



Affaires indiennes
et du Nord Canada

Indian and Northern
Affairs Canada

Sous-ministre
adjoint principal

Senior Assistant
Deputy Minister

Ottawa, Canada
K1A 0H4

SEP 27 2010

Grand Chief Sam Gargan
Dehcho First Nation
PO Box 89
FORT SIMPSON NT X0E 0N0

Dear Grand Chief Gargan:

I am writing to inform you of efforts by the Government of Canada to develop a new, national approach to how it determines the financial support it provides to self-governing Aboriginal groups.

As announced by Indian and Northern Affairs Canada on March 2, 2010, and as we discussed at the Dehcho Main Table in May, the new policy is being designed to ensure greater consistency and transparency in Canada's approach to fiscal arrangements.

During the development of this new approach, treaty and self-government negotiations will continue. Where appropriate, federal negotiators will seek to ensure that agreements are compatible with the new approach. To discuss how the new approach will affect federal negotiation proposals, I suggest that you speak directly to federal negotiators.

Under the current approach, the federal government negotiates funding levels with each Aboriginal government every five or more years. These negotiations can be time consuming, contentious and costly for all parties. For Canada, the approach is increasingly difficult to manage as the number of self-governing Aboriginal groups increases. Some Aboriginal groups have expressed concern about the costs of delays and the lack of transparency around how funding levels are established.

The intent of the new approach is to manage fiscal relations between the federal government and Aboriginal governments in a manner more consistent with the formula-based approaches employed in fiscal arrangements between Canada and the provinces, and Canada and the territories.

It is anticipated that the new approach will include features such as:

- a published federal policy clearly articulating the parameters for Canada's financial support of self-governing Aboriginal groups;
- a formula-based funding model to calculate the level of federal transfers needed to support Aboriginal government programs, taking into account each Aboriginal government's ability to contribute to funding of these programs from its own revenues;
- an ongoing technical, advisory process for officials from Aboriginal governments, provinces, territories and Canada to discuss the operation of the new approach;
- measures to ensure that the differing circumstances of Aboriginal groups are taken into account in implementing these arrangements; and
- provisions to ensure that Aboriginal governments funded under these arrangements meet the appropriate accountability and public reporting standards.

Federal officials are currently in the early stages of developing the proposed new approach. To get feedback on the federal proposal, we intend to engage in discussions with Aboriginal, provincial and territorial governments, and groups in negotiations towards self-government, beginning in early 2011. The Dehcho First Nations will be invited to participate in this process and I look forward to hearing your input.

Once the federal proposal is developed, officials from the Treaties and Aboriginal Government Sector of Indian and Northern Affairs Canada will share a copy of it with you, along with details on meetings to discuss the proposal. In the meantime, if you have any questions about this initiative, please contact Eric Poirier, Senior Negotiator at (819) 934-3362.

Sincerely,



Jos. Michel Roy
Senior Assistant Deputy Minister
Treaties and Aboriginal Government

c.c.: Tim Christian, Chief Federal Negotiator
Steve Iveson, Territorial Government Negotiator

Tim Christian
Chief Federal Negotiator
91 St., Georges Crescent
EDMONTON, AB T5N 3M7
Fax: (780) 454-7584

Steve Iveson
Chief Negotiator
Government of the Northwest Territories
Aboriginal Affairs & Intergovernmental
Relations
P.O. Box 1320
YELLOWKNIFE, NT X1A 2P2
Tel: (867) 920-2198
Fax: (867) 873-0234
Email: steveiveson@theedge.ca