

ADVANCING INDIGENOUS ECONOMIC RECONCILIATION: A SUMMARY OF THE 2023 FEDERAL BUDGET

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Truth and reconciliation

CIBC proudly acknowledges the unique histories, cultures, and contributions of Indigenous communities in Canada, and accepts the responsibility as an institution to contribute to education as well as creating respectful relationships with Indigenous communities. CIBC has formally launched a Reconciliation Action Committee to build a framework with clear and measurable commitments that will accelerate progress while responding to Call to Action #92 of the Truth and Reconciliation Commission of Canada.



Introduction

The CIBC Indigenous Markets team has carefully reviewed the 2023 federal budget and wishes to provide our clients with a comprehensive summary of key highlights. As a responsible and socially conscious investment firm, we believe it's our duty to keep our clients informed about the latest developments in government policies that impact the Indigenous communities we serve.

While we acknowledge that there is still much work to be done by the federal government to address the needs and aspirations of Indigenous Peoples, we are encouraged by the steps taken in the budget towards advancing the economic and social wellbeing of Indigenous communities across Canada.

In this paper, we will highlight key aspects of the budget that support Indigenous economic participation. This includes advancing economic reconciliation, increasing Indigenous participation in environmental decision-making, creating prosperity with Indigenous Peoples, supporting Indigenous governance and capacity, and supporting First Nations women and children.

National action plan to end the tragedy of missing and murdered Indigenous women and girls

The federal government is working with Indigenous partners to accelerate the implementation of the Federal Pathway to Address Missing and Murdered Indigenous Women, Girls and 2SLGBTQIA+ People. The budget proposes several investments to support Indigenous-led projects for safer communities, provide victim services and enhance support for families of missing and murdered Indigenous people. It also establishes an oversight mechanism to monitor progress and facilitate work on advancing the national action plan through a standing Federal-Provincial-Territorial-Indigenous table. Additionally, the government will provide funding to support the National Family and Survivors Circle and to establish an Indigenous and human rights ombudsperson.

First Nations children

The federal government is dedicated to ensuring that First Nations children receive the necessary support to thrive, and communities receive support to keep families together. The government works with First Nations partners to implement Jordan's Principle, which provides children with the health, social, and educational resources they require. The government also supports community-led solutions to reduce the number of children in care and encourages First Nations to develop their own child and family services. The budget will provide \$171 million in 2022-23 to Indigenous Services Canada to maintain Jordan's Principle support, and \$444.2 million over three years to support Peguis First Nation and Louis Bull Tribe First Nation to exercise jurisdiction over their own child welfare systems.

Health care

The budget focuses on improving Canada's universal public health system to deliver high-quality care that Canadians deserve. Despite high levels of health care spending, Canadians were not receiving the access and outcomes they deserved even before COVID-19. The federal government plans to provide an additional \$195.8 billion over ten years in health transfers to provinces and territories. This includes \$46.2 billion in new funding through new Canada Health Transfer measures, tailored bilateral agreements, personal support worker wage support, and a Territorial Health Investment Fund. The federal government will also provide \$2 billion over ten years on a distinctions basis through the Indigenous Health Equity Fund to work with Indigenous partners and address Indigenous health priorities. These investments will strengthen Canada's public health care system, ensuring Canadians receive the care they need, and promote a healthier economy.

Creating prosperity with Indigenous Peoples

The budget recognizes that economic reconciliation is essential to Indigenous self-determination and proposes to allocate \$5 million

to Indigenous Services Canada to support the co-development of an Economic Reconciliation Framework with Indigenous partners. This framework will increase economic opportunities for Indigenous Peoples, communities, and businesses by removing systemic barriers and promoting measures that reflect their unique needs, perspectives, and interests. The framework will build on recent Indigenous-led initiatives such as the National Indigenous Economic Strategy and the First Nations Financial Management Board's RoadMap project.

Advancing gender equality in Canada

The federal government has made record investments since 2015 to support women and gender-diverse people in Canada, but women still face unique barriers. The budget proposes \$160 million over three years to provide funding to organizations that serve women, with a focus on maintaining funding levels for Canadian women's organizations and equity-deserving groups. This includes Indigenous women, women with disabilities, members of the 2SLGBTQI+ communities, and newcomer, Black, racialized, and migrant women.

Investing in an Urban, Rural, and Northern Indigenous Housing Strategy

The federal government has committed over \$6.7 billion since 2015 to support housing in Indigenous communities. However, Indigenous people living in urban, rural, and northern areas face unique challenges accessing adequate housing and do not qualify for support provided to Indigenous people living on reserves. To address this, the 2022 budget allocated \$300 million towards an Urban, Rural, and Northern Indigenous Housing Strategy that is currently being co-developed with Indigenous partners. The 2023 budget proposed an additional \$4 billion over seven years, starting in 2024-25, to implement this strategy.

Unlocking the potential of First Nations lands

The federal government is committed to supporting Indigenous self-determination through initiatives that return control and decision-making over First Nations lands to their communities. The budget proposes \$30 million to enhance the Reserve Land and Environment Management Program, \$35.3 million to co-develop a new First Nations-led national land registry, and a renewed operating funding formula with the Lands Advisory Board. These initiatives will enable First Nations communities to exercise increased responsibility over their lands and resources, promoting economic growth and self-determination.

