

Strong Indigenous Communities

BACKGROUND

BUDGET
2021

No relationship is more important to the federal government than the relationship with Indigenous peoples. The federal government continues to work with Indigenous peoples to build a nation-to-nation, Inuit-Crown, government-to-government relationship—one based on respect, partnership, and recognition of rights.

Through Budget 2021, the federal government is proposing a historic, new investment of over \$18 billion over the next five years, to improve the quality of life and create new opportunities for people living in Indigenous communities. Working with Indigenous partners, these investments will make significant strides in closing gaps between Indigenous and non-Indigenous peoples, support healthy, safe, and prosperous Indigenous communities, and advance meaningful reconciliation with First Nations, Inuit, and the Métis Nation. These investments will support continued action on infrastructure. They will also take meaningful action on the new approach that is needed to end the national tragedy of missing and murdered Indigenous women and girls, one which addresses the root causes and the scope of the violence.

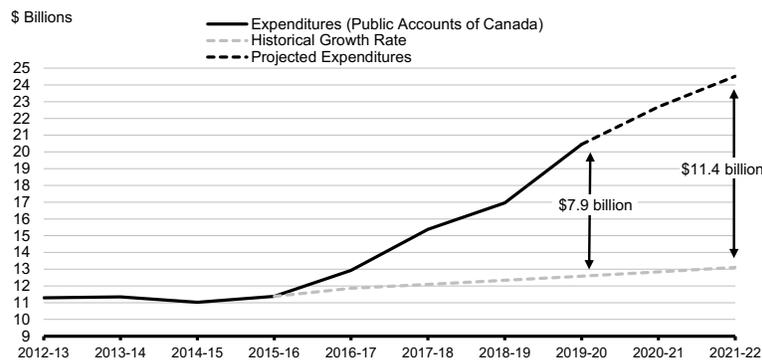
Supporting Indigenous Communities in the Fight Against COVID-19

Since the start of the pandemic, Indigenous communities have faced extraordinary health challenges and continue to be vulnerable to the virus and its variants. The federal government has supported Indigenous communities every step of the way through the pandemic, and will continue to have their backs.

Budget 2021 proposes to provide an additional \$1.2 billion in 2021-22 to continue supporting the COVID-19 response in Indigenous communities as follows:

Investments in Indigenous Priorities (Actual and Projected)

Indigenous Investments: 2012-13 to 2021-22 \$ Billions



Sources: Public Accounts of Canada; Department of Finance Canada.

- \$478.1 million on a cash basis to continue to support the ongoing public health response to COVID-19 in Indigenous communities, including support to hire nurses, help at-risk people to isolate, and distribute personal protective equipment.
- An additional \$760.8 million for the Indigenous Community Support Fund to help First Nations, Inuit, Métis Nation communities, and urban and off-reserve Indigenous organizations serving Indigenous peoples meet the unique needs of their populations during the COVID-19 pandemic.

Vaccination efforts are well underway in Indigenous communities across the country and the federal government continues to work with provinces and territories to make sure Indigenous peoples in cities can get the vaccine too.

Improving Health Outcomes in Indigenous Communities

For far too long, Indigenous peoples have faced poor health care and their communities have experienced reduced health outcomes. To ensure Indigenous peoples can access high-quality health care:

- Budget 2021 proposes to invest \$1.4 billion over five years, beginning in 2021-22, and \$40.6 million ongoing, to maintain essential health care services for First Nations and Inuit, continue work to transform First Nations health systems, and respond to the health impacts of climate change, including:
 - \$774.6 million over five years, beginning in 2021-22, to ensure continued high-quality care through the Non-Insured Health Benefits Program, which supports First Nations and Inuit people with medically necessary services not otherwise covered, such as mental health services, medical travel, medications, and more.
 - \$354 million over five years, beginning in 2021-22, to increase the number of nurses and

- other medical professionals in remote and isolated First Nations communities.
- \$107.1 million over three years, beginning in 2021-22, to continue efforts to transform how health care services are designed and delivered by First Nations communities, building on the government's commitment to improve access to high-quality and culturally relevant health care for Indigenous peoples.
 - \$125.2 million over four years, beginning in 2022-23, to continue to support First Nations communities' reliable access to clean water, and help ensure the safe delivery of health and social services on reserve.
 - \$22.7 million over five years, beginning in 2021-22, to support First Nations and Inuit as they manage the health impacts of climate change, such as access to country food, impacts of extreme weather events, and mental health impacts of climate change on youth.

