April 25, 2014

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: IBRD/2/2014]

On January 22, 2014, the Department of Innovation, Business and Rural Development (IBRD) received your request for access to the following records/information:

"Any and all letters, emails, correspondence written to Federal Government/Citizenship and Immigration Canada regarding our province's Immigrant Investor Fund including details related to the possible suspension of NLs Immigrant Investor Program. Any information/briefs/notes/fact sheets compiled regarding the NL Immigrant Investor Fund for the purpose of informing the deputy minister or the minister from September 2012 to present. This SHOULD NOT include any published reports (eg. Annual reports). Details about the number of projects that have been assessed for coverage through the Immigration Investor Program and the number that were eventually funded through another government program, since April 2005."

Later that same day, the request was clarified to mean "any and all letters, emails, correspondence written to Federal Government/Citizenship and Immigration Canada..." pertaining to the possible suspension of NL from the Immigrant Investor Program.

I am pleased to inform you that your request for access to these records has been granted in part. Access to information contained within these records, has been refused in accordance with Sections 18, 20 and 24 (see attached) as specified in the Access to Information and Protection of Privacy Act.

As required by subsection 7(2) of the Act, we have severed information that is excepted from disclosure and have provided you with as much information as possible. In accordance with your request for a copy of the records, the appropriate copies have been enclosed. Please note the following pages have been fully redacted in accordance with the sections identified:

- Pages 1 – Non Responsive
- Pages 7 – 12 – Sections 20(1)(c) & 24(1)(f)
- Pages 20 – 22 – Sections 20(1)(c) & 24(1)(d)&(f)
- Pages 24 – 25 – Sections 20(1)(c) & 24(1)(d)&(f)
- Page 67 – Sections 20(1)(a)&(c) & 24(1)(d)&(f) & 18(1)(a)(i,ix), 18(1)(d), 18(2)(c)
- Pages 75 – 81 – Sections 20(1)(a)&(c) & 24(1)(d)&(f) & 18(1)(a)(i,ix), 18(1)(d), 18(2)(c)
With respect to your request for "details about the number of projects that have been assessed for coverage through the Immigration Investor Program and the number that were eventually funded through another government program, since April 2005," a total of 12 projects have been assessed, two of which were ultimately funded through alternative programs within IBRD. Information concerning projects funded by other government programs falls outside the custody and control of IBRD. Additional detail concerning the projects assessed has been withheld under Sections 20 and 24 of the Access to Information and Protection of Privacy Act.

Section 43 of the Act provides that you may ask the Information and Privacy Commissioner to review this partial refusal of access or you may appeal the refusal to the Supreme Court Trial Division. A request to the Information and Privacy Commissioner shall be made in writing within 60 days of the date of this letter or within a longer period that may be allowed by the Commissioner.

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, Stn. A
St. John's, NL. A1B 3V8

Telephone: (709) 729-6309
Facsimile: (709) 729-6500

In the event that you choose to appeal to the Trial Division, you must do so within 30 days of the date of this letter. Section 60 of the Act sets out the process to be followed when filing such an appeal.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement's website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have further questions, please feel free to contact Christina Harrington, ATIPP Coordinator, at 729-6137 or by e-mail at christinaharrington@gov.nl.ca.

Sincerely,

Alastair O'Rielly
Deputy Minister

Enclosure(s)
Cabinet confidences

18. (1) In this section

(a) "cabinet record" means

(i) advice, recommendations or policy considerations submitted or prepared for submission to the Cabinet,

(ii) draft legislation or regulations submitted or prepared for submission to the Cabinet,

(iii) a memorandum, the purpose of which is to present proposals or recommendations to the Cabinet,

(iv) a discussion paper, policy analysis, proposal, advice or briefing material, including all factual and background material prepared for the Cabinet,

(v) an agenda, minute or other record of Cabinet recording deliberations or decisions of the Cabinet,

(vi) a record used for or which reflects communications or discussions among ministers on matters relating to the making of government decisions or the formulation of government policy,

(vii) a record created for or by a minister for the purpose of briefing that minister on a matter for the Cabinet,

(viii) a record created during the process of developing or preparing a submission for the Cabinet, or

(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) "discontinued cabinet record" means a cabinet record referred to in paragraph (a) the original intent of which was to inform the Cabinet process, but which is neither a supporting Cabinet record nor an official Cabinet record;

(c) "official cabinet record" means a cabinet record referred to in paragraph (a) which has been prepared for and considered in a meeting of the Cabinet; and

(d) "supporting cabinet record" means a Cabinet record referred to in paragraph (a) which informs the Cabinet process, but which is not an official cabinet record.

