

Chapter VIII: Navigating the Federal System of Disaster Assistance Programs

The increased frequency and magnitude of major disasters in Canada in recent years has caused the federal government to become more involved in disaster recovery assistance. The “billion-dollar disaster” increased dramatically between 2010 and 2014. When the severity of the event exceeds the resources of provincial and local governments, the federal government becomes the key source of financial assistance. Even the most resilient local communities and provinces require federal assistance for response, recovery, and rebuilding efforts.

Yet, many economic development organizations (EDOs) are not well versed in working with the federal system for disaster response and recovery. The process of navigating the labyrinth of various federal agencies, programs, and requirements can be an intimidating process. Local community leaders are not familiar with obtaining and maximizing the use of federal funding assistance until they are confronted with having to request these funds for the first time.

This chapter is intended to help guide local and provincial economic recovery stakeholders – including economic development organizations, local and provincial government agencies, chambers of commerce and other recovery officials – through some of the myriad resources presented by the federal government. Local communities can use the information to better understand what to expect when working with the federal government and to expedite connecting with the appropriate federal resources for economic recovery.

The chapter covers the federal government’s role in assisting provinces and territories in dealing with disaster management. It concludes with a breakdown of federal disaster assistance programs which economic developers should consider including in their disaster planning and recovery strategies.

Challenges

Recovery and rebuilding efforts following a disaster can be quite costly – particularly when the local economy has been crippled by the disaster. It leaves local communities and regions in a position to rely on the available resources of the federal government. These

financial resources are not “free money” but taxpayers’ dollars at work. Therefore, the federal government provides significant oversight over these finances and requires significant documentation to comply with their mandates.

Different communities face many common challenges using federal funding for economic recovery purposes. This can be exacerbated if the local community has limited capacity to navigate through the maze of federal programs and to comply with all of the reporting requirements.

EDOs and local governments seeking to use federal funds for economic recovery purposes have highlighted the following challenges:

- **Lack of knowledge of various federal programs available for economic recovery and rebuilding** - It is critical to build an understanding of the various federal disaster recovery programs – ideally before a disaster strikes – so communities are better prepared to navigate the application and make requests to waive complex federal requirements.
- **Limited federal funds for business and economic recovery** - The amount of federal money available for business and economic recovery is much smaller than the dollars allocated to address humanitarian needs. EDOs need to educate municipal leaders and the community on the need to expend funds on priority recovery projects, as well as to patch together resources from multiple sources for business needs.
- **Lack of flexibility in the use of federal funds** - Typically, federal funds are designated for specific purposes and do not provide much flexibility to meet the myriad needs of post-disaster business recovery. It is the provincial government’s responsibility to work with the Government of Canada to identify the level of federal support to be provided.
- **Inconsistent requirements among different federal agencies** - Many federal agencies have different, and sometimes competing, requirements for the use of funds. As EDOs and businesses look to assemble funds from a variety of sources, meeting these requirements means more time and costs in

an already challenging post-disaster environment.

- **Need for better coordination between multiple federal agencies and with nonfederal partners** – As part of the EDRP carried out after the Alberta flooding in 2013 there were several recommendations on how the federal government could better coordinate and communicate the services available following a disaster. Some of these recommendations included a better description of the available programs, development of a comprehensive guide to federal resources and an internal communications strategy developed to educate key federal staff about these resources.

The Federal Response to Disasters

Public Safety Canada

Public Safety Canada is the federal government department responsible for helping Canadians and their communities protect themselves from emergencies and disasters related to all kinds of hazards – natural, human-induced and technological – through national leadership in the development and implementation of policies, plans and a range of programs²¹.

It also maintains partnerships with other federal government institutions, provincial and territorial emergency management organizations, first responders and volunteer organizations, and other stakeholders and communities, supporting a collaborative approach to emergency management that leverages resources and capacities at all levels across the country.