The pandemic has exacerbated the mental health challenges many Indigenous peoples face.

- Budget 2021 proposes to provide \$597.6 million over three years, starting in 2021-22, for a distinctions-based mental health and wellness strategy with First Nations, Inuit, and the Métis Nation.

Responding to the Tragedy of Missing and Murdered Indigenous Women and Girls

The government is accelerating work on the National Action Plan in response to the National Inquiry into Missing and Murdered Indigenous Women and Girls' Calls for Justice and the implementation of the Truth and Reconciliation Commission's Calls to Action.

Budget 2021 lays out a plan that will build on progress and remain accountable to communities, families, and survivors across Canada. This work is anchored in four interconnected thematic areas from the national inquiry: culture, health and wellness, human security and safety, and justice.

- To help build a safer, stronger, and more inclusive society, Budget 2021 proposes to invest an additional \$2.2 billion over five years, and \$160.9 million ongoing.

This investment would:

- support the preservation, restoration, and promotion of culture and language;
- foster health systems free from racism and discrimination where Indigenous peoples are respected and safe;
- support culturally responsive policing and community safety services in Indigenous communities;
- improve access to justice for Indigenous peoples and support the development of an Indigenous justice strategy to address systemic discrimination and the overrepresentation of Indigenous peoples in the justice system;

- enhance support for Indigenous women's and 2SLGBTQQIA+ organizations; and
- work with Indigenous partners to ensure that appropriate monitoring mechanisms are in place to measure progress and to keep the government accountable, now and in the future.

The proposed Budget 2021 investments build on investments made as part of the 2020 Fall Economic Statement, which announced \$781.5 million over five years, beginning in 2021-22 and \$106.3 million ongoing.

Indigenous Infrastructure

The government is accelerating work to close infrastructure gaps in Indigenous communities, creating good jobs and building healthier, safer, and more prosperous Indigenous communities in the long-term.

- Budget 2021 proposes distinctions-based investments of \$6 billion over five years, starting in 2021-22, with \$388.9 million ongoing, to support infrastructure in Indigenous communities, including:
 - \$4.3 billion over four years, starting in 2021-22, for the Indigenous Community Infrastructure Fund, a distinctions-based fund to support immediate demands, as prioritized by Indigenous partners, with shovel-ready infrastructure projects in First Nations, including with modern-treaty and self-governing First Nations, Inuit, and Métis Nation communities.
 - \$1.7 billion over five years, starting in 2021-22, with \$388.9 million ongoing, to cover the operations and maintenance costs of community infrastructure in First Nations communities on reserve.

Indigenous Early Learning and Child Care

Early learning and child care programs designed by and with Indigenous families and communities give Indigenous children the best start in life. This is a critical part of reconciliation.

- Budget 2021 proposes \$2.5 billion over five years to build on the existing distinctions-based approach to Indigenous Early Learning and Child Care, with a long-term investment in Indigenous-led programming that parallels the government's commitment to provinces and territories.

Providing High-quality Education

A high-quality education is the foundation of success, which every child growing up in Canada deserves no matter where they live. Investing in children's education is an important part of the

government's plan to build long-term economic resilience. In 2019, the federal government implemented a new, co-developed policy and funding approach to better support the needs of First Nations students on reserve.

- To invest in the future of First Nations children and continue to support this new approach, Budget 2021 proposes to invest \$1.2 billion over five years, and \$181.8 million ongoing. This will include funding to extend COVID-19 support so children on reserve can continue to attend school safely, ensure funding for First Nations schools remains predictable from year to year, and expand access to adult education by supporting First Nations people on reserve who wish to return to high school in their communities and complete their high school education.

Supporting Indigenous Post-secondary Education during COVID-19

The pandemic continues to affect Indigenous post-secondary students and institutions. To help Indigenous students complete their studies and ensure that Indigenous-led post-secondary institutions can provide online services and continue to implement health and safety measures:

- Budget 2021 proposes to provide \$150.6 million to support Indigenous students through the Post-Secondary Student Support Program and the Inuit and Métis Nation Post-Secondary Education Strategies. This support would help offset income lost due to COVID-19 that many Indigenous students rely on to pay for tuition, books, housing, and other living expenses.
- To support Indigenous post-secondary institutions during COVID-19, Budget 2021 also proposes to provide \$26.4 million, in 2021-22, through the Post-Secondary Partnerships Program and the Inuit and Métis Nation Post-Secondary Education Strategies.

