Emergency funding for COVID-19: Responses and support to Indigenous Peoples

Institute of Fiscal Studies and Democracy at the University of Ottawa
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Responses and support to Indigenous Peoples

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SUMMARY
The pandemic has sent economies into recession, is stressing health systems and the people they serve. In response, the Government of Canada has introduced a variety of interim measures to ease the immediate financial pain caused by the pandemic.

While all economic sectors and people have been in some way affected by the pandemic, vulnerable populations or populations with pre-existing social and economic challenges may be more severely burdened. Indigenous Peoples, and especially, First Nations living on-reserve with overcrowded housing, limited access to social and health services, and higher incidences of child and family services interventions, are at greater risk of ramifications.

Recognizing the particular challenges, Indigenous Services Canada (ISC) announced $305 million for the Indigenous Community Services Fund on March 26, 2020. This funding is to be distributed across groups of Indigenous Peoples, with 65% of the funding attributed to First Nations.

When considering three parameters for assessing resource allocation and distribution (allocation, flow and speed), the announced funding falls short. While funding will flow principally to First Nations communities, there is no definition of targeted people or services. Without a plan, the impact of emergency funding may be limited.

Precedents exist to better allocate and distribute funding in crisis situations. Four broad approaches to distributing emergency funding can be defined (see Appendix 1 for more detail), each with its own trade-offs in allocation, flow and speed. These approaches have clear targets and intentions, e.g. immediate financial relief allocated directly to a recipient, or long-term disaster mitigation planning. To address needs in an emergency and to build resiliency for the next unexpected situation, funding targets, approaches and amounts will differ.

There are models of planned and targeted emergency response. Consider for instance, Dakota Ojibway Child and Family Services (DOCFS), based in Manitoba (see Appendix 2 for the case study). The organization has a well-developed business continuity plan that can be actioned in one half-day. From staff roles to connections with other branches of the Tribal Council, DOCFS works to fulfill the emergency needs of the people they serve from the procurement and delivery of food to personal items.
Emergency funding is a tool that should have clearly defined purposes to reach those in need in moments of crisis. Allocating funding is one step, getting it to work is another.

Introduction
The pandemic has sent economies into recession and is stressing health systems and the people they serve. In response, the Government of Canada has introduced a variety of interim measures to ease the immediate financial pain caused by the pandemic.

While all economic sectors and people have been in some way affected by the pandemic, vulnerable populations or populations with pre-existing social and economic challenges may be more severely burdened. Indigenous Peoples, and especially, First Nations living on-reserve with overcrowded housing, limited access to social and health services, and higher incidences of child and family services interventions, are at greater risk of ramifications.

Recognizing the particular challenges, Indigenous Services Canada (ISC) announced $305 million for the Indigenous Community Services Fund on March 26, 2020. This funding is to be distributed across groups of Indigenous Peoples, with 65% of the funding attributed to First Nations. In mid-April, nearly $307 million was announced for Aboriginal businesses, largely made available through Indigenous financial institutions through short-term interest free loans, and non-repayable contributions. On May 21, 2020, another $75 million was allocated to urban Indigenous Peoples (above the original allocation of $15 million).
To provide a rough comparative basis on which to understand the funding, per capita calculations suggest that First Nations on-reserve receive approximately $645 per person, Inuit receive approximately $700, with Métis and Urban Indigenous Peoples receiving substantively less on a per capita basis:

Most of the total funding (approximately $290 million or 92%) is being allocated on a regional basis. Since funding for urban Indigenous services is proposal-based, there is no defined regional association (until the funding is allocated).
On a per capita basis, Northwest Territories receive the highest per capita funding amounts and Ontario receives the lowest.

At the time of writing, ISC had not released information on if and when allocated resources have flowed to participants. For the funding allocated by proposal, the deadline for proposals was April 13, 2020.