As stated previously, emergencies are managed first at the local level by first responders such as medical professionals and hospitals, fire departments, the police and municipalities. Local authorities that need additional assistance request it from provincial or territorial governments. If an emergency escalates beyond their capabilities, the province or territory may seek assistance from the federal government. Public Safety Canada led the development of the National Emergency Response System (NERS) with provincial and territorial officials, which was approved by Federal/Provincial/Territorial Ministers in January 2011. It enables coordinated efforts in responding to emergencies.

The Government Operations Centre (GOC) is the primary means by which the Minister of Public Safety and Emergency Preparedness establishes an integrated approach to emergency response. Housed at Public Safety Canada, the GOC supports response coordination of events affecting the national interest by bringing together partners to synchronize their collective actions. The GOC operates 24/7 to provide watch, warning, analysis, planning, logistics support and coordination across the federal government and with its partners, including provincial and territorial governments, non-governmental organizations, the private sector, and international partners²².

In the event of a large-scale natural disaster, the Government of Canada provides financial assistance to provincial and territorial governments through the Disaster Financial Assistance Arrangements (DFAA), administered by Public Safety Canada. When response and recovery costs exceed what individual provinces or territories could reasonably be expected to bear on their own, the DFAA provides the Government of Canada with a fair and equitable means of assisting provincial and territorial governments.

The provincial or territorial governments design, develop and deliver disaster financial assistance, determining the amounts and types of assistance that will be provided to those who have experienced losses. According to the Public Safety website, they deliver the following programs for disaster recovery:

- Financial Support to Provinces and Territories for 2011 Flood Mitigation Investments
- Disaster Assistance Programs
- Disaster Financial Assistance Arrangements (DFAA)
- Federal Disaster Assistance Initiative (FDAI)
- Chemical, Biological, Radiological, Nuclear and Explosives Resilience Strategy and Action Plan for Canada

A province or territory may request Government of Canada disaster financial assistance when eligible expenditures exceed one dollar per capita (based on provincial or territorial population). Eligible expenses include, but are not limited to, evacuation operations, restoring public works and infrastructure to their pre-disaster condition, as well as replacing or repairing basic, essential personal property of individuals, small businesses and farmsteads.

²¹ www.publicsafety.gc.ca

²² www.publicsafety.gc.ca

Through the DFAA, assistance is paid to the province or territory – not directly to affected individuals, small businesses or communities. Federal auditors process a request for reimbursement under the DFAA immediately following receipt of the required documentation of provincial/territorial expenditures and a review.

The Government of Canada may provide advance and interim payments to provincial and territorial governments as funds are expended under the provincial/territorial disaster assistance program. All provincial or territorial requests for DFAA cost sharing are subject to federal audit to ensure that cost sharing is provided according to the DFAA guidelines. Each request for cost sharing under the DFAA is processed immediately once the affected province or territory provides the required documentation of expenditures. Information on new guidelines for the DFAA, can be viewed at: www.publicsafety.gc.ca/cnt/rsrscs/pblctns/gdlns-dsstr-ssstnc/index-eng.aspx

Emergency Management Act

Canada’s Emergency Management Act recognizes the roles of all stakeholders in its emergency management system. It sets out the leadership role and responsibilities of the Minister of Public Safety and Emergency Preparedness, including coordinating emergency management activities among government institutions and in cooperation with the provinces and other entities. Responsibilities of other federal ministers are also set out in the Act.

The federal government works collaboratively with provinces and territories to support communities when disasters strike. In 2011, An Emergency Management Framework for Canada was revised and approved by Federal/Provincial/Territorial Ministers. This framework creates a common approach for a range of collaborative emergency management initiatives in support of safe and resilient communities²³.

There is a legitimate role and urgent need for federal leadership in Canada’s post-disaster economic recovery efforts. Although Public Safety is mandated to assist in recovery; there does not appear to be a lead agency responsible for ‘economic recovery’ following a disaster. As it currently stands, local economic development organizations, chambers of commerce, business assistance organizations, and other economic development stakeholders have to navigate through a number of programs in order to address the

recovery needs of their businesses. There is no clear communication about which agencies offer what support. It is clear that in Canada, no federal agency takes responsibility for economic recovery—which means, it does not get the attention it requires.

