FIRST NATIONS FINANCIAL MANAGEMENT BOARD

The RoadMap Project

THE ROADMAP PROJECT SUMMARY

First Nations FINANCIAL MANAGEMENT BOARD | CONSEIL DE GESTION FINANCIÈRE des Premières Nations

FNFMB.COM

The RoadMap Project

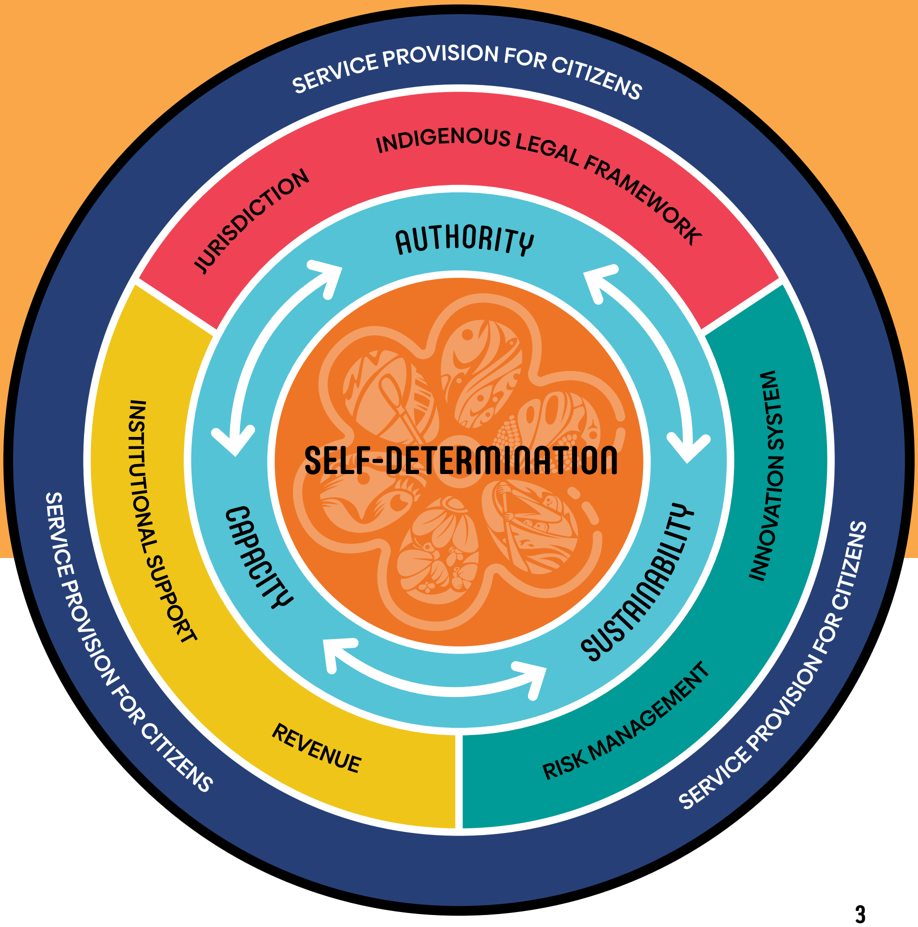
Creating Paths for First Nations Prosperity

RoadMap is a pathway to self-determination

The RoadMap Project is an optional pathway to deliver on the promise of UNDRIP through First Nations self-determination. There has been much debate over how to define the right to self-determination, which is enshrined in s.35 of the Constitution. However different rightsholders may define it, there can be no self-determination without the authority and capacity to govern. **RoadMap breathes life into the *right* to self-determination through options that support the *ability* to govern and through a sustainability framework that manages risk while promoting innovation.**

RoadMap empowers the implementation of Indigenous rights by providing options that support self-determination:

- **Authority:** RoadMap proposes more decision-making authority and expanded jurisdiction through the *First Nations Fiscal Management Act* (FMA)
- **Capacity:** RoadMap offers more capacity to govern through independent revenue and institutional support
- **Sustainability:** RoadMap provides a risk-management framework that satisfies all stakeholders and an innovation system to support continuous growth



RoadMap proposes more authority for First Nations governments. As the Harvard Project found in its study of Indigenous Nations in North America and across the world, First Nations socioeconomic growth begins with sovereignty, or the authority to make decisions and determine priorities at the local level. The FMA can provide the legislative basis to expand First Nations authority and jurisdiction. Governments of the past once used legislation to dismantle Indigenous economies and jurisdictions. Today, an optional and Indigenous-led legal framework is the means for First Nations to legislate themselves back into the future of Canada. Where the *Indian Act* made First Nations the least autonomous governments in Canada, new Indigenous-led legislation such as the FMA can renew First Nations jurisdictions and authority to manage their own affairs.