Beyond the dollar amounts, there are three principal considerations on resources:

1) The way in which funding is allocated (i.e. who gets what)
2) The way in which funding flows (i.e. how money moves to recipients)
3) The speed with which funding is distributed (i.e. when it flows to recipients)

Allocation
ISC defines population, remoteness and need as three parameters for distributing funding to First Nations. ISC can be credited with identifying relevant factors for funding with some detail on how the allocations will be made. Each self-governing First Nation will receive a base amount of $50,000 with adjustments for their on-reserve population (based on Census 2016 data), as well as for remoteness, and for their Community Wellbeing Index score. The application, however, of the remoteness and wellbeing factors remain unclear. Furthermore, there is no further publicly available information on the principles for allocating funding among all other First Nations. This is an
important gap for the allocation of hundreds of millions of dollars. Inuit Regional Corporations will receive funding based on a funding formula agreed to by the Inuit Tapiriit Kanatami (ITK) Board of Directors. Funding for Métis will flow through “existing mechanisms” with a “standard distribution model” to determine the amount received on a regional basis.

Flow
On the matter of funding flows, ISC defined different means of moving money based on recipient group. For instance, First Nations dollars will flow directly to communities, whereas funding for Inuit will flow based on an allocation determined by ITK and regional Inuit land claims organizations. In the case of Métis and Urban Indigenous funding, eligible parties can apply for funding.

There is a helpful distinction to be made between emergency response funding to ease the immediate shock/pain of a pandemic, versus the longer-term funding that is meant to support development in communities.

In the current circumstances, it may be helpful to ensure funding flows to recipients as quickly and as efficiently as possible to ensure their basic needs are being met, especially in challenging circumstances.

Speed
The speed with which funding reaches recipients is closely connected to how it flows. ISC has defined different means through which Indigenous Peoples will receive support: directly through their First Nation, through a land-based organization, or by applying for funding.

The most efficient funding receipt will likely be among First Nations. It can be expected that funding will move with relative ease to First Nations (as mechanisms and agreements already exist), and that the band council structures in place should generally be able to put funding into practice. The slowest funding by contrast, may be funding allocated through the call for proposals for those providing services to Indigenous Peoples in urban centres or off-reserve.

Re-thinking emergency funding
There are four principal models that emerge when considering approaches to delivering emergency funding across jurisdictions: application-based temporary assistance; direct transfers to persons; medium- to long-term grants; and third-party managed funding (see Appendix 1).

There are considerations for each of these funding approaches, that may be suitable to responding to different types of crises or particular moments over the course of a crisis and its recovery.
## APPENDIX 1

<table>
<thead>
<tr>
<th>Approach</th>
<th>Description</th>
<th>Allocation</th>
<th>Flow</th>
<th>Speed</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application-based temporary immediate assistance funding</td>
<td>Upon approval of an application, payouts are made over a short period of time to qualifying individuals, businesses or communities to offset economic impacts of an emergency. Most of these funds emerge in response to an emergency, although there are examples of pre-existing funds, including Australia’s Disaster Recovery Payment and Crisis Payment.</td>
<td>Allocations are based on a set of qualifying principles connected to the emergency or the recipient, e.g. percentage of total income, minimum wage, etc. The total size of the fund (available resources), is typically capped.</td>
<td>Direct support to recipients, upon approval of qualifying application.</td>
<td>Funds may be created quickly, but governments typically rely on the robustness of their existing infrastructure, e.g. online tax portals, service centres, to deliver the monetary relief. The speed of delivery is determined by the state of pre-existing infrastructure.</td>
<td>CAN: Covid-19 Economic Response plan ($105 billion allocated); divided into various programs including Canada Emergency Response Benefit ($24 billion: $2,000 per month for up to 4 months to all eligible recipients) and the Wage Subsidy Program (~$71 billion: 75% of weekly remuneration paid to a maximum of $847 per employee).¹</td>
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AUS: Disaster Recovery Payment\(^2\) (pre-existing fund) ($1,000 for eligible adults, and 400$ for eligible children who have been directly affected by a major disaster either in Australia or overseas).