Supporting Indigenous Economies During COVID-19

The COVID-19 pandemic has had a significant impact on Indigenous communities and businesses. Public health measures have affected many of the revenue sources communities use to support service delivery and pay loans which have been taken out to support community, economic development, and jobs.

To ensure the long-term resilience of Indigenous economies, Budget 2021 proposes to provide:

- \$117 million to renew the Indigenous Community Business Fund.
- \$33.4 million to support the First Nations Finance Authority pooled borrowing regime.

Support for Indigenous Entrepreneurs

The Aboriginal Entrepreneurship Program helps Indigenous entrepreneurs access affordable loans to start and grow their businesses.

- Budget 2021 proposes to invest \$42 million over three years, starting in 2021-22, to expand the Aboriginal Entrepreneurship Program. This will directly support Indigenous-led businesses and help Indigenous communities generate wealth by improving access to capital and business opportunities.

Currently, only 36 per cent of Indigenous-led businesses are owned by women.

- Budget 2021 proposes to invest \$22 million over three years, starting in 2021-22, to support the National Aboriginal Capital Corporations Association's (NACCA) Indigenous Women's Entrepreneurship Initiative.

Supporting Indigenous Children and Families

The government is committed to supporting the well-being of Indigenous children and families. Work continues with Indigenous leadership to reform child and family services so that all Indigenous children have the opportunity to grow up in their communities, immersed in their cultures, and surrounded by loved ones.

- To support this important work, Budget 2021 proposes to provide \$1 billion over five years, starting in 2021-22, with \$118.7 million ongoing to increase funding under the First Nations Child and Family Services Program.

The government will also continue to support First Nations, Inuit, and Métis communities in developing their own child and family services models that reflect their values and traditions under the *Act Respecting First Nations, Inuit and Métis children, youth and families*.

- Budget 2021 proposes to provide \$73.6 million over four years, starting in 2021-22, to support the implementation of the *Act Respecting First Nations, Inuit and Métis children, youth and families*.

Commemorating the Legacy of Residential Schools

The Residential School System is a shameful, tragic, and defining part of Canada's history. It was born of colonial practices that left negative impacts on generations of Indigenous peoples. As part of our collective duty to remember.

- Budget 2021 proposes to provide \$13.4 million over five years, with \$2.4 million ongoing, to Canadian Heritage for events to commemorate the history and legacy of residential schools, and to honour survivors, their families, and communities, as well as to support celebrations and

commemoration events during the proposed National Day for Truth and Reconciliation.

Implementation of Legislation on the United Nations Declaration on the Rights of Indigenous Peoples

The United Nations Declaration on the Rights of Indigenous Peoples is the most comprehensive international instrument on the rights of Indigenous peoples. In December 2020, the government introduced Bill C-15, United Nations Declaration on the Rights of Indigenous Peoples Act, which was developed with Indigenous partners, fulfilling its commitment to introduce legislation to implement the Declaration.

- Budget 2021 proposes to provide \$31.5 million over two years, starting in 2021-22, to support the co-development of an Action Plan with Indigenous partners to implement this legislation and to achieve the objectives of the Declaration. This process will support Indigenous self-determination and enhance nation-to-nation, Inuit-Crown and government-to-government relationships.

Escalating 10-Year Grant Funding

To help advance a new fiscal relationship with First Nations, a new 10-year grant funding mechanism was implemented in 2019. The government has also committed to escalate the 10-year grants to address price and population growth, and ensure that funding keeps pace with the needs of First Nations.

- Budget 2021 proposes to provide \$2.7 billion over ten years, starting in 2021-22, to ensure that funding for core programs and services provided through the 10-year grants addresses key cost drivers. Escalation will be based on inflation and the population of each community, but a minimum of 2 per cent annual growth will be provided to ensure that First Nations within the grant receive stable and predictable funding. This will strengthen communities' ability to design and deliver services in a manner that reflects community priorities.