RoadMap offers more capacity for First Nations to govern themselves effectively. First Nations require access to the fiscal tools and revenues that all governments depend upon to fund the cost of governing. Capacity means sufficient and independent revenue for First Nations governments to prioritize, plan, and act on behalf of their constituents. Capacity also means the institutional and administrative ability to govern well.

The following institutional supports will empower effective self-determination:

- **Reliable data** to guide decision-making for First Nations and all levels of government
- **Sustainable infrastructure** through institutional support and fiscal tools
- **Economic development** through capacity support and an Indigenous Development Bank
- Options to expand **jurisdiction and fiscal powers**
- **Strength through First Nations working together** to provide services and build economies
- **Good governance** through tools to support strong institutions of governance, capacity support, a leadership and training program, and risk management

RoadMap supports sustainability. The FMA provides a framework for financial transparency and accountability that will give Canada the confidence to transfer authority and fiscal capacity to First Nations governments. This framework provides real-time data to inform policy options and evaluate outcomes. It also supports First Nations governments to sustain traditional governing principles that support long-term growth: transparency, accountability, checks and balances, and duty of care. Finally, strong Indigenous institutions and governments will support sustainability through a renewed Indigenous innovation system – a continuously adapting system of innovation that will lead to more growth for First Nations in a changing world.

ROADMAP TOOLS AND CALLS TO ACTION

Closing the Economic Data and Statistics Gap

Current Challenges	Calls to Action
• First Nations face a data and statistics gap – leading to less-effective policy-making and decision-making • The data landscape is fragmented and inaccessible • Policy 'blind spots' that perpetuate the socioeconomic gap	• Establish the FMA Statistical Initiative – an Indigenous-led statistical initiative specializing in Indigenous fiscal and economic data, statistics, and policy research. This will require amendments to the FMA, operational resources, and data sharing from ISC, CIRNAC, Statistics Canada, and others. • The FMA Statistical Initiative will be established on the following pillars: - Comprehensive economic/fiscal database - Collaborative relationships - Statistical analysis and research

Closing the Infrastructure Gap

Current Challenges	Calls to Action

- **The *Indian Act* robs First Nations of the autonomy to plan and manage their own community's infrastructure**
- **Numerous infrastructure development gaps exist, including resiliency, capacity, financial, information, and insurability**
- **Most infrastructure is pay-as-you-go, limiting long-term infrastructure planning**

- **Create the First Nations Infrastructure Institute (FNII) through FMA amendments and provide operating resources. FNII will:**
  - Build First Nations infrastructure management capacity
  - Expand procurement options
  - Secure better operational results
- **Support legislative changes to promote First Nations' capacity to manage lands and provide greater resources for organizations such as Lands Advisory Board**
- **Enable monetization of federal transfers and expand own-source revenue for infrastructure financing**

Unlocking First Nations Economies

Current Challenges	Calls to Action
• **The *Indian Act* legislated First Nations out of the Canadian economy, severing Indigenous entrepreneurs' ability to operate their own businesses** • **"*Indian Act* economics" is not an environment for economic development to take root and grow – it is a desert** • **First Nations economies require:** - A new institutional framework - Capacity support - Access to markets - Access to capital - A commitment to an Indigenous procurement strategy	• **Creation of and resources for the Indigenous Economic Council, which will:** - Support First Nations economic and business capacity development - Assist Nations in creating their own community economic development plans - Coordinate First Nations economic development tools and resources - Foster forum-based First Nations innovation, networking, and access to markets • **Establish the Indigenous Development Bank under federal legislation, which will offer the following financial products for Indigenous business clients:** - Economic development infrastructure loans - Business loans to Indigenous entrepreneurs - Capital injection loans to National Aboriginal Capital Corporations Association and the Aboriginal Financial Institutions - High-value loans for commercially viable major projects – backed by federal and provincial government loan guarantees

