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FACT SHEET - NEGOTIATION SUPPORT FUNDING

Overview

The 1991 Report of the BC Claims Task Force established three main roles for the BC Treaty Commission: facilitation, public information and funding. The Treaty Commission allocates negotiation support funding so that First Nations can prepare for and carry out negotiations on more even footing with the provincial and federal governments. Eighty per cent is provided as loans from the federal government, and 20 per cent as grants from the federal and provincial governments. The federal government provides 60 per cent of the grant funding and the provincial government provides 40 per cent.

Allocation

Funding allocations take into account varying First Nation population sizes, number of communities, geographic location, size of territory, travel requirements, extent of overlaps, stage and intensity of negotiations and anticipated complexity of issues.

Under allocation criteria established by Canada, BC and the First Nations Summit, funding allocations must be neutral, fair and equitable, clear, simple and understandable and reflect the government-to-government nature of the relationship between negotiating parties. In addition, funding must be sufficient to meet First Nations' needs in negotiations, and the Treaty Commission and First Nations must be accountable for funds they receive.

To promote efficient negotiations, the Treaty Commission encourages small First Nations to join with other First Nations in the negotiation process, and funds many small First Nations who decide to negotiate jointly. First Nations entering the negotiation process independently must have a minimum of 100 members to receive negotiation support funding.

Since opening its doors in May 1993 the Treaty Commission has allocated approximately \$222 million in negotiation support funding to more than 50 First Nations— \$177 million in the form of loans and \$45 million in the form of contributions.

Annual Audit Report

For each fiscal year a First Nation has received negotiation support funding, it must submit audited financial statements to the Treaty Commission. The audit statement must cover all contribution payments and loan advances received under the agreement, all expenditures, and any unspent funds from previous agreements. In addition to the

annual audit, First Nations are required to submit certified financial statements shortly after each fiscal year end.

Repayment of Loans

A loan is due by any First Nation to Canada on the earliest of the following dates: the date a treaty takes effect; the twelfth anniversary of the first loan advance; the seventh anniversary of an agreement-in-principle signing; or when the Federal Minister demands payment of loan due to default of a First Nation Funding Agreement.

Interest on Loan Advances

Loan advances made before the signing of an agreement in principle do not accrue interest until the loan becomes due and payable; advances made after an agreement in principle is signed accrue interest from the date of the advance.

Disclosure of financial information

The Treaty Commission, in each fiscal year, will disclose the total amount of loan and grant negotiation support funding to First Nations. It will not disclose allocations of loan or grant funding to individual First Nations, as disclosure of First Nation financial information may impact negotiations.

About the BC Treaty Commission

The BC Treaty Commission is the independent and neutral body created to facilitate treaty negotiations among First Nations and the governments of Canada and British Columbia.

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