Crisis Payment (pre-existing fund)\(^3\) eligibility is based on being qualified for an income support payment, being in Australia when the claim is submitted, and being in severe financial hardship due to extreme life changes which include a natural disaster not covered by the Disaster Recovery Payment – for instance in the Covid-19 case of a National Health Emergency\(^4\). The amount an individual receives is equivalent to one week's pay at their existing income support payment rate. You can ordinarily receive up to 4 payments over 12 months, or exceptionally during the National Health Emergency you can receive 2 payments in a 6-month period.

| **Direct Transfer to Persons** | Direct one-time payout to qualifying individuals. No application is necessary. The funding approach typically emerges during a crisis. | The allocation is typically fixed and determined by the funder. | Automatic direct transfer to qualifying persons (no application required). | Direct transfers to persons can flow quickly, assuming pre-existing infrastructure is available. | CAN: Covid-19 Increase to the GST/HST credit amount (based on net income: $443-$886 per individual, $580-$1,160 per married couple, $153-$306 per child under the age of 19, or $290-$580 for the first eligible child of a single parent)⁵  
AUS: $750 one off Economic Support Payment⁶ |

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| Medium to Long-Term Assistance Grants | Funding is allocated based on actuals, with requisite proof of expenses. | For most of these grants, federal funds are only dispensed when the financial capacity of the other orders of government, insurance payouts, etc. are exhausted. Furthermore, they require long-term agreements between the parties, with a cost-sharing formula defined in legislation. | The main weakness of this response mechanism is the speed at which communities receive funds. This form of funding is almost entirely retrospective. Though there may be a timeline with respect to eligible expenses (e.g. up to 12 months after the emergency), there is no set timeline as to when reimbursements will be received by applications. Once agreements are put into place, how quickly funding will flow will be dependent on the structures of the other orders of government and their mechanisms to distribute funds to recipients. This model is impractical for communities that have limited reserve funds; they may not have the capital needed to front the cost of expenses and services while waiting for reimbursements. |

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Note: In certain instances, major capital investments may be pre-approved.

7 “Guidelines for the Disaster Financial Assistance Arrangements,” Public Safety Canada, last updated on February 2, 2019, https://www.publicsafety.gc.ca/cnt/mrgnc-mngmnt/crv-drstrs/gdlns-dsstr-sstnc/index-en.aspx. Program administered through Public Safety Canada that provides disaster relief through provincial and territorial governments. The aim of the program is to assist provincial government with the costs of disaster relief (when the costs exceed what would reasonably expected for the province to bear on their own).

8 "Contributions for Emergency Management Assistance for Activities on Reserve: Terms and Conditions," Application requirements and assessment criteria, INAC, last updated on April, 4, 2019, https://www.aadnc-aandc.gc.ca/eng/1386012167936/1386012273685. The EMAP is aimed at assisting on-reserve First Nations communities through emergency management. One of the main project objectives is to work with emergency partners and to help with the remediation of critical infrastructure and community assets impacted by emergency events.

9 “Disaster Mitigation and Adaptation Fund,” Infrastructure Canada, last updated May 9, 2019, https://www.infrastructure.gc.ca/dmaf-faac/index-eng.html. “A national merit-based program that will invest $2 billion to support large-scale infrastructure projects to help communities better manage the risks of disasters triggered by natural hazards.”

CAN: Disaster Financial Assistance Arrangements,7 Emergency Management Assistance for Activities on Reserve,8 Disaster Mitigation and Adaptation Fund9
Following a Presidential Major Disaster Declaration, FEMA provides two main programs to help with recovery: one is targeted to individuals and households, and the other is for state and local governments (as well as certain non-profits). The first program, Individual Assistance, provides direct assistance to families and individuals who have suffered disaster related losses. The second program, Public Assistance, can help state and local governments get reimbursed for up to 75 percent of eligible costs following disaster-related damage (eligible expenses include emergency protective measures, debris removal, and infrastructure repairs or replacement).

