Dear [Name]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act - Our File #IBRD/3/2013

On March 4, 2013, the Department of Innovation, Business and Rural Development received your request for access to the following records:

"Under the ATIPP Act, I am requesting any briefing notes, information notes, etc. compiled / updated on the Immigrant Investor Fund since January 2010."

I am pleased to inform you that your request for access to these records has been granted in part. On some of the records we are releasing, as required by subsection 7(2) of the Act, we have severed information that is exempt from disclosure. Access to the severed portions of the information has been refused in accordance with Sections 18(1)(a)(ix) and 2(a); 20(1)(a) and (c); and 23(1)(a)(i) and (b) of the Act. The application of these to each severed section of the documents is noted in the margins of the documents. Pages 5-8 have been wholly redacted, in accordance with Sections 18(1)(a)(ix); and 20(1)(a) and (c) of the Act, and so are not included in the attached responsive materials. I have attached the relevant sections of the Act.

Please be advised that Section 44 of the Act provides that you may file a complaint with the Information and Privacy Commissioner if you are not satisfied with our response. The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
34 Pippy Place, P.O. Box 13004, Station A
St. John’s, N.L. A1B 3V8
Telephone: (709) 729-6309 or toll-free 1-877-729-6309
Facsimile: (709) 729-6500; Email: oipc@gov.nl.ca

If you have any questions, please feel free to contact Christina Barfitt, the Access and Privacy Coordinator at 729-6137 or by e-mail ChristinaBarfitt@gov.nl.ca.

Yours sincerely,

Alastair O’Rielly
Deputy Minister

Enc.
Sections 18(1)(a)(ix) and 2(a); 20(1)(a) and (c); and 23(1)(a)(i) and (b) of the Access to Information and Protection of Privacy Act

Cabinet confidences

18. (1) In this section
(a) "cabinet record" means
   (ix) that portion of a record which contains information about the contents of a record within a class of information referred to in subparagraphs (i) to (viii);...
(b) The head of a public body shall refuse to disclose to an applicant a Cabinet record, including
(a) an official Cabinet record;...

Policy advice or recommendations

20. (1) The head of a public body may refuse to disclose to an applicant information that would reveal
(a) advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;...
(b) consultations or deliberations involving officers or employees of a public body, a minister or the staff of a minister;...

Disclosure harmful to intergovernmental relations or negotiations

23. (1) The head of a public body may refuse to disclose information to an applicant if the disclosure could reasonably be expected to
(a) harm the conduct by the government of the province of relations between that government and the following or their agencies:
   (i) the government of Canada or a province;...
(b) reveal information received in confidence from a government, council or organization listed in paragraph (a) or their agencies.
Information Note  
Department of Innovation, Trade and Rural Development  

Title: Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL)  
Issue: Update on Fund status  

Background/Current Status:  

- NLIIFL was established to receive, administer and disburse funds received from Citizenship and Immigration Canada (CIC) under the Business Immigration Program. Funds are distributed to participating provinces and are available for a period of five years, after which they must be repaid. The Province has guaranteed repayment to the federal government of all monies received by NLIIFL. While funds are advanced from CIC interest free, there is an upfront administration fee of seven (7) percent that must be repaid by the Province. CIC requires that funds be used for the purpose of contributing towards the development of a strong and viable economy (see Annex A for additional background).

- The framework for investment activities of NLIIFL. Departments with potential projects requiring funding, outside of existing programs and budgets and which have the potential for provincial economic development, are to submit their funding requests to Cabinet. The Department of Finance – Budgeting Division, as part of its assessment process, considers NLIIFL as a possible funding source. If the NLIIFL is considered to be a viable option, Finance obtains a recommendation from the NLIIFL Board of Directors with respect to eligibility, which is then forwarded, along with the sponsoring Department’s request, to Cabinet for consideration. Only Cabinet has the authority to approve an investment from NLIIFL. Should the project be approved, any further due diligence required regarding the funding proposal is the responsibility of the sponsoring department.

- As of the current date, NLIIFL has approximately $203.2 million available for investment.