Getting major projects done

The budget aims to expedite major project reviews to support the building of a more sustainable, secure, and affordable electricity grid, critical mineral extraction, and other major projects. The federal government has taken steps to fast-track the assessment of mining, energy, and other major projects,

including providing direct assistance to critical mineral developers in navigating regulatory processes and government support measures. The government also proposes to engage with Indigenous communities and update federal guidelines to fulfil the Crown's duty to consult Indigenous Peoples and accommodate impacts on their rights. Additionally, the budget announces investments in improving Indigenous economic participation in major projects and increased support for the participation of Indigenous Peoples and other northerners in environmental and regulatory assessments of major projects in the north.

Supporting Indigenous economic participation in major projects

The budget outlines the federal government's commitment to improving the benefits that Indigenous communities receive from major projects in their territories, including through increased participation as partners. The government plans to provide \$8.7 million to Natural Resources Canada to develop a National Benefits-Sharing Framework, and the Canada Infrastructure Bank will offer loans to Indigenous communities to purchase equity stakes in infrastructure projects. The government also aims to explore additional federal supports to increase access to capital for Indigenous groups to invest in major resource projects.

Supporting clean energy projects

The budget proposes to provide \$3 billion over 13 years, starting in 2023-24, to Natural Resources Canada to support the building of a more sustainable, secure, and affordable electricity grid. In particular, the Smart Renewables and Electrification Pathways Program will be recapitalized to support critical regional priorities and Indigenous-led projects, with transmission projects also becoming eligible. This investment aims to support Indigenous communities in developing their own renewable energy projects and advancing their energy sovereignty. The Smart Grid Program will also be renewed to continue supporting electricity grid innovation, and new investments in science-based activities will be created to capitalize on Canada's offshore wind potential, particularly off the coasts of Nova Scotia and Newfoundland and Labrador.

Increasing Indigenous participation in northern environmental decision-making

The budget recognizes the importance of Indigenous participation in northern environmental decision-making processes, which is an example of self-determination in action. The government proposes to provide \$19.4 million over five years to increase the participation of Indigenous Peoples and other northerners in environmental and regulatory assessments of major projects through the Northern Participant Funding Program. Additionally, \$1.6 million over two years will be

provided to the Northern Projects Management Office to increase capacity for federal participation in environmental assessments and consultation with Indigenous communities on major projects in the territories.

Supporting Indigenous governance and capacity

First Nations governments need resources to meet the needs of their communities and deliver the services and programs their communities rely on. Supporting First Nations governments is an essential part of supporting self-determination.

The budget proposes to provide \$76.3 million in 2023-24 to Indigenous Services Canada to continue to support the administrative capacity of First Nations governments and tribal councils in delivering critical programs and services to their members.

Gottfriedson Band Class Settlement Agreement

The residential school system forcibly assimilated Indigenous children and caused harm that still affects First Nations, Inuit, and Métis children and families today. To address these harms, the federal government signed an agreement to compensate 325 bands as part of the Gottfriedson Band Class litigation. The budget provides \$2.8 billion to establish a trust to support healing, wellness, education, heritage, language, and commemoration activities. The government will also propose legislative amendments to exclude the income and gains of the trust from taxation.

A step forward

In conclusion, the 2023 Federal Budget represents a step forward in supporting Indigenous economic participation and advancing economic reconciliation. While there is still much work to be done, the budget's measures to expedite major project reviews, engage with Indigenous communities, and support their participation in environmental and regulatory assessments are commendable. Additionally, the budget's investments in improving Indigenous economic participation and supporting Indigenous governance and capacity are important steps towards creating prosperity with Indigenous Peoples.

At CIBC Asset Management, we are proud to be involved in supporting Indigenous Nations and communities to meet their financial needs. Our commitment to Indigenous economic development is long-standing, and we remain dedicated to partnering with Indigenous communities and businesses to build a more prosperous and sustainable future for all. We look forward to continuing our work with Indigenous partners in the years ahead.

Let's connect

Should you have any questions about this report, or would like to explore how CIBC can help you and your Nation, please do not hesitate to connect with us.



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About CIBC Asset Management, Indigenous Markets

As a North American leader in the financial industry, CIBC Asset Management is committed to supporting First Nations, Métis, and Inuit communities in achieving wellness and financial prosperity. We work in partnership with Chief and Council, trustees, and community members to manage assets with respect to culture, beliefs and values.

Our partnership model can create a significant impact through building long-term relationships, offering financial expertise, and transferring knowledge with community leaders and members to improve financial prosperity.

CIBC Asset Management capabilities

CIBC Asset Management's Indigenous Markets team is dedicated to providing comprehensive financial solutions to Indigenous communities across Canada. Our team's capabilities include the following:

- A strong culture of sustainability
- A long history of working with Indigenous communities to achieve their goals
- A dedicated team of equity, fixed income, alternative, liability-driven investment (LDI) and environmental, social and governance (ESG) investment professionals available to propose customized solutions
- A culturally relevant and tailored suite of financial literacy programs that can be offered in communities to help members develop comprehensive financial plans
- A commitment to research and thought leadership based on your needs
- Investment research that pursues superior performance and outcomes

Contact us any time

To learn more about this report and how we can help your Nation or community, please contact [Jean-François Bélanger](#).

For more insights, connect with us on [LinkedIn](#) and [Twitter](#).

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