Breakout 3A: Lessons learned from the collaborative fiscal policy development process

Chair: Dillon Johnson

The chair offered an overview of the origin and timeline of the collaborative process (see ppt presentation). The process includes a number of technical working groups as well as a FTP table. These are organized under two main aspects of “keeping up” and “catching up”.

Speaker 1: Alan Greer

What’s been easy: the people on all sides have shared a common purpose and worked well together.

What’s been hard: complex issues.

The collaboration involves not just moving past ideas to interests, but moving past interests to ideas. Unlike a negotiation, participants are free to explore ideas at the table.

Mutual education has also been a key element. This means more listening and the opportunity to learn from each other and to reach a shared understanding of the facts.

The pace of this project is exceptionally fast compared to comparable federal government processes. The open process creates momentum and energy, propelling the work forward.

A key challenge is the complexity and sheer number of issues. It was necessary to multiply the number of working groups. Partly because of the complexity, it is expected that the product will be an evolving policy, revised in the future.

Prospects for the process are good. Optimism is justified. Serious significant issues to deal with, but a very constructive process.

Speaker 2: Bertha Rabesca Zoe

It took 7 years to do the Tlicho’s first fiscal agreement renewal. New federal policy speaks to a new fiscal relationship developed in collaboration. In beginning of the process there was much mistrust to overcome. This was overcome as a result of a fundamental change in attitude and speaking the same language about decolonization, culture, etc.

Greatest challenge is that the result is a federal government policy, rather than an agreement, so it could be easily reversed by a future government.

Speaker 3: Michael Welters

There has been significant progress under the new process, as compared to under the 2015 policy. The result of this collaborative process will then be subject to federal cabinet approval and ultimately a budgetary appropriation. The process has moved slowly because people needed to get to know each

other, the issues are complex, and participants started off with differing goals. It takes time to build trust. There are a lot of people in the room, a lot of voices.

It needs to be properly resourced. Some indigenous governments have chosen not to participate due to logistical and capacity challenges.

It has been a challenge to develop two new processes at once - fiscal renewal and collaborative policy making. Overall this has worked, as the two processes have been mutually supporting.

It has been very process oriented, but good process is not to be dismissed. It has required balancing priorities, e.g. between harmonising fiscal processes across Canada and having bilateral relationships.

It was important to have Department of Finance in the room, even though it is about an INAC policy.

Q&A

How will this affect lives in the communities? By addressing core needs, improved fiscal agreements will free up other sources of revenue to support programs, e.g. to support vulnerable community members.

How do you report back and seek direction? It can be hard to report back about tangible progress on relationship-building, but this was a crucial step that took 6 months.

Securing resources to support indigenous participation was essential.

Short term challenges: a workable framework for measuring and closing gaps.

Longer term challenges: resources, openness to experimenting and assessing what works and what fails. It is a partnership of all governments.

It is important to build on what we have already done toward government to government relationships. We can expect this approach to eventually expand to include other First Nations beyond the 27 voices of self governing First Nations.

All the resources that currently go into defending treaties could go into governing. How to address the TRC recommendation to close the gap in education in First Nations. Fiscal policy process is working on the issue of the cost of governing (fixed costs of being a government as distinct from costs of programs). Now taking an “expenditure needs” approach to program costs such as education.

FTP discussion has included data sharing, roles of jurisdictions, resourcing, and who does what in program delivery. Existing FTP cost-sharing agreements may be a barrier to First Nations drawing down authorities.

How is Canada going to resource this? E.g. one FN cost of government need estimated at $4M vs current $0.6M funding. Not all self government needs to be funded from transfer payments. Self governing first nations also can exercise authorities to raise their own revenues.

In NWT First Nations are beginning to be involved in collaborative drafting of 8 pieces of legislation, not just policy.

Collaborative drafting is a give and take, it requires parties to live with what they come up with. This is very different from negotiating agreements. Ultimately the FN does not need to buy in to everything in the policy. Rather, it needs to ensure that it is compliant with treaties.

Next steps: a draft recommended policy is anticipated by December. It might then be jointly revised and finalized, or Cabinet might be more directive. Ultimately the collaborative process brings the policy almost to the finish line, but the final step is for Canada to take on its own authority.