

Ministre des
Relations Couronne-Autochtones



Minister of
Crown-Indigenous Relations

Ottawa, Canada K1A 0H4

Mr. Yves Giroux
Parliamentary Budget Officer
Office of the Parliamentary Budget Officer
900 – 99 Bank Street
OTTAWA ON K1A 0A9

Dear Mr. Giroux :

Thank you for your correspondence of August 10, 2020, requesting data on measures announced in response to COVID-19, including interest payment relief for First Nations and the associated dollar amounts.

The pandemic has had and continues to have a significant impact on First Nation families, communities, and businesses. Measures implemented to protect the health of Canadians greatly affected revenue sources of communities, including First Nations who had loans from the First Nations Finance Authority, which impacted their ability to pay principal and interest on their loans.

The First Nations Finance Authority was established as a non-profit corporation without share capital and is not an agent of Her Majesty or a Crown corporation within the meaning of the Financial Administration Act.

The First Nations Finance Authority is an Indigenous-run institution that raises capital through the issuance of bonds on the capital markets on behalf of First Nation governments and lends the proceeds to them over the long term and at low and fixed interest rates for community infrastructure and other socioeconomic development projects. The First Nations Finance Authority is required to make annual interest return payments to investors twice a year, in June and December, and does this through the interest it collects from First Nations on their loans.

In response to the impact of COVID-19 measures on these First Nations, the Government of Canada announced, on June 2, 2020, \$17.1 million in interest payment relief for 58 First Nations with existing loans from the First Nations Finance Authority so that they could focus on the health and safety needs of their communities during the pandemic.

The Department is currently working toward accessing the \$17.1 million investments from the fiscal framework. Crown–Indigenous Relations and Northern Affairs Canada provided the Finance Authority with an initial transfer of \$4.3 million on June 24, 2020, to cover its June 2020 interest coupon payment to investors. The remaining \$12.8 million will be provided to the Finance Authority as a second transfer in advance of the Authority’s December interest payment deadline to investors.

As the First Nations Finance Authority holds the direct relationship with the borrowing First Nations, it will be able to provide information on the number of First Nations that have benefited from the interest relief measure to date and the associated dollar amounts. Mr. Ernie Daniels is the President and CEO of the First Nations Finance Authority. His contact information is edaniels@fnfa.ca or (250) 768-5253.

The First Nations Finance Authority will also report on COVID-19 response measures investments through its existing legislative requirement under section 88 of the First Nations Fiscal Management Act to annually submit a report on its operation to the Minister of Crown–Indigenous Relations for that fiscal year, including its audited financial statements.

I trust this provides you with the required information.

Sincerely,

A handwritten signature in blue ink that reads "Carolyn Bennett". The signature is fluid and cursive, with the first name "Carolyn" and the last name "Bennett" clearly distinguishable.

The Honourable Carolyn Bennett, M.D., P.C., M.P.

Encl.

c.c. Antoine Brunelle-
Côté

The logo for the Government of Canada, featuring the word "Canada" in a serif font with a small red maple leaf icon above the letter "a".