

# REDUCING TRANSACTION COSTS ON INFRASTRUCTURE CORRIDOR PROJECTS IN CANADA

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## RESEARCH QUESTIONS AND KEY MESSAGES

We were asked to address five research questions. In this section we present each question and some brief key messages from our research in response:

- 1) What are the barriers and costs for greater Indigenous participation and support for infrastructure corridor projects?

There are significant and systemic barriers for greater Indigenous support of infrastructure corridor projects related to historic mistrust; poor fiscal, infrastructure and environmental jurisdictional clarity and co-ordination between governments; and an absence of standards, procedures, transparency and institutional support for interested Indigenous nations to participate in these projects.

- 2) What governmental funding and financing programs and tools are available to facilitate infrastructure development and operation by and for Indigenous communities and how effective are these programs?

There are some government programs available to reduce these barriers, but they are almost always intended to address the symptoms of high transaction costs and not the systemic causes. They may be helpful in some cases, but we believe only Indigenous-led institutional change and Indigenous jurisdiction can permanently reduce the systemic causes of these high transaction costs.

- 3) What Indigenous jurisdictions and institutions financing and funding tools are Indigenous communities employing to develop and operate infrastructure projects in their communities and to participate in infrastructure corridor projects?

We identify an emerging Indigenous-led institutional and legislative framework in the *First Nations Fiscal Management Act* and *First Nations Land Management Act* that, with expansion and improved co-ordination, could address the root fiscal, economic, environmental, jurisdictional, access to capital, capacity, governance and transparency causes of these costs and barriers.

- 4) What are successful examples of Indigenous infrastructure corridor partnerships and initiatives that support Indigenous-led infrastructure development initiatives and how effective are they in reducing the barriers and costs?

We identify and discuss the work of the First Nations Major Projects Coalition related to a natural gas pipeline corridor project as a potentially successful model for future projects. We assert that if the work of the First Nations Major Projects Coalition is co-ordinated with the institutional, jurisdictional and access-to-capital support from the *First Nations Fiscal Management Act* and *First Nations Land Management Act*, then this project's benefits will increase for participating Indigenous nations and other governments.

- 5) What are the barriers to Indigenous partnerships or ownership, i.e., in terms of financing infrastructure projects?

Indigenous governments don't receive a stable fiscal benefit from their participation in resource and corridor projects as other governments do. We identify a proposal for a First Nations resource charge that could address this issue and that provides secure, stable revenue for First Nations to participate in equity positions in infrastructure projects, should they choose. These stable revenues could be security for possible First Nations Finance Authority debentures which currently have an A+ credit rating.