

Activity Sheet: 18-1

SUBJECT: Fiscal Financing Agreements**OBLIGATION:** Negotiate and renew Fiscal Financing Agreements
18.1.1**PARTIES:** Labrador Inuit Association / Nunatsiavut Government
Province - Department of Labrador and Aboriginal Affairs
Canada - Department of Indian and Northern Affairs

| | <i>Activities</i> | <i>Responsibility</i> | <i>Timing</i> |
|---|--|--|--|
| 1 | Negotiate initial Fiscal Financing Agreement taking into account section 18.2.1 and section 18.2.3 of the Agreement. | Labrador Inuit Association Province - Department of Labrador and Aboriginal Affairs Canada - Department of Indian and Northern Affairs | Prior to Effective Date. |
| 2 | Enter into first Fiscal Financing Agreement for a period of five years or as agreed. | Nunatsiavut Government Province Canada | Upon Effective Date. |
| 3 | Begin discussions for the renewal of the Fiscal Financing Agreement. | Nunatsiavut Government Province - Department of Labrador and Aboriginal Affairs Canada - Department of Indian and Northern Affairs | 1 year prior to the expiration of existing Fiscal Financing Agreement. |
| 4 | Enter into renewed Fiscal Financing Agreement. | Nunatsiavut Government Province Canada | Every five years or at any other intervals agreed to by the Parties. |

PLANNING ASSUMPTIONS, GUIDELINES AND EXPLANATIONS

If a Fiscal Financing Agreement expires before the Parties negotiate a successor agreement, the terms of the Fiscal Financing Agreement shall continue in effect for a period of two years after its original expiry date, or any additional period agreed to by the Parties (18.1.5).

The Fiscal Financing Agreement shall not form part of the Agreement and is not intended to be a treaty or land claims agreement and is not intended to recognize or affirm aboriginal or treaty rights within the meaning of sections 25 or 35 of the *Constitution Act, 1982* (18.1.2).

Fiscal Financing Agreements are subject to the appropriation of funds by each Party's respective legislatures (18.1.3).

FINAL AGREEMENT PROVISIONS

18.1.1 Every five years, or at other intervals agreed to by the Parties, the Parties will negotiate a Fiscal Financing Agreement by which funding will be provided to the Nunatsiavut Government for the provision of programs and services, to be agreed upon in the Fiscal Financing Agreement, to Inuit and, where applicable, to other Persons in the Inuit Communities, at levels reasonably comparable to programs and services generally prevailing in communities of similar size and circumstances in Labrador.

CROSS-REFERENCED AND RELATED PROVISIONS

18.2.1 & 18.2.3 - Fiscal Financing Agreement negotiations.

SUBJECT: Fiscal Financing Agreements

OBLIGATION: Negotiate and renew own-source revenue capacity agreement
18.3.1 & 18.3.2

PARTIES: Labrador Inuit Association / Nunatsiavut Government
Province - Department of Labrador and Aboriginal Affairs
- Department of Finance
Canada - Department of Indian and Northern Affairs

| | <i>Activities</i> | <i>Responsibility</i> | <i>Timing</i> |
|---|---|--|---|
| 1 | Negotiate initial own-source revenue capacity agreement taking into account section 18.3.2. of the Agreement. | Labrador Inuit Association Province - Department of Labrador and Aboriginal Affairs Province - Department of Finance Canada - Department of Indian and Northern Affairs | Prior to the Effective Date. |
| 2 | Enter into first own- source revenue capacity agreement for a period of ten years or as agreed. | Nunatsiavut Government Province Canada | Upon Effective Date. |
| 3 | Begin discussions for the renewal of the own-source revenue capacity agreement | Nunatsiavut Government Province - Department of Labrador and Aboriginal Affairs Province - Department of Finance Canada - Department of Indian and Northern Affairs | 1 year prior to the expiration of existing own-source revenue capacity agreement. |
| 4 | Enter into renewed own-source revenue capacity agreement. | Nunatsiavut Government Province Canada | Every ten years or at any other intervals agreed to by the Parties. |

FINAL AGREEMENT PROVISIONS

- 18.3.1 Every ten years or at other intervals agreed to by the Parties, the Parties shall negotiate the manner in which the Nunatsiavut Government's own-source revenue capacity will be taken into account under the relevant Fiscal Financing Agreements.
- 18.3.2 In determining the Nunatsiavut Government's own-source revenue capacity and the manner in which it will be taken into account, the Parties shall apply the following:
- (a) the Nunatsiavut Government's own-source revenue capacity shall not include any Capital Transfer payments received by the Designated Inuit Organization or Inuit;
 - (b) the Nunatsiavut Government's own-source revenue capacity shall not include any implementation payments, or any interest thereon, received by the Nunatsiavut Government under chapter 23;
 - (c) there shall be a fair basis of comparison between the Nunatsiavut Government's revenue capacity from commercial activities carried on by the Nunatsiavut Government, including wholly owned corporations, and revenue capacity of other Canadian governments from taxation of similar commercial activities;
 - (d) the Nunatsiavut Government's own-source revenue capacity shall not include the Revenue received by the Nunatsiavut Government from the Province under part 7.5;
 - (e) the Nunatsiavut Government's own-source revenue capacity shall not include proceeds from the sale or Expropriation of Labrador Inuit Lands;
 - (f) the Nunatsiavut Government's own-source revenue capacity shall not be taken into account so as to reduce unreasonably the incentive of the Nunatsiavut Government or Inuit Community Governments to raise revenues; and
 - (g) the Nunatsiavut Government's own-source revenue capacity shall be phased in gradually over periods agreed to by the Parties.