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11 “Hazard Mitigation Grant Program,” FEMA, accessed April 6, 2020, [https://www.fema.gov/hazard-mitigation-grant-program](https://www.fema.gov/hazard-mitigation-grant-program). Following a Presidential Major Disaster Declaration, HMGP helps communities implement hazard mitigation measures (the key objective of the grant is to enact mitigation measures that reduce the risk of loss of life and property from future disasters).

12 “Emergency bushfire support for primary producers,” Australian Government, last updated on January 22, 2020, [https://www.agriculture.gov.au/ag-farm-food/bushfires/primary-producers](https://www.agriculture.gov.au/ag-farm-food/bushfires/primary-producers). $100 million in emergency grants has been committed; up to $75,000 is available to farmers, fishers and foresters located in declared bushfire disaster areas.
| Funding to Third Parties  (non-governmental support agencies) | During an emergency, a third-party is mobilized to provide relief services, with government funding. | Third-parties typically receive funding by applying for grants or entering into service agreements with government. Contributing agreements are also possible in an emergency, where a government will flow funds directly to the organization to provide relief services. | Funding is utilized and potentially dispersed to individuals through the third-party. | The speed at which third-parties can deliver relief services or disburse funds is dependent on their pre-existing infrastructure. | CAN: Regional agreement between ISC and the Red Cross to assist during flood evacuations in First Nations communities. For instance, the Red Cross has received grants to help with wildfires in British Columbia, and they have also signed a 5 year agreement with ISC to provide services for evacuees in Manitoba on ISC’s behalf. In New Brunswick the $900 Workers Emergency Income Benefit is being administered by the Red Cross. |

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15 KPMG, May 2016 Wood Buffalo Wildfire: Post-Incident Assessment Report (Prepared for Alberta Emergency Management Agency), (May 2017), page # 26 & 98. “[Red Cross] electronic fund transfers more efficient than the Province’s debit cards” & “while the Red Cross was an effective fundraiser, it did not necessarily have all of the supporting infrastructure to disburse the funds to organizations and individuals who needed it to address their response and recovery needs.”
16 Note: S. 3.4.2.7. of the On-Reserve Emergency Management Plan states “At the request of an on-reserve First Nation, INAC, or province or territory, a non-government organization (e.g. the Canadian Red Cross) or other Indigenous organization, may support the management of an emergency. Once identified, these entities become part of the First Nation’s emergency planning process, and should have clearly defined roles and responsibilities outlined within the First Nation’s all-hazards emergency management plan, in order to develop an integrated emergency management structure and processes/procedures with all stakeholders.” Source: "Indigenous and Northern Affairs Canada (INAC) National On-reserve Emergency Management Plan,” Government of Canada, last updated June 7, 2017, https://www.sac-isc.gc.ca/en/1324572607784/1535123607689.
17 Additionally, the AFN and the Canadian Red Cross signed an MOU on May 23, 2007. This MOU included four areas of sharing expertise, including emergency management. The Canadian Red Cross has also had an operations branch on the Blood reserve for around 12 years. Source: “Indigenous Engagement,” Canadian Red Cross, accessed on April 23, 2020, https://www.redcross.ca/donate/other-ways-to-donate/major-donations/major-donations-in-western-canada/major-donations-in-alberta/indigenous-engagement.
When an emergency or unexpected event occurs, such as COVID-19, there may be an immediate need to have financial resources flow directly to persons. In such instances, a direct transfer to persons is useful to help to address an individual’s basic needs. The money tends to be easily accessible and can be used virtually, immediately. That funding however, is short-term and serves to ease immediate burdens. It does not provide means to build resilience for future situations. This approach is expeditious and direct.

Resilience and emergency management planning are best developed through medium- and long-term grants. This type of funding enables jurisdictions to look back on an emergency and leverage the lessons to build response plans and the infrastructure required to mitigate the challenges of future events. While the long-term impact of such funding can be beneficial, it is only useful when a jurisdiction has tools for planning and capacity development. There must also be an existing set of resources which the jurisdiction can leverage to meet its needs, as much of the funding is reimbursed. This approach allocates funding for longer-term development but on retrospective timelines.