Jurisdiction and Expanded Fiscal Powers

Current Challenges	Calls to Action
• **Significant federal control over First Nations governments' expenditures and programs** • **Limited own-source revenues for First Nations governments** • **Restricted jurisdictional authority over the following:** - Authority to collect independent revenues - On-reserve property rights - Powers within traditional territories - Paramountcy of Indigenous laws	**Commit to a new fiscal framework where the role of ISC diminishes and First Nations rise:** • **Phase 1: Fiscal Foundation** - Establish a legal framework to support First Nations fiscal autonomy – including the First Nations Advancement Account (FNAA) - Expanded own-source revenues - FMA supports for Indigenous capacities • **Phase 2: Fiscal Reconciliation** - Advance the four principles of reconciliation, including: local capacities and formal education, physical infrastructure, services, and administrative/jurisdictional autonomy - Establish formula-driven federal transfers linked to the principles of reconciliation • **Phase 3: Fiscal Autonomy** - Removal of ISC from all federal transfers - Risk management through the FMA framework, an Indigenous alternative to the ISC oversight framework - Indigenous control over fiscal priorities – empowered through the FNAA

Strength Through Working Together

Current Challenges	Calls to Action
• First Nations have been divided into small and isolated communities • Small populations limit opportunities for economies of scale and cost savings • Negotiating power and buying power have been weakened • The *Indian Act* continues the colonial practice of 'divide and conquer'	Empower interested First Nations to collaborate effectively and add value for their members by: • Establishing the Indigenous Investment Commission – an Indigenous-led organization that provides pooled investment-management services for Indigenous governments, trusts, and institutions • Creating an Indigenous-led insurance offering to serve Indigenous governments and institutions • Facilitating collective Additions to Reserve • Expanding services that can only be made possible by economies of scale and the collective efforts of multiple nations (e.g., Atlantic First Nations Water Authority)

Strengthening First Nations Governance

Current Challenges	Calls to Action
• **Colonialism dismantled the traditional institutions of Indigenous governance – with the federal government still in control of many Indigenous affairs**	• **More self-determination:** - Expanded tools under the FMA - Greater local control over First Nations lands
• **UNDRIP-related legislation has passed in Canada, but there isn't a plan for its practical implementation**	• **More capacity:** - Training and certification program for First Nations leaders – led by FMB and Tulo - Expansion of FMS Shared Services under FMB

• **There is a need to advance Indigenous capacities and provide risk management to advance greater First Nations autonomy**	• **Less risk:**
	- Transition to an ongoing assurance (FMSOA) credential through FMB
	- Creation of the Office of the First Nations Fiscal Officer (FNFO), with the following functions:
	  - Financial and economic advice on Indigenous fiscal/budgetary issues
	  - First Nations auditor general
	  - First Nations fiscal ombudsperson

Less risk, more growth

RoadMap re-frames the question of risk through an optional, implementable, and risk-managed pathway to First Nations self-determination. It is not a one-size-fits-all solution (none exist), but it is an option that will work for many First Nations. First Nations are challenging their partners and stakeholders to consider what carries more risk. On the one hand, RoadMap presents a pathway to systemic change and Indigenous growth based on a framework for accountability and transparency; on the other, there is the continuation of the status quo. Improvements to a broken system are not a long-term solution.

As the Royal Commission on Aboriginal Peoples (RCAP), the Harvard Project, and other research have concluded, it is impossible to unlock Indigenous potential without transferring both the authority and the revenue required to govern. We recognize that it is not easy to relinquish control over Indigenous governments; but RoadMap offers solutions that will work for both the Government of Canada and the 335 FMA First Nations that are calling for change.

> **With the freedom to make their own decisions and the tools to overcome the legacy of colonialism, First Nations will seize their futures and build seventh- generation prosperity.**

This pathway is neither a quick fix to the challenges that many communities face, nor a path that all First Nations governments will choose to take. In fact, the optionality of this path is a recognition of the Indigenous right to self-determination. Instead, this pathway is a response to the needs and desires of many First Nations across Canada, and it is a long-term solution. The transfer of authority and sharing of revenue, underpinned by institutional support, will unleash Indigenous growth. With the freedom to make their own decisions and the tools to overcome the legacy of colonialism, First Nations will seize their futures and build seventh-generation prosperity. With a renewed Indigenous innovation system and the strength that comes from working together, First Nations will break free from the constraints of the past to become part of the future on their own terms. The status quo will only lead to familiar outcomes. It is time to create new paths for First Nations prosperity, for the benefit of First Nations and all Canadians.

Join us on this path.