- The Department of Finance notes that these funds should be viewed only as a source of funds. These funds have to be repaid as with any other debt. Any potential use of these funds should be evaluated independently of the source of funds and should be considered in a manner consistent with any request for a budgetary allocation for new funding.
• The NLIIIFL Board met on April 26, 2010 and approved 2(i) of \[\text{redacted}\] and the Board has formally advised CIC of same. Over a reasonable period of time as determined by the availability of market product (guaranteed federal or provincial strip bonds), NLIIIFL will invest a portion of available funds in strip bonds and the remainder of funds will be maintained in the Corporation’s bank account and be available for any projects deemed meritorious as part of the 2010/11 budget process. The amount of funds to be invested in strip bonds is undetermined at this time but a possible number is in the $70 million range which represents funds received since September, 2008. The strip bonds will mirror to the extent possible the monthly payments due CIC, to the extent there is available product. It is also noted that should projects be approved in excess of funds available in NLIIIFL’s bank account, the strip bonds can be liquidated prior to maturity, however, there is the potential for either gains or losses.

• The Province has to commence monthly repayments to CIC on May 31, 2010. Provided the Province continues to participate in the Program, the Program continues and, depending on the differences between payments and receipts, there should be a relatively stable pool of approximately $200 million for investment purposes.

• At a recent meeting between the participating provinces and CIC, CIC advised that they are looking at some potential changes to the Program, including: (i) increasing the amount an individual immigrant has to put up from $400,000 to possibly up to $800,000. \[\text{redacted}\]

Further analysis is being carried out by CIC on the impact of these potential changes and no timetable was provided by CIC as to when this analysis would be completed or decisions made in this regard. As such, until CIC has completed this analysis, INTRD is not in a position to assess what impact these potential changes, if implemented, would have on the Province and the funds we receive monthly under the Program.

Prepared by: J. Hearn / P. McCarthy / D. Kavanagh
Approved by: Minister Skinner
Date: May 6, 2010
Annex A

Background

- NLIIFL was established in 2005 to participate in the Immigrant Investor Fund pursuant to the *Federal Immigration and Refuge Protection Act and Immigration and Refuge Protection Regulations*, which governs the scope of NLIIFL’s activities. NLIIFL’s shares are held by the Minister of Innovation, Trade and Rural Development and the Corporation is administered by a Board of Directors appointed by Cabinet made up of senior officials from INTRD and Finance.

- NLIIFL was established to receive, administer and disburse funds received from Citizenship and Immigration Canada (CIC) under the Business Immigration Program. Funds are distributed to participating provinces and are available for a period of five years, after which they must be repaid. The Province has guaranteed repayment to the federal government of all monies received by NLIIFL. While funds are advanced from CIC interest free, there is an upfront administration fee of seven (7) percent that must be repaid by the Province.

- CIC requires that funds be used for the purpose of contributing towards the development of a strong and viable economy. Funds are intended to fund larger business assistance/development projects that Government considers strategic and/or strategic infrastructure projects in support of targeted research and development, business development or economic development. There is no restriction on the nature of the investment - it could be in the form of a loan or equity.

- NLIIFL, through the Deputy Minister of INTRD, has formally kept departments aware of NLIIFL’s role and potential opportunities throughout and the NLIIFL Board met with the Deputies of various departments in 2008 to outline the approval process and to explore investment opportunities. A summary of the items put forth by the various departments is attached (Annex B).

- While the Board has deemed several opportunities eligible (see attached list – Annex C), no investments have been made by NLIIFL to date.

- While several participating provinces have made some investments, most notably British Columbia and PEI, other provinces such as Ontario, Manitoba and Nova Scotia have made only minimal investments and are facing issues relating to the short repayment horizon and resultant repayment issues for investments that will have repayment timelines greater than five years (see Annex D).
Annex B

In 2008 the NLLIFL Board held a series of meetings with selected Departments to discuss options for potential uses of the NLLIFL funds. The following items of interest were discussed:
Annex D

Currently, there are six other Provinces/Territories participating in the Program with New Brunswick expected to receive approval to participate in near future. Based on the latest information available the following outlines how much each province has received and how they are using their funds.

Immigrant Investor Funds received by participating provinces as of November, 2009

<table>
<thead>
<tr>
<th>Province</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario</td>
<td>$1,000,107,000</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>204,339,000</td>
</tr>
<tr>
<td>British Columbia</td>
<td>337,957,000</td>
</tr>
<tr>
<td>Manitoba</td>
<td>241,748,000</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>92,591,000</td>
</tr>
<tr>
<td>Northwest Territories</td>
<td>155,660,000</td>
</tr>
<tr>
<td>Newfoundland and Labrador</td>
<td>176,903,000</td>
</tr>
</tbody>
</table>

**Manitoba** – This Province utilizes interest earned on the Fund to assist with programs dedicated to its Immigration Strategy. Departments involved with immigration initiatives can apply for funding to use for qualifications recognition, labour market participation, business development and community capacity. Departments can also partner with third parties and can also subsidize employers and employees as part of workforce integration initiatives.

