



March 12, 2024

UN Declaration Act Implementation Secretariat
Indigenous Rights and Relations Portfolio
Justice Canada
UNDeclarationNU@justice.gc.ca

Dear Sir or Madam,

RE: Submission for the UNDA Annual Progress Report (2023-24).

The *Indian Act* and other colonial actions **deliberately and systematically removed** First Nations from Canada's economy and prevented their access to the means for economic development. As a result, many Nations find themselves in a perpetual state of poverty as well as dependence on the federal government.

To the present-day, the *Indian Act* continues to restrict the growth many First Nations are experiencing and increasingly want to generate.

Specific, Indigenous led initiatives are required to address this problem. By supporting the successful *First Nations Fiscal Management Act* institutions including the First Nations Financial Management Board, **Canada will bring the *UN Declaration Act (2021) to life*** and meet mandates from the Prime Minister. Moreover, through our Indigenous-majority staff, the FMB can support Nations **more quickly, more credibly, and a lower cost**, than the federal government.

As demonstrated below, Canada's implementation of the UN Declaration and Canada's subsequent Action Plan **rely on the FMB**.

UN Declaration Act & Indigenous led Institutions.

The implementation of UNDA and working in "partnership with Indigenous Peoples to advance their rights" is a government-wide priority, as stated in the Ministerial Mandate letters from Prime Minister Trudeau. Within UNDA is a clear message to support Indigenous led institution. In particular, three articles speak to Nations having the right to:

- "freely pursue their economic, social, and cultural development" (Article 3)
- "autonomy and self-government in matters relating to their internal and local affairs (Article 4); and
- "maintain and strengthen their distinct political, legal, economic, social and cultural institutions" (Article 5)

An American-based study affirmed that these are the foundation for progress. The Harvard Project on American Indian Economic Development (2003) found that Nations who break free from poverty to build prosperous communities did so not based on access to natural resources, education levels, or even geographic location, but rather:

1. Sovereignty: the right and the decision-making power to govern
2. Institutions: stable rules that encourage citizens to invest time, trust, energy, and capital in the Nation's future.
3. Cultural match: when the governing institutions fit Nations' culture, and
4. Leadership.

The FMB's support for Nations aligns with clear calls within UNDA, including:

- Actions to support First Nations in building their capacity for "**greater jurisdiction and control** in the areas of financial management, taxation, access to capital markets, and infrastructure-related service delivery" (First Nations Priorities, #4).
 - This is being facilitated through FMB's financial management certification systems and will be built upon through key proposals from our RoadMap Project (2022): the Indigenous Development Bank and Indigenous Investment Commission.
- Actions to address "**persistent economic barriers** for Indigenous businesses and communities" (Cross-Cutting Priorities #74).
 - This is being implemented through the FMB financial management certification system, which recognizes or creates administrative stability for the comfort of community members and private sector partners, and for federal and provincial governments when providing funding or devolving jurisdiction as ISC is intended to do.
 - The June 2023 passage of Bill C-45 through Parliament allows FMB to support modern-treaty Nations. To make more fulsome use of the tools that the FMA offers, First Nations north of the sixtieth parallel may want the option to pursue land-based reserves as a path to economic development.
- Actions to continue work underway with First Nations partners on a **new fiscal relationship** to provide sufficient, predictable, and flexible funding in support of closing socioeconomic gaps and advancing self-determination (First Nations Priorities, #1).
 - This is primarily being implemented through the NFR grant (10-Year Grant) which FMB provides ISC an assessment of whether the eligibility criteria were met by each First Nation that applies. The FMB continues to work with ISC and 10-Year Grant participants to report on ongoing financial performance.

- We are also preparing to pilot with the leadership of Attawapiskat First Nation a new approach to financing badly needed infrastructure while benefiting from the expertise and risk management tools of the FMA.
- Actions that call for the **transfer of responsibility** for the design, delivery, and management of services from Indigenous Services Canada to Indigenous partners (Cross-Cutting Priorities #27).
 - Both FMB's Default Management Prevention Pilot Program and FMA Support Services pilot fit these criteria and make more efficient use of available federal funds.
 - FMB is also working on a pilot with the Atlantic First Nations Water Authority which may provide the basis for the responsible assumption of those services by Indigenous partners.

Beyond alignment with government goals, our supports correlate with better outcomes. Data indicates that Nations with our certifications have:

- greater own-source revenues
- healthier operating margins
- better quality housing; and
- higher levels of formal education.

In short, FMB's supports are demonstrably effective, cost-efficient, and bring UNDA to life.

More is needed to respond to the needs of Nations.

Based on needs identified by First Nations, FMB has increased our role in capacity-building with three recent pilot projects we are looking to move to a more permanent basis under our A-Base operations:

These three programs are:

1. The **10-year (or, New Fiscal Relationship) grant** that provides more long-term, predictable funding to First Nations, for which FMB provides an eligibility assessment at ISC's request.
2. The **Default Management Prevention Pilot** program, which has been the most effective tool at preventing Nations going into default and supporting Nations to come out of third-party management. DMPP has increased community well-being in the most vulnerable Indigenous populations.
3. The **Financial Management System (FMS) Support Services** program, which provides administrative functions to Nations that may have limited access to quality, affordable staffing. It has become a proven way of sharing professional support among several communities. We now support over 20 First Nations governments, with more First Nations asking to access the tools.



We are also seeking to advance the FMB's RoadMap Project. RoadMap represents our response to First Nations for progress and their request for optional paths toward self-determination and economic reconciliation. Canada has highlighted support for RoadMap through UNDA (Cross-cutting priorities #74).

RoadMap recommends:

- A. An **Indigenous Development Bank** to mobilize affordable financing to support Indigenous participation in the economy, including government, businesses, entrepreneurs, and equity in major projects.
- B. An **Indigenous Investment Commission** as an opt-in Indigenous asset manager. By aggregating trusts, the IIC could: boost returns; lower management fees; create financial capacity-building opportunities; and support greater alignment with Indigenous values.
 - The IIC will generate millions in new revenues that can be invested in economic development and reduce the costs of poverty borne by the federal government.

The FMB has the expertise to incubate both the IDB and IIC internally and then spin them out as independent institutions. We can set them up quickly and cost-efficiently. Our experience with creating the First Nations Major Projects Coalition has show this to be a successful model.

Creating these new Indigenous led institutions would shield the IDB and IIC from influence by the government-of-the-day, increasing trust and accelerating socio-economic outcomes for Indigenous peoples.

Final Thoughts

The Indigenous led First Nations Financial Management Board and our sister FMA institutions are bringing UNDRIP to life by supporting First Nations to build their capacity and boost economic opportunities.

The change has been remarkable to witness.

Through opt-in tools, Nations are increasing their own-source revenue, building badly needed infrastructure, and creating wealth for future generations.

We must build on that success. Nations are asking for more supports, and the FMB is best positioned to respond. **Through the FMB, Canada has the tools at its disposal to advance the UN Declaration and Action Plan and support systemic change in its relationship with Indigenous Peoples.**



First Nations
**FINANCIAL
MANAGEMENT
BOARD**

**CONSEIL
DE GESTION
FINANCIÈRE** des
Premières Nations

Sincerely,

FIRST NATIONS FINANCIAL MANAGEMENT BOARD

PER:

A handwritten signature in blue ink that reads "Harold Calla".

Harold Calla
Executive Chair

Copied:

Barry Christoff

UN Declaration Act Implementation Secretariat
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