

# New Fiscal Relationship Grant

New Fiscal Relationship Secretariat

Updated November 2025



Indigenous Services  
Canada

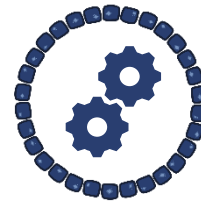
Services aux  
Autochtones Canada

Canada

# NFR Grant Overview

Many First Nations and First Nation partners are currently using contribution-based funding approaches (set, fixed, flex, block). Contribution funding is subject to strict terms and conditions, and to fluctuations in funding levels.

The **NFR Grant** is an optional funding mechanism available since 2019-20 that enhances self-determination by providing greater **flexibility, predictability and escalation to support ongoing sufficiency** for First Nation governments and First Nations-led service delivery entities.



**Flexibility**



**Predictability**



**Sufficiency**

# NFR Grant Overview

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The Grant is intended to facilitate a more respectful, nation-to-nation fiscal relationship.

**Interested First Nations and First Nation-led Service Delivery entities must:**

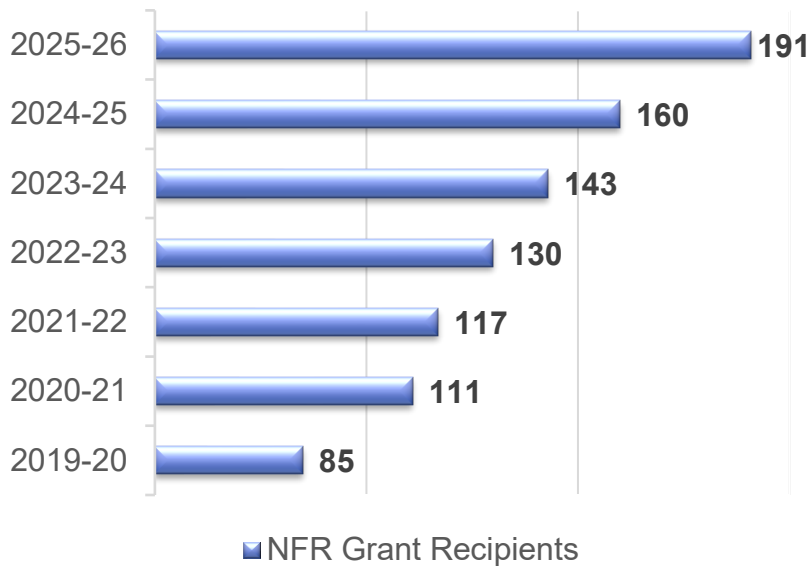
Provide a **written expression of interest** to ISC

Meet the **two eligibility requirements** (see slide 10)

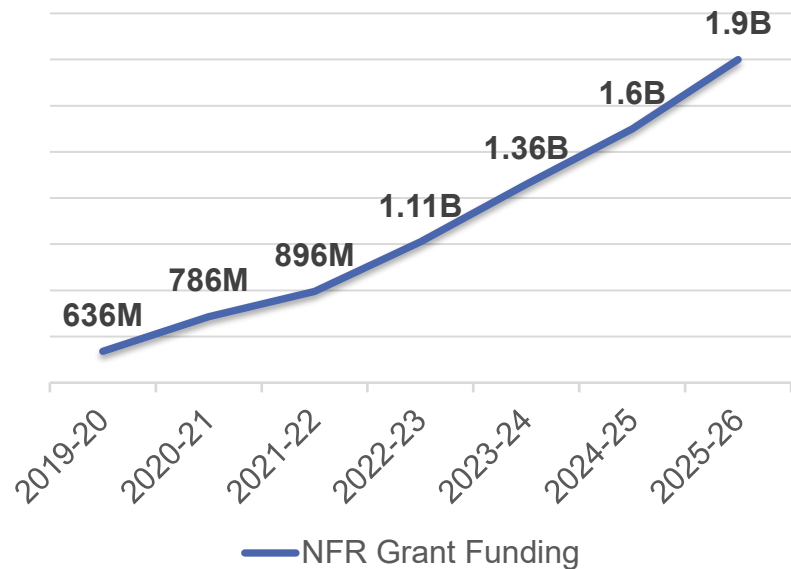
Funding agreements which include the NFR Grant schedule are up to **10 years** and are renewable.