**British Columbia (BC)** – Funds received under the Program are split two-thirds with the Department of Finance and one-third with the BC Renaissance Capital Fund ($90 million), a venture capital fund. Three venture capital fund managers were selected to each manage a portion of the funds ($35 million) based on a publicly issued Request for Qualifications (RFQ). The second tranche of $55 million is expected to be placed shortly in response to a second RFQ issued in 2009. The Finance portion can be utilized for qualifying infrastructure and the venture portion is to be directed to initiatives that support clean technology, life sciences, IT and news media.

**Ontario** – Ontario has not allocated any funds received from CIC to date.

**Nova Scotia** – This Province has reportedly focused on low risk investments in large companies. Its first investment of $12.5 million was to Minas Basin Pulp and Power which will involve the construction of a co-generation facility to burn wood waste and plastics. The project is on hold due to the current economic climate. The other project under consideration is capital funding to roll out the provincial broadband network across the Province.

**Prince Edward Island (PEI)** – PEI has been fairly aggressive with its funding initiatives. As of October 31, 2009, the Province had funded approximately seventy-two clients utilizing $175 million from the Fund. These initiatives included: Cavendish Farms - $14M; water park - $2.8M; BioVectra - $5.5M; East Isle Shipyards - $12M; Master Packaging Inc.- $33M and Summerside Regional Development Corp – $2.9M. To meet the five year repayment horizon, its strategy is to have a balloon payment at the end of year five which is accommodated by having the proponent seek commercial financing after five years or alternatively flip the loan to PEI Business Development for long term financing. Presumably, this Crown Corporation would buy-out the remaining balance of any outstanding loans thereby enabling the Province to make the necessary payments to CIC.

**Northwest Territories (NWT)** – NWT has made one loan for $34 million and is reviewing its policy and procedures before making any further loans.
Information Note
Department of Innovation, Trade and Rural Development

Title: Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL)

Issue: Update on Fund status

Background/Current Status:

- NLIIFL was established to receive, administer and disburse funds received from Citizenship and Immigration Canada (CIC) under the Business Immigration Program. Funds are distributed to participating provinces and are available for a period of five years, after which they must be repaid. The Province has guaranteed repayment to the federal government of all monies received by NLIIFL. While funds are advanced from CIC interest free, there is an upfront administration fee of seven (7) percent that must be repaid by the Province. CIC requires that funds be used for the purpose of contributing towards the development of a strong and viable economy.

- The framework for investment activities of NLIIFL [Sec 18] Departments with potential projects requiring funding, outside of existing programs and budgets and which have the potential for provincial economic development, are to submit their funding requests to Cabinet. The Department of Finance – Budgeting Division, as part of its assessment process, considers NLIIFL as a possible funding source. If the NLIIFL is considered to be a viable option, Finance obtains a recommendation from the NLIIFL Board of Directors with respect to eligibility, which is then forwarded, along with the sponsoring Department’s request, to Cabinet for consideration. Only Cabinet has the authority to approve an investment from NLIIFL. Should the project be approved, any further due diligence required regarding the funding proposal is the responsibility of the sponsoring department.

- As of the current date, NLIIFL has approximately $223 million available for investment.

- The Department of Finance notes that these funds should be viewed only as a source of funds. These funds have to be repaid as with any other debt. Any potential use of these funds should be evaluated independently of the source of funds and should be considered in a manner consistent with any request for a budgetary allocation for new funding.
The NLIIFL Board met on April 26, 2010 and approved 2(i) of [redacted] and the Board has formally advised CIC of same. Over a reasonable period of time as determined by the availability of market product (guaranteed federal or provincial strip bonds(strips)), NLIIFL will invest a portion of available funds in strips and the remainder of funds will be maintained in the Corporation’s bank account and be available for any projects deemed meritorious as part of the 2010/11 budget process. The amount of funds to be invested in strips is undetermined at this time but a possible number is in the $70 million range which represents funds received since September, 2008. The strips will mirror to the extent possible the monthly payments due CIC, to the extent there is available product. It is also noted that should projects be approved in excess of funds available in NLIIFL’s bank account, the strips can be liquidated prior to maturity, however, there is the potential for either gains or losses.

The Province commenced monthly repayments to CIC on May 31, 2010. Provided the Province continues to participate in the Program, the Program continues and, depending on the differences between payments and receipts, there should be a relatively stable pool of at least $200 million for investment purposes.