Third-party managed funding offers a hybrid approach, where service providers have the procedures and practices required to deliver funding and services in response to an emergency in an expedited fashion. For an immediate on-the-ground response, this approach may respond to considerations of speed, allocation and flow, as the third-party is the sole interlocutor with the funder (government) and can deliver a broad response.

When considering approaches to emergency funding, a mix of direct transfers and third-party managed funding tend to be best for immediate responses and service delivery. Grants with application-based proposals for funding are best suited to build resilience, capacity and infrastructure for the medium- to long-term. Irrespective of the approach or mix of approaches selected, pre-existing preparedness and response structures influence an individual’s, community’s and government’s ability to address crises.

In a 2018 study, the House of Commons Standing Committee on Indigenous and Northern Affairs produced the report, “From the Ashes: Reimagining Fire Safety and Emergency Management in Indigenous Communities.” The report emphasized the gaps in funding and the challenges in ensuring the timely and reliable delivery of resources for emergency response. These findings echoed a 2013 report by the Auditor General, which deemed the budget of the Emergency Management Program to be insufficient.

While the Standing Committee’s report focused exclusively on fire safety and emergency management, the broader takeaways are clear: there is a lack of preparedness among communities, who due to infrastructure and health considerations, tend to be more vulnerable to the ramifications of emergencies. Appropriate crisis
response alone, is not a solution. Crisis mediation is dependent on pre-existing structures, practices and preparedness to organize a response and mitigate risk.

Dakota Ojibway Child and Family Services (DOCFS) provides an array of mandated, early intervention and prevention programs to address the community, families and children’s needs, with input from the Local Child and Family Services Committees across eight First Nation communities in Manitoba. In emergencies from floods to COVID-19, DOCFS activates their business continuity plan (BCP), to ensure services are provided. Their case highlights practices that can be emulated and the challenges of organizing broad-scale responses in often uncertain and changing circumstances.
CFS and emergency preparedness and response: The case of DOCFS

By the numbers

DOCFS serves 8 First Nations (plus 3 urban offices)
DOCFS employs 220 staff

In 18 days of crisis response (March 13-31, 2020) DOCFS spent:

- $106,346 in emergency items for 8 communities, e.g. personal protective equipment, baby formula, diapers, food bank items, cleaning supplies
- $1,745 in transportation costs to move the items to the 8 communities
- $45,085 in IT to equip staff to work remotely

Total = $153,176 (and counting as the pandemic continues)

The message: emergency response requires preparedness through appropriate planning, well-trained staff, and financial resources.

Lessons from DOCFS’ emergency response:

1) Be prepared: a business continuity plan/emergency plan that includes communication with band councils and tribal councils can determine and pre-plan how you will collaborate and collectively face an emergency.
2) Empower staff: crisis situations are fluid and require changing responses. Staff should have input in planning, clear direction and latitude to act in the best interest of the children, families and communities they serve.
3) Have access to financial resources: to procure goods and services, money is necessary. There’s much uncertainty in a crisis and having reserve funds (or access to funds) is crucial for expeditious action and response.
4) Connect: work closely and ongoingly with your communities and leadership to respond to the needs of children, families and communities.

“At no time will children be left at risk.”

Dakota Ojibway Child and Family Services (DOCFS) is no novice when it comes to emergency response. From floods, to ice storms, to now, a pandemic, the agency has responded to protect the most vulnerable in the eight First Nations communities it serves. An integral component of a broader Tribal Council structure, DOCFS works
collaboratively with other organizations (e.g. health, education) and community-based offices. Daily directors’ calls and constant contact coordinate actions and response to changing circumstances across the Tribal Council.