# NFR Grant Statistics

## NFR GRANT RECIPIENTS



## NFR GRANT FUNDING



\* Once in 2019-20 and once in 2023-24, a First Nation chose to transition out of the Grant for an alternative funding mechanism.

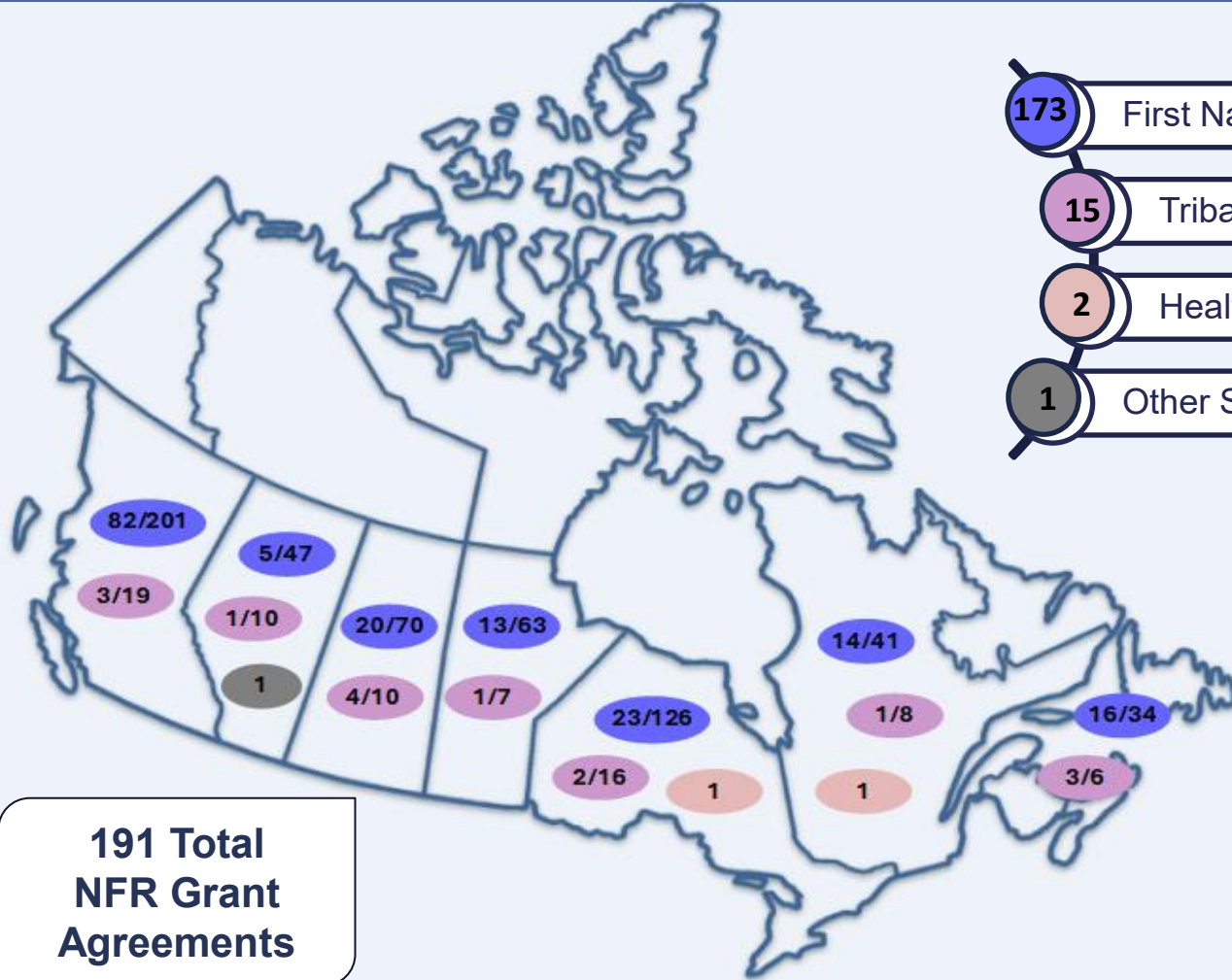


Of the 31 new recipients in 2025-26: 13 are First Nations, 15 are Tribal Councils, 2 are health authorities, and 1 is an education authority.

# NFR Grant Agreements – 2025-26

## NFR GRANT AGREEMENTS BY RECIPIENT TYPE

- 173 First Nations
- 15 Tribal Councils
- 2 Health Authorities
- 1 Other Service Delivery Entities








191 Total  
NFR Grant  
Agreements

# NFR Grant Key Benefits



## Flexibility

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-  Full control over the design and delivery of services funded through the NFR Grant.
-  Flexibility in allocating funding to better accommodate local needs without permissions from Canada.
-  No claw backs / restrictions when funds are raised from other sources.
-  Unrestricted ability to retain unexpended funds at year-end and at end of the agreement.
-  Grant prioritizes accountability of governments and entities' reporting to citizens – replacing up to 90% of reporting data elements previously provided to Canada for programs that now fall within the NFR Grant.



## Predictability

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-  Greater predictability of base funding to support long-term goals.
-  Funding is available annually on April 1.

## Sufficiency

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-  Keeping Up: Grant Escalator provides annual funding increase to address inflation and population growth.
-  Catching Up: NFR Grant funding mechanism does not address any existing program funding gaps.

# NFR Grant Funding Considerations

01



**Initial base funding levels** for the NFR Grant are set based on existing funding levels and become the core funding level for all future years and are subject to NFR Grant escalation.

A guiding principle for the NFR Grant is that no First Nations or organization should lose funding as a result of the transition to the NFR Grant.

02



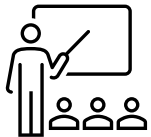