National Disaster Mitigation Strategy

On January 9, 2008 the Government of Canada, together with provincial and territorial governments, launched Canada's National Disaster Mitigation Strategy. It is based on the recognition by federal, provincial, and territorial governments that mitigation is an important part of an effective emergency management framework, and that all stakeholders are committed to working together to support disaster mitigation in Canada.

It sets out a common vision for disaster mitigation activities; promotes mitigation through a transparent National Strategy that integrates disaster mitigation into Canada's emergency management framework; and identifies primary actions that will be undertaken by federal, provincial and territorial partners to support implementation. It also recognizes that full implementation of the National Strategy will be a long-term effort.

The goal of the National Disaster Mitigation Strategy is: *To protect lives and maintain resilient, sustainable communities by fostering disaster risk reduction as a way of life.*

Its principles are:

- Preserve Life – Protect lives through prevention
- Safeguard Communities – Enhance economic and social viability by reducing disaster impacts
- Fairness – Consider equity and consistency in implementation
- Sustainable – Balance long-term economic, social and environmental considerations
- Flexible – Be responsive to regional, local, national and international perspectives
- Shared – Ensure shared ownership and accountability through partnership and collaboration

Disaster prevention and mitigation measures are important in order to reduce impacts and hazards

²³ www.publicsafety.gc.ca

before an emergency or disaster; however, it is important to understand that in addition to physical mitigation measures, there is a critical need for businesses and communities to mitigate their economic risk. Steps taken in advance to prepare and mitigate will enable them to recover more effectively.

Examples of provincial/territorial expenses that may be eligible for cost sharing under the DFAA

- Evacuation, transportation, emergency food, shelter and clothing
- Emergency provision of essential community services
- Security measures including the removal of valuable assets and hazardous materials from a threatened area
- Repairs to public buildings and related equipment
- Repairs to public infrastructure such as roads and bridges
- Removal of damaged structures constituting a threat to public safety
- Restoration, replacement or repairs to an individual's dwelling (principal residence only)
- Restoration, replacement or repairs to essential personal furnishings, appliances and clothing
- Restoration of small businesses and farmsteads including buildings and equipment
- Costs of damage inspection, appraisal and clean up

Examples of expenses that would NOT be eligible for reimbursement

- Repairs to a non-primary dwelling (e.g. cottage or ski chalet)
- Repairs that are eligible for reimbursement through insurance
- Costs that are covered in whole or in part by another government program (e.g. production/crop insurance)
- Normal operating expenses of a government department or agency
- Assistance to large businesses and crown corporations
- Loss of income and economic recovery
- Forest fire fighting

Canada's 2014 Economic Action Plan confirms the Government's commitment to work with provinces, territories and municipalities to build safer and more

resilient communities. Economic Action Plan 2014 proposes to provide \$200 million over five years, starting in 2015-16, to better protect Canadians and their homes through a National Disaster Mitigation Program. This program will support investments in structural mitigation measures, such as infrastructure to control floods that can reduce the impact of severe natural disasters. The costs of projects will be shared with provinces and territories. The government will announce the details of the program over the coming months. In addition to this new funding, disaster mitigation projects are also eligible for federal cost-sharing under the new Building Canada plan.

The government will also consult with provinces and territories on changes to the funding formula for the Disaster Financial Assistance Arrangements, which has not been updated since the program was introduced in 1970.

Outreach and Advocacy

The best time to begin outreach and advocacy efforts related to disaster recovery is before disaster strikes – it is a critical component to any disaster preparation. And like the balance of activities related to disaster recovery, connecting with federal representatives and the administration can seem complicated. In reality, however, it can be as simple as picking up the phone or sending an e-mail.