At a recent meeting between the participating provinces and CIC, CIC advised that they have approved changes to the Program, including: (i) increasing the amount an individual immigrant has to put up from $400,000 to $800,000; (ii) [redacted]

Prepared by: Linda Spurrell/Don Kavanagh
Approved by: Judith Hearn/Peter Au
Date: November 10, 2010
Information Note
Department of Innovation, Trade and Rural Development
Department of Finance

Title: Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL)

Issue: Update on Fund status

Background/Current Status:

- NLIIFL was established to receive, administer and disburse funds received from Citizenship and Immigration Canada (CIC) under the Business Immigration Program. Funds are distributed to participating provinces and are available for a period of five years, after which they must be repaid. The Province has guaranteed repayment to the federal government of all monies received by NLIIFL. While funds are advanced from CIC interest free, there is an upfront administration fee of seven (7) percent that must be repaid by the Province. CIC requires that funds be used for the purpose of contributing towards the development of a strong and viable economy.

- The framework for investment activities of NLIIFL was established so that Departments with potential projects requiring funding, outside of existing programs and budgets and which have the potential for provincial economic development, are to submit their funding requests to Cabinet. The Department of Finance — Budgeting Division, as part of its assessment process, considers NLIIFL as a possible funding source. If the NLIIFL is considered to be a viable option, Finance obtains a recommendation from the NLIIFL Board of Directors with respect to eligibility, which is then forwarded, along with the sponsoring Department’s request, to Cabinet for consideration. Only Cabinet has the authority to approve an investment from NLIIFL. Should the project be approved, any further due diligence required regarding the funding proposal is the responsibility of the sponsoring department.

- As of the current date, NLIIFL has approximately $229 million available for investment.

- The Department of Finance notes that these funds should be viewed only as a source of funds. These funds have to be repaid as with any other debt. Any potential use of these funds should be evaluated independently of the source of funds and should be considered in a manner consistent with any request for a budgetary allocation for new funding.

- During its first three years of operation, NLIIFL recorded a profit of approximately $4.6 million based solely on interest received on money market investments. However, since that time, with the collapse of the world economy and the experience of very low interest rates, this surplus has dwindled to approximately $2 million.
The NLIIFL Board met on April 26, 2010 and approved 2(i) of [redacted] and the Board has formally advised CIC of same. Over a reasonable period of time as determined by the availability of market product (guaranteed federal or provincial strip bonds(strips)), NLIIFL will invest a portion of available funds in strips and the remainder of funds will be maintained in the Corporation’s bank account and be available for any projects deemed meritorious as part of the 2010/11 budget process. To date, approximately $88 million has been invested in strips. The strips mirror to the extent possible the monthly payments due CIC, to the extent there is available product. It is also noted that should projects be approved in excess of funds available in NLIIFL’s bank account, the strips can be liquidated prior to maturity, however, there is the potential for either gains or losses.

The Province commenced monthly repayments to CIC on May 31, 2010. Provided the Province continues to participate in the Program, the Program continues and, depending on the differences between payments and receipts, there should be a relatively stable pool of at least $200 million for investment purposes.

At a recent meeting between the participating provinces and CIC, CIC advised that they have approved changes to the Program, including: (i) increasing the amount an individual immigrant has to put up from $400,000 to $800,000; (ii) [redacted]

Prepared by: Linda Spurrell/Don Kavanagh/Paul Myrden
Approved by: Judith Hearn/Terry Paddon
Date: April 7, 2011
Information Note

Department of Innovation, Business and Rural Development

Title: Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL)

Issue: Fund overview

Background/Current Status:

- NLIIFL was established in 2005 to receive, administer and disburse funds received from Citizenship and Immigration Canada (CIC) under the Business Immigration Program. It does not have any employees and is administered by the Department of Innovation, Business and Rural Development (IBRD) with a 5 member board of directors of senior officials from IBRD and the Department of Finance.

- Funds are distributed on a monthly basis to participating provinces and available for a period of five years, after which they must be repaid to CIC. While funds are advanced from CIC interest free, there is an administration fee, initially seven (7) percent and recently amended to five (5) percent, required with the repayments to CIC. CIC requires that funds be used for the purpose of contributing towards the development of a strong and viable economy.

- To participate in the program, the Province was required to guarantee repayment to the federal government of all monies received by NLIIFL. Monies held by NLIIFL are viewed only as a source of funds as they have to be repaid as with any other debt. Any potential use of these funds requires an appropriate due diligence, risk and repayment assessment as the Province is ultimately responsible.

- To date, NLIIFL has not made any project investments. While several projects were considered, deemed eligible and approved for investment by NLIIFL, for various reasons they did not proceed.

