY HIGHLIGHT: Expenditure need is 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.

Governance and Administration Expenditure Need Methodology

A key accomplishment under the Policy to date was the co-development of the governance and administration expenditure need methodology. Expenditure need is a widely recognized concept in intergovernmental fiscal arrangements and 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. It is used as a proxy for the purpose of funding where the transfer can then be budgeted by the Indigenous Government based on its individual needs and circumstances.

Indigenous Governments have an expenditure need associated with carrying out various governance functions, including: legislative and executive decision-making; financial management; legal services; intergovernmental relations; financial reporting and information sharing, and; general government administrative services. The governance and administration expenditure need methodology considers two components: 1) a base cost relevant for all Indigenous Governments' governance functions that must be carried out regardless of population, program responsibilities, and other circumstances, and 2) incremental costs of governance affected by numerous factors (e.g. population; geographic circumstances such as remoteness; program delivery responsibilities; structure of governments as single or multiple levels; traditional decision-making institutions or practices, or; other unique cultural features).

The expenditure need approach provides flexibility regarding how an Indigenous Government chooses to allocate and then fund its responsibilities. Expenditure need also takes into consideration the cost of building governance capacity and other start-up costs for Indigenous groups that are transitioning into self-government arrangements. For groups that are already self-governing, expenditure need continues to consider the costs of building up and sustaining governance capacity on an ongoing basis.

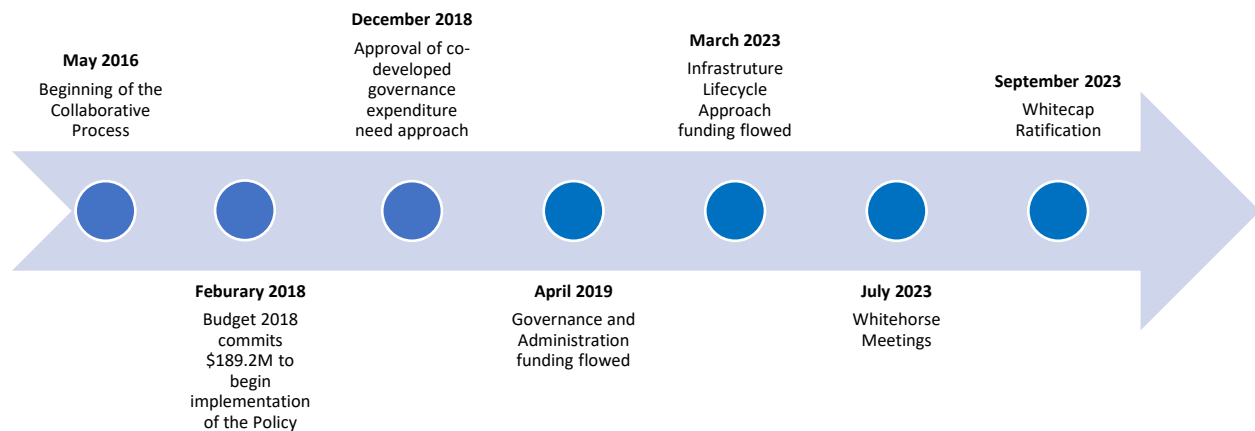
Infrastructure Lifecycle Approach For Existing Assets

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. 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 are currently working with Canada to develop a new infrastructure funding methodology, one that supports the infrastructure assets that an Indigenous Government *should* have as opposed to the ones they currently have.

Figure 5 – Timeline of Developments of the Collaborative Fiscal Policy Development 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.

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. The policy framework also 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.

Fiscal Transfers and Benefits

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.

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 6 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, it 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 6 – Table of Fiscal Transfers to Indigenous Governments

<i>Indigenous Government</i>	<i>Fiscal Transfer Portion for Governance (\$M)</i>	<i>Fiscal Transfer Portion for Infrastructure (\$M)</i>	<i>Total Fiscal Transfer⁶ (\$M)</i>
	<i>2023 – 2024 (Expenditure Need Methodology)</i>	<i>2023-2024 (Infrastructure Lifecycle Approach Methodology)</i>	<i>2023 – 2024</i>
Carcross/Tagish First Nation (C/TFN)	5.39	1.95	15.90
Champagne and Aishihik First Nation (CAFN)	5.53	3.25	18.83
Délı̨nę Got'ı̨nę Government (Deline Got'ı̨ne Government)	4.92	1.85	9.38
Huu-ay-aht First Nations	3.94	1.85	9.10
Ka:yu:'k't'h'/Che:k'tles7et'h' First Nations (Kyuquot/Cheklesath First Nation)	3.99	2.94	11.11
Kluane First Nation (KFN)	4.34	2.88	12.50
Kwanlin Dün First Nation (KDFN)	5.89	2.59	24.19
Little Salmon/Carmacks First Nation	5.05	1.93	17.30
First Nation of Na-Cho Nyak Dun (NNDFN)	5.19	2.00	16.05
Nisga'a Lisims Government (Nisga'a Nation)	23.05	10.67	107.03
Nunatsiavut Government (Nunatsiavut kavamanga)	20.70	6.06	71.92
shíshálh Nation (Sechelt)	4.55	2.75	14.05
Selkirk First Nation	5.16	3.79	18.67
Sioux Valley Dakota Nation (SVDN)	6.27	4.20	29.83
Ta'an Kwäch'än Council (TKC)	4.37	0.65	10.11
Teslin Tlingit Council (TTC)	5.31	2.12	17.81
łə́amən Nation (Tla'amin Nation)	4.72	2.21	16.45

⁶ Total Fiscal Transfer amounts include funding for governance and administration, interim funding and funding from existing methodologies.

Tłıchq Government (Tlicho Government)	19.05	4.17	30.89
Toquaht Nation	3.46	1.28	6.51
Tr'ondëk Hwëch'in	5.73	2.00	17.57
Tsawwassen First Nation (scəwəθən məsteyəxʷ)	5.03	2.60	11.63
Uchucklesaht Tribe	3.38	1.14	6.60
Yuułuʔiłʔatḥ Government (Ucluelet First Nation)	3.71	2.20	10.14
Vuntut Gwitchin First Nation (VGFN)	5.58	3.47	18.07
Westbank First Nation (WFN)	4.04	2.59	11.96
Grand Total⁷	168.34	73.15	533.56

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 2022-2023 for 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. Addressing the outstanding expenditure need areas as set out in Annex A of the Policy 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.

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

⁷ Grand total may not add up due to rounding.

years with \$565 million for modern treaty holders and Indigenous Governments over five years. Indigenous Governments⁸ that were part of the Process received \$263 million of the \$565 million.

Figure 7 – Table of Annual Distinctions-based and Northern Housing Investment Transfers to Indigenous Governments

<i>Fiscal Year</i>	<i>Total B2022 Housing Transfers to Indigenous Governments (\$M)⁹</i>
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 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, \$86.54 million flowed to Indigenous Governments¹⁰.

Figure 8 – Table of Annual Indigenous Community Infrastructure Fund (ICIF) Transfers to Indigenous Governments

<i>Fiscal Year</i>	<i>Total ICIF Transfer to Indigenous Governments (\$M)¹¹</i>
2021-2022	45.28
2022-2023	56.43

⁸ This does not include Modern Treaty nations without Self-Government and the Cree Nation Government.

⁹ Grand total may not add up due to rounding.

¹⁰ This does not include Modern Treaty nations without Self-Government and the Cree Nation Government.

¹¹ Grand total may not add up due to rounding.

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.

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