



What is the history of this issue and how does it impact First Nations?

As the world economy attempts to rebound from the negative impacts of the COVID-19 pandemic, the Canadian marketplace now faces new socioeconomic challenges which have placed the First Nation infrastructure gap at risk of widening even further. The global health crisis has had a trilateral impact on the construction industry, by increasing costs in manufacturing, supply chain issues, and labour market shortages which threaten First Nations' capacity to fund and complete their shovel-ready infrastructure projects across the country.

The pandemic has also amplified the immediate need to address the First Nations housing crisis, as inadequate housing supply leads to overcrowding which then exacerbates outbreaks. While housing is an immediate issue that needs to be addressed, the preceding investments in infrastructure are needed to support new homes, as many First Nations still face challenges with adequate water and wastewater systems to support new developments.

Due to their more rural and remote locations, First Nations are more vulnerable to the impacts of climate change than their urban neighbours. The increased instances of extreme weather events have displaced First Nations as evacuation orders are issued due to flooding, droughts, forest fires, and other weather events due to global warming. Climate resiliency must be incorporated into the ongoing development of First Nations' on-reserve infrastructure assets and efforts to close the infrastructure gap.

Prime Minister Justin Trudeau committed to closing the infrastructure gap in his September 2020 Speech from the Throne and issued a mandate letter to the Minister of Indigenous Services Canada (ISC), Patty Hajdu, to close this gap by 2030. The AFN Infrastructure sector continues to advocate for major investments in critical and essential infrastructure.

How has the AFN's recent advocacy affected this area?

The AFN Infrastructure Sector continues to advocate for major federal government investments in urgently needed critical infrastructure, as well as for the creation of First Nations-led policies and solutions which address access to clean drinking water and adequate essential infrastructure services. The First Nations-in-Assembly directed the AFN through Resolution 26/2021 *Support for Closing the Infrastructure Gap by 2030* to call on the federal government to work in full partnership and engage meaningfully with First Nations on First Nations-defined infrastructure needs, including a dedicated investigation into true housing and infrastructure needs and the co-development of an infrastructure plan to support closing the gap. The AFN Infrastructure Sector is in a preliminary co-development process with our federal partners to



identify the costs associated with closing the infrastructure gap to inform the upcoming federal budget submission.

As a result of sustained advocacy, the federal government has agreed to work with the AFN towards the co-development of Operations and Maintenance (O&M) policy reform, which has been directed by the First Nations-in-Assembly through Resolution 82/2019, *Support for Continuing Development of Indigenous Services Canada Revised Operations and Maintenance Policy and Full Funding of First Nations Operations and Maintenance Needs*. This work is a high priority towards funding reform of First Nations Infrastructure Assets. To support the identification of First Nations' overall infrastructure needs and O&M reform, the Infrastructure Sector has completed a National First Nations Assets Needs Study. The study will inform Canada on the investment needs for on-reserve ISC-funded assets for renewal, upgrades, growth and the ongoing O&M costs of such assets. The data and cost substantiation from the study will inform ongoing O&M policy reform efforts. Further work will be conducted as the findings from the study are published and limitations addressed in the upcoming calendar year including the issue of climate change resiliency.

Included in the AFN Infrastructure Sector's work on policy reform is its overview of ISC's "Tendering policy on federally funded capital projects for First Nations on reserve." A final report with recommendations on policy revisions has been completed and submitted to a group of AFN technicians. The recommendations are intended to alleviate the administrative and financial burden of federal policies which impede First Nations from effectively tendering and completing infrastructure projects.

Additionally, the AFN Infrastructure Sector is co-developing a new First Nations-led Fire Protection Strategy which incorporates First Nations Fire Chiefs' input from across Canada and will be used to inform and direct funding by our federal partners to improve fire protection resources on-reserve.

Where do we hope to go in the future?

The AFN Infrastructure Sector continues our work in four main areas:

1) O&M Policy Reform:

- ISC's current O&M Policy for funded assets on First Nations is outdated and does not adequately address asset repairs and maintenance costs. A review of its level of service standards is needed.



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- Funding reform of First Nation Infrastructure Assets and addressing the 2020 Speech from the Throne commitment to close the First Nations infrastructure gap by 2030 is a high priority for the sector.

2) Asset Management Planning (AMP)

- The AFN Infrastructure Sector is working towards developing a First Nations-led Asset Management Planning (AMP) approach, building on past commitments, and increasing and expanding our collective awareness and knowledge of asset management and the role that AMP plays in decision-making in asset funding. In 2022, the Infrastructure Sector hosted its first annual National Asset Management Conference which promoted the asset management planning approach for First Nations' on-reserve infrastructure.

3) National First Nations Assets Needs Study

- To fully understand the difficulties First Nations face, the infrastructure gap must first be defined. The National First Nations Assets Needs study will gather data, identify current First Nations assets, and prepare an analysis of current and future infrastructure needs.
- The sector continues to work with the federal government to identify infrastructure needs for First Nations in all areas (both immediate and future), including operations and maintenance needs to fully protect all assets.

4) Closing the Infrastructure Gap by 2030.

- The 2020 Fall Economic Statement committed \$25.9 million to “accelerate the government’s ten-year commitment to close the infrastructure gap in Indigenous communities by supporting the co-development of infrastructure plans with Indigenous partners, which will pave the way to address critical needs in First Nations, Inuit and Métis Nation communities.”
- The sector will continue to work with ISC to ensure the engagement and co-development process respects the direction provided by the First Nations-in-Assembly resolution to close the infrastructure gap.