Any **new investment** or measures to support program sufficiency, such as announcements from Budgets, should support all eligible partners regardless of funding mechanism (including those who already adopted the NFR Grant).

03



Partners with the NFR Grant may request **rebase reviews** of any individual program funded via the NFR Grant. Based on the current ISC program's terms, conditions and funding methodologies, adjustments would consider current core funding amounts plus cumulative escalation payments to avoid duplication of funding growth.

## K-12 Funding



Beginning in 2019-20, funding for K-12 Education is calculated annually for First Nations, including those under the NFR Grant, using the new demand-driven regional funding formula based on nominal roll data and provincial funding models.

## Proposal-Driven Programs

Partners with the NFR Grant continue to be eligible for proposal-driven programs, as well as other funding not currently eligible under the NFR Grant (such as Major Capital). This funding provided under the set, fixed and flex funding approaches are provided through another schedule of the same funding agreement as the NFR Grant.

# Programs Eligible to be Funded via NFR Grant

## HEALTH & SOCIAL

### Public Health Promotion and Disease Prevention

- Mental Wellness
- Healthy Living
- Healthy Child Development
- Communicable Disease Control and Management
- Environmental Public Health

### Home and Long-Term Care

- Assisted Living
- Home and Community Care

### Primary Health Care

- Clinical and Client Care
- Community Oral Health Services

### Health Systems Support

- Health Planning, Quality Management and Systems Integration

### Income Assistance

- Income Assistance

## INFRASTRUCTURE & ENVIRONMENTS

### Community Infrastructure

- Housing Operations and Maintenance
- Housing Minor Capital
- Education Facilities Operations and Maintenance
- Education Facilities Minor Capital
- Health Facilities
- Other Community Infrastructure Operations and Maintenance
- Other Community Infrastructure Minor Capital
- Water and Wastewater Operations and Maintenance
- Water and Wastewater Minor Capital