(2) The head of a public body shall refuse to disclose to an applicant a Cabinet record, including

(a) an official Cabinet record;

(b) a discontinued Cabinet record; and

(c) a supporting Cabinet record.
(3) The commissioner may review the refusal of a Cabinet record by the head of a public body under subsection (2) except where the decision relates to a Cabinet record which has been certified as an official Cabinet record by the Clerk of the Executive Council or his or her delegate.

(4) Where a question arises as to whether a Cabinet record is an official Cabinet record, the certificate of the Clerk of Executive Council or his or her delegate stating that the record is an official Cabinet record is conclusive of the question.

(5) The delegate of the Clerk of the Executive Council referred to in subsections (3) and (4) shall be limited to the Deputy Clerk of the Executive Council and the Secretary of the Treasury Board.

(6) An applicant may appeal a decision of the head of a public body respecting Cabinet records referred to subsection (2), except an official Cabinet record, to the commissioner or the Trial Division under section 43.

(7) An applicant may appeal a decision of the head of a public body respecting a Cabinet record which is an official Cabinet record directly to the Trial Division.

(8) This section does not apply to

(a) information in a record that has been in existence for 20 years or more; or

(b) information in a record of a decision made by the Cabinet on an appeal under an Act.

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) the contents of a formal research report or audit report that in the opinion of the head of the public body is incomplete unless no progress has been made on it for more than 3 years;

(c) consultations or deliberations involving officers or employees of a public body, a minister or the staff of a minister; or

(d) draft legislation or regulations.

(2) The head of a public body shall not refuse to disclose under subsection (1)

(a) factual material;

(b) a public opinion poll;

(c) a statistical survey;

(d) an appraisal;

(e) an environmental impact statement or similar information;
(f) a final report or final audit on the performance or efficiency of a public body or on any of its programs or policies;

(g) a consumer test report or a report of a test carried out on a product to test equipment of the public body;

(h) a feasibility or technical study, including a cost estimate, relating to a policy or project of the public body;

(i) a report on the results of field research undertaken before a policy proposal is formulated;

(j) a report of an external task force, committee, council or similar body that has been established to consider a matter and make a report or recommendations to a public body;

(k) a plan or proposal to establish a new program or to change a program, if the plan or proposal has been approved or rejected by the head of the public body;

(l) information that the head of the public body has cited publicly as the basis for making a decision or formulating a policy; or

(m) a decision, including reasons, that is made in the exercise of a discretionary power or an adjudicative function and that affects the rights of the applicant.

(3) Subsection (1) does not apply to information in a record that has been in existence for 15 years or more.

**Disclosure harmful to the financial or economic interests of a public body**

24. (1) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose

(a) trade secrets of a public body or the government of the province;

(b) financial, commercial, scientific or technical information that belongs to a public body or to the government of the province and that has, or is reasonably likely to have, monetary value;

(c) plans that relate to the management of personnel of or the administration of a public body and that have not yet been implemented or made public;

(d) information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

(e) scientific or technical information obtained through research by an employee of a public body, the disclosure of which could reasonably be expected to deprive the employee of priority of publication;

(f) positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;
(g) information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body; or

(h) information, the disclosure of which could reasonably be expected to be injurious to the ability of the government of the province to manage the economy of the province.

(2) The head of a public body shall not refuse to disclose under subsection (1) the results of product or environmental testing carried out by or for that public body, unless the testing was done

(a) for a fee as a service to a person, a group of persons or an organization other than the public body; or

(b) for the purpose of developing methods of testing.
From: Linklater.Les [mailto:Les.Linklater@cic.gc.ca]
Sent: Wednesday, March 13, 2013 2:12 PM
To: Jones, Sharlene J.; Malone, Rita C.
Cc: Timmins.Monique; MacPhee.Susan; Manicom.David; Davidson.Mark; Parriag.
Natasha; Pelletier.Gilles; Valkenier.Mary-Ellen
Subject: Re: teleconference with NL officials

OK - any documents that can be shared in advance will be appreciated.

LL

From: Jones, Sharlene J. [mailto:sharlenejones@gov.nl.ca]
To: Linklater.Les; Malone, Rita C.
Cc: Timmins.Monique; MacPhee.Susan; Manicom.David; Davidson.Mark; Parriag.
Natasha; Pelletier.Gilles; Valkenier.Mary-Ellen
Subject: RE: teleconference with NL officials

Mr. Linklater,

I have rearranged schedules and the teleconference will occur on Friday
March 15 at 2:00 NL Standard time.