DOCFS wants kids and families to be healthy and safe. That doesn’t stop during an emergency; it amplifies. CFS is an essential service, and DOCFS remains available 24/7 during a crisis (as it would in regular times). As concerns for the safety and well-being of children and families can increase during emergencies, DOCFS’ actions in emergency response extend beyond the physical safety of children, and includes food security, supplies and educational resources.

**Be prepared**

DOCFS’ business continuity plan (BCP), which serves as a roadmap for the agency’s action in a crisis to fulfil its core mandate and maintain (at least) their basic operations.

In one half-day, DOCFS’ entire business continuity plan (BCP) apparatus can be mobilized, as staff are pre-briefed and familiar with their responsibilities. Staff have pre-assigned roles and areas of action for which they are responsible in an emergency. This enables the organization to keep a measure of consistency when faced with unexpected crises.

DOCFS’ model is premised on strong linkages to the eight communities that it serves. With trust between DOCFS and its community offices and employees, the agency depends on the local First Nation’s collaboration and support to understand need on the ground, and to ensure an appropriate response. Each of the eight communities served have their own emergency operating plans for local-level actions. From back-up staffing plans to operating plans, each community has a pre-meditated approach to managing CFS when in crisis response mode.

There are plans in place, but people are expected to solve problems and find solutions.

**Empowered leadership; empowered people**

As emergency response ramps up, there is a real pressure on senior management to orchestrate the initial response. Senior staff were working from 8am to 11pm to define and implement the initial crisis management approach to COVID-19.

Senior leadership and the DOCFS board encourage flexibility in crisis response. They are known to create space for employees’ ideas to respond to community needs. Emergencies are fluid and DOCFS staff must adjust its actions accordingly, in real time.

Various ad-hoc teams emerge in crises to address changing needs. For instance, in the response to COVID-19, a holistic wellness team was created to develop resources for the distribution of reliable information and to connect people with the services they need. This small team of six people leverages outside resources, such as extra
physicians and mental health experts, and develops their own tools to support the overall pandemic response.

The main concern among communities is food security. Families can be big and as communities enter lock-down, not everyone can access needed supplies in time. DOCFS stepped in as a procurer of essential food items and supplies for delivery through local community offices. The items are distributed without cost to recipients in need through the local office. In an emergency situation, DOCFS will assist any community member in need (although their child focus is primarily, children in care). This initiative, orchestrated in conjunction with community-based staff, demonstrates the importance of connectivity and trust between agencies and people, especially in a time of emergency response.

To mobilize the required resources, an agency needs ready money.

**Always have ready money**

DOCFS emphasizes the importance of advocacy for their agency. From the Tribal Council’s Chief to ISC to outside resources, DOCFS advocates to ‘anyone who will listen,’ to ensure their organization and children in care have what they need. Building a reserve fund and practicing active resource-development are ongoing. This helps to ensure that when a crisis hits, there is some flex in the budget.

When faced with a crisis, there is the added stress of uncertainty and delay in cost recovery. Until a state of emergency is enacted by the Tribal Council, resources commensurate to an emergency will not flow. In the context of COVID-19, ISC has indicated that agencies can keep track of costs associated to the pandemic response.

The fact remains however, that agencies and communities need ready money to act and respond in an emergency. For instance, at DOCFS, expenses for COVID-19 have been paid through expense accounts, cheques, corporate credit cards and personal credit cards. When it comes to major expenses, the executive director checks with ISC regional staff for the approval of the expense in advance, to mitigate any uncertainty of reimbursement. From basic food supplies, to educational resources for children in care, staff overtime, IT supplements, and beyond, agencies must be able to maintain their core operations to keep children and families safe, while supporting an emergency response. Unexpected circumstances can require unexpected resources.

As an alternative funding approach for CFS is being developed, options for emergency funding are being considered. Combinations of funding mechanisms are being explored to propose tools to respond to immediate needs, as well as to address the underlying challenges that influence crisis management. DOCFS is a helpful example of a well-coordinated agency that leverages resources beyond its organization to respond in a timely and decisive manner in the face of emergencies.