### Communities and the Environment

- Reserve Land Management

## ECONOMIC DEVELOPMENT

### Community Economic Development

- Economic Development

## GOVERNANCE

### Indigenous Governance and Capacity Supports

- Band Support
- Band Employee Benefits
- Individual Affairs
- Tribal Council Funding

## EDUCATION

### Elementary and Secondary Education

- Elementary and Secondary Education

### Post-Secondary Education

- Post-Secondary Education

# NFR Grant Escalator

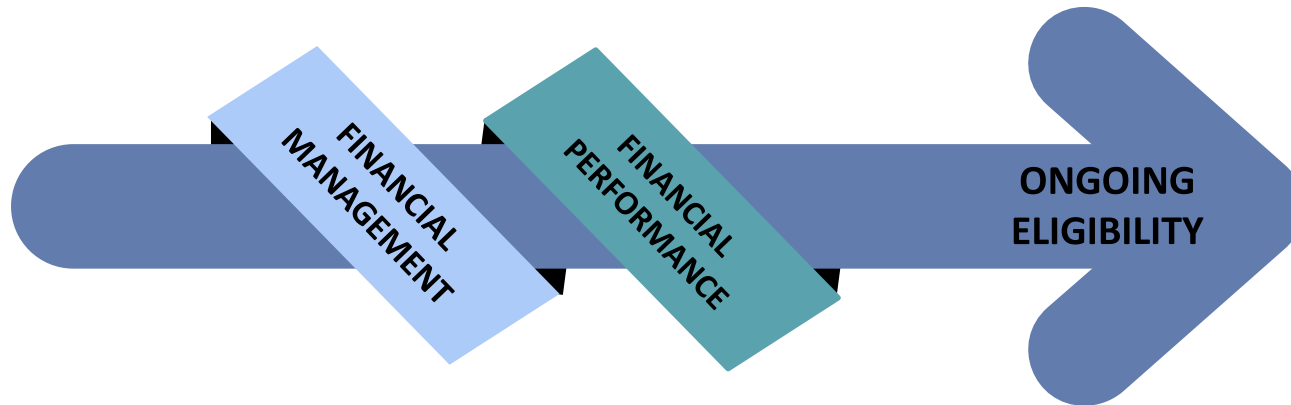
The NFR Grant Escalator funding is an **annual increase to Grant-eligible funding (except K-12)**. It provides assurances of **predictable** funding growth. The escalator includes adjustments for inflation and population growth, and a guaranteed minimum annual increase of 2%. There is no cap / maximum escalator.

Escalator payments begin in the **2nd year of the agreement** and are calculated annually using the final Grant core funding amount eligible for escalation at the end of the previous fiscal year.

Funding for the escalator is sourced annually from Treasury Board and does not impact funding available for other First Nations or programs.

	2021-22	2022-23	2023-24	2024-25	2025-26
Average Escalator Rate	2.8%	3.4%	4.5%	5.1%	4.9%
Annual NFR Grant Escalator	\$13.5m	\$18.7m	\$30.0m	\$39.6m	\$48.2m
Cumulative Grant Escalator	\$13.5m	\$32.2m	\$62.2m	\$102.1m	\$150.3m

# NFR Grant Eligibility



## Financial Management

Financial Administration Law (for First Nations) or Policy on Financial Administration (for First Nations-led services delivery entities)

Need to meet co-developed standards

## Financial Performance

The five Financial Performance Indicator minimum requirements are calculated from most recent five audited financial statements (Fiscal Growth; Operating Margin; Asset Maintenance; Net Debt; Interest Expense Ratios)

## Ongoing Eligibility

Financial Management implementation annual requirements:  
Strategic Plan, Annual Report & Multi-year Financial Plan

Maintain Financial Performance indicators:  
Audited Financial Statements

Both criteria are assessed by the First Nations Financial Management Board

# Contact Us



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**New Fiscal Relationship Secretariat**  
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