- Funds received by NLIIFL were initially held in an interest bearing bank account, however, with declining interest rates the return was insufficient to cover the administration fee charged by CIC and a portion of funds have been invested in federal or provincial bonds. The overall return on funds held by NLIIFL is sufficient to meet these administration costs.

- NLIIFL commenced monthly repayments to CIC on May 31, 2010. As of October 31, 2012, NLIIFL maintains $88 million in bonds and $155 million in a bank account. Provided the Province continues to participate in the program, the program continues and depending on the differences between payments and receipts, NLIIFL should maintain a relatively stable pool of between $200-$250 million for investment purposes.

- IBRD continues to explore potential uses of the funds as suitable investments for NLIIFL.

Prepared by:  Dave Martin, Financial Officer
Approved by: Sharlene Jones, Director Business Analysis
November 21, 2012
Information Note
Department of Innovation, Business and Rural Development

Title: Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL)

Issue: Fund overview

Background/Current Status:

• NLIIFL was established in 2005 to receive, administer and disburse funds received from Citizenship and Immigration Canada (CIC) under the Business Immigration Program. It does not have any employees and is administered by the Department of Innovation, Business and Rural Development (IBRD) with a 5 member board of directors (Board) of senior officials from IBRD and the Department of Finance.

• Funds are distributed on a monthly basis to participating provinces and are available for a period of five years, after which they must be repaid to CIC. While funds are advanced from CIC interest free, there is an administration fee, initially seven (7) percent and recently amended to five (5) percent, required with the repayments to CIC. CIC requires that funds be used for the purpose of contributing towards the development of a strong and viable economy.

• To participate in the program, the Province was required to guarantee repayment to the federal government of all monies received by NLIIFL. Monies held by NLIIFL are viewed only as a source of funds as they have to be repaid as with any other debt. Any potential use of these funds requires an appropriate due diligence, risk and repayment assessment as the Province is ultimately responsible.

• To date, NLIIFL has not made any project investments. Funding requests were considered by the Board for the following:

1) Kodiak (Terra Nova Shoes) – decision was made to fund utilizing the Business Attraction Fund

2) [Redacted] 20 (1) (a) & (c)

• The Board considered that only the following two submissions were deemed to meet the funding eligibility requirements:

1) Kodiak (Terra Nova Shoes) – decision was made to fund utilizing the Business Attraction Fund

2) [Redacted] 20 (1) (a) & (c)
• Funds received by NLIIFL were initially held in an interest bearing bank account, however, with declining interest rates the return was insufficient to cover the administration fee charged by CIC and, beginning in June 2010, a portion of funds have been invested in federal or provincial bonds. The overall return on funds held by NLIIFL is sufficient to meet these administration costs. The table below denotes the annual returns for the fund:

<table>
<thead>
<tr>
<th>March 31</th>
<th>Surplus (Loss)</th>
<th>Cumulative Surplus (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$173,904</td>
<td>$173,904</td>
</tr>
<tr>
<td>2007</td>
<td>$965,904</td>
<td>$1,139,808</td>
</tr>
<tr>
<td>2008</td>
<td>$1,994,254</td>
<td>$3,134,062</td>
</tr>
<tr>
<td>2009</td>
<td>$1,495,656</td>
<td>$4,629,718</td>
</tr>
<tr>
<td>2010</td>
<td>($1,636,532)</td>
<td>$2,993,186</td>
</tr>
<tr>
<td>2011</td>
<td>($577,158)</td>
<td>$2,416,028</td>
</tr>
<tr>
<td>2012</td>
<td>$610,471</td>
<td>$3,026,499</td>
</tr>
<tr>
<td>Oct 31, 2012</td>
<td>$209,837</td>
<td>$3,236,336</td>
</tr>
</tbody>
</table>

• NLIIFL commenced monthly repayments to CIC on May 31, 2010. As of October 31, 2012, NLIIFL maintains $155 million in its bank account, interest rate 1.9% and $88 million (purchase cost) in bonds, interest rates between 2.038% and 3.4%. Bonds begin to mature in June 2013 with accumulated bond amortization of $4.570 million to October 31, 2012. Interest rates being earned are sufficient to cover the administration fees from CIC.

• Provided the Province continues to participate in the program, the program continues and depending on the differences between payments and receipts, NLIIFL should maintain a relatively stable pool of between $200-$250 million for investment purposes.

• IBRD continues to explore potential uses of the funds as suitable investments for NLIIFL.

Prepared by: Dave Martin, Financial Officer  
Reviewed by: Sharlene Jones, Director Business Analysis

November 29, 2012