Connecting with Your Member of Parliament (MP)

Every economic development professional should have a "hotline" to their local MP's office. While this does not need to be connected to the flashing red phone, it should be a link to get your urgent message to your federal representative following a disaster. This hotline should be established well before a disaster strikes.

As a matter of routine, economic developers should be in regular contact with their member of parliament. The MP should be well aware of the economic development organization's important work in the community and the federal government's key role in that work. That office communicates regularly with the Ottawa office and is the most direct link available to an economic developer in order to deliver information and needs to Parliament. Because they are local, communication – and direct interaction – should be much more frequent than communications with Ottawa.

Economic development organizations may also include annual visits to Ottawa to establish a specific contact within the office. Keeping in regular contact will serve an economic development organization's interest in more ways than one. Follow up does not need to be anything more than "just checking in" or sharing a news article from the local media about a recent project success. The objective is to establish a connection that results in name recognition and, more importantly, a higher priority in receiving a response.

Before a disaster strikes, it is important to include in conversations with lawmakers how the local community has positively benefitted from the financial assistance of federal programs. Outcomes and positive results should be shared in both verbal and written form. In particular, it is vitally important that they understand the importance of swift and efficient delivery of federal assistance. This may translate into the need to ease complex federal requirements in the case of a catastrophic event that has devastated the community. By laying the groundwork before your community is in need of assistance, urgent messages of need will be met with understanding ears.

Federal disaster assistance is often thought of as something that comes after an event, but most decisions regarding funding for federal responses are made months and sometimes years in advance. Funding for direct assistance and other services are determined through the normal course of budget deliberations. By communicating with representatives early and often, there is both the opportunity to impact the amount of aid received immediately after a disaster, as well as any support provided at a later time.

Working With Federal Staff After a Disaster

It is critical for local community leaders to maintain good relationships with provincial and federal agency partners after a major incident. While challenging to do in a tense and often chaotic post-disaster environment, local communities that have successfully spurred recovery often point to the importance of working cooperatively with their provincial and federal partners, which include their parliamentary representatives. After a disaster, there should be outreach to provincial representatives to advocate for an equitable amount of federal disaster funds based on need.

When necessary, local governments and EDOs need to elevate issues to the Premier's office to help ensure bureaucratic obstacles are minimized when applying for

and accessing federal funding.

Developing a coalition of public and private sector leaders to visit parliamentary representatives in Ottawa is a popular strategy after a major disaster. When doing so, it is important to have a unified message among regional stakeholders to show support for critical needs to be addressed. Sharing information on the economic impacts of the disaster with your parliamentary representatives will go a long way to making a case for the need for federal assistance. They need to better understand that the specific event has overwhelmed local and provincial resources and that it necessitates federal assistance. While not all communities will conduct a comprehensive economic impact study, the locality or provincial will need to provide at least a preliminary damage assessment (PDA) to determine loss and recovery needs.

The economic impact information should assess both physical damage and economic damage to the industry and local economy. Where possible, it is important to point out the impacts on the regional and even national economy. This information provides intelligence and support for any request to Parliament to for additional funds for rebuilding and recovery. For more information, see the chapter in this toolkit on conducting a post-disaster economic impact study.

Frequent communication with members of Parliament shows the importance of support for federal assistance for disaster recovery, and the important role of the EDO in ensuring more resources will be distributed to your community following a disaster.

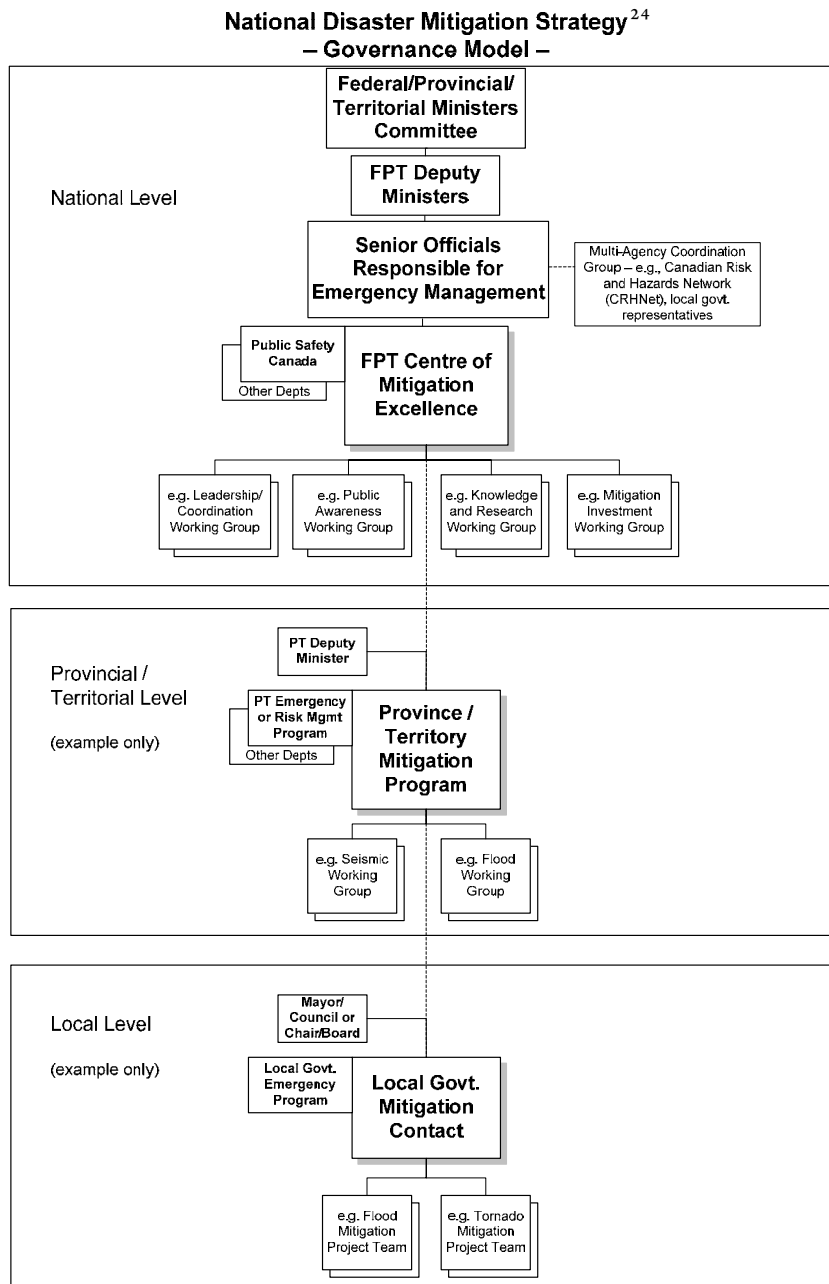
Outreach to Federal Agencies and Departments

In the event of a large-scale natural disaster, the Government of Canada provides financial assistance to provincial and territorial governments through the Disaster Financial Assistance Arrangements (DFAA), administered by Public Safety Canada. When response and recovery costs exceed what individual provinces or territories could reasonably be expected to bear on their own, the DFAA provides the Government of Canada with a fair and equitable means of assisting provincial and territorial governments.

Through the DFAA, assistance is paid to the province or territory - not directly to affected individuals, small businesses or communities. Federal auditors process a request for reimbursement under the DFAA immediately following receipt of the required

documentation of provincial/territorial expenditures and a review.

Since the inception of the program in 1970, the Government of Canada has paid out more than \$3.4 billion in post-disaster assistance to help provinces and territories with the costs of response and of returning infrastructure and personal property to pre-disaster condition.



²⁴ <http://www.publicsafety.gc.ca/cnt/rsrscs/pblctns/mtgtn-strty/mtgtn-strty-eng.pdf>