Teleconference call in number: 1-888-289-4573
Access code 3192526

Thank you
Sharlene
Ms Malone -

Further to Ms Jones' message below I will ask my office to confirm but it looks like I am not free until 5:30 NF standard tomorrow and only at 2:00 NFL standard on Friday.

Are there any documents that can be shared in advance of a call? As you know, I had been advised in December that I would see a proposal from NFL at the end of January and have not received anything to date.

NFL will be cut off from the Investor program as of April 1 if there isn't an acceptable plan in place; I am concerned that after raising this with NFL for 2 years + my team and I will now be asked to react to a proposal at the 11th hour.

LL

From: Jones, Sharlene J. [mailto:sharlenejones@gov.nl.ca]
To: Linklater.Les
Subject: teleconference with NL officials
Good Afternoon Mr. Linklater,

I am currently trying to set up a teleconference to discuss the Immigrant Investor Fund with officials from NL government – notably Brent Meade (Deputy Minister of Innovation, Business & Rural Development), Rita Malone (Assistant Deputy Minister of Innovation, Business & Rural Development), and Laurie Skinner (Deputy Minister of Finance) as well as yourself.

Would you be available either tomorrow (March 14) at 12:00 (NL standard time) or Friday (March 15) at 1:30 (NL standard time)?

Please advise

Thank you

Sharlene

Sharlene Jones, CMA
Director, Business Analysis

Innovation, Business & Rural Development
Government of Newfoundland and Labrador
PO Box 8700, St. John's, NL A1B 4J6
Tel: 709.729.7108
Email: HYPERLINK "mailto:sharlenejones@gov.nl.ca"sharlenejones@gov.nl.ca
March 20, 2013

Mr. Les Linklater
Assistant Deputy Minister
Citizenship and Immigration Canada
Office of the Assistant Deputy Minister, Strategic and Program Policy
365 Laurier Avenue West 20th Floor
Ottawa, Ontario K1A 1L1

Dear Mr. Linklater:

I am writing in response to your previous correspondence and our own recent discussions concerning the non-compliance of our Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL) with the Immigration and Refugee Protection Regulations.

As indicated by the Deputy Minister of Innovation, Business and Rural Development, Brent Meade, and Deputy Minister of Finance on our conference call this past Friday afternoon, we intend to do everything possible to address your concern that to date the NLIIFL has yet to make an investment for the purposes of “creating or continuing employment in Canada to foster the development of a strong and viable economy”. Please know that this of grave concern to me and my colleagues with the Province as well, as we do not wish to withdraw from the Immigrant Investor Program. As such, please allow me to reiterate the steps that we have taken in recent months to address this concern.

Since January my staff has been working closely with officials from the Department of Finance to screen investment proposals received through the Province’s most recent budget process. To date a number of projects in multi sectors of the economy have been contemplated. Two qualifying projects which have much promise have been identified, both with strong potential to create or maintain significant employment in the Province and contribute to the overall economy.

The first is the Province’s investment of

20(1)(c) & 24(1)(f)

P.O. Box 8700, 2nd Floor, West Block, Confederation Building, St. John’s, NL A1B 4J6
As agreed to during our recent call, attached is the draft investment proposal from Discussions concerning this project have already been held with most all NLIIIFL Board members and no issues with approval of this project are anticipated. Should the attached draft proposal meet with your approval, we will be prepared to immediately proceed with obtaining formal approval from the Board.

The second opportunity under consideration is a

Should the investment proposal from prove unsatisfactory for any reason, we will immediately proceed with the second opportunity. However, as stated previously, we do not foresee any reason why the would fail to meet either the CIC or our own criteria for investment.

Finally, I would like to thank you again for your patience and your sincere desire to work with us in partnership and cooperation on this matter. Please know that as the new Chair of the NLIIIFL, I am making every effort to comply with the regulations. I look forward to hearing from you shortly with respect to the attached investment proposal.

Thank you,

RITA MALONE
Chair, NLIIIFL

pc:  Brent Meade, Deputy Minister, IBRD
Laurie Skinner, Deputy Minister, Finance
Charles Bowen, Deputy Minister, Natural Resources
From: MacPhee.Susan [mailto:Susan.MacPhee@cic.gc.ca]
Sent: Monday, March 25, 2013 12:43 PM
To: Jones, Sharlene J.
Cc: Malone, Rita C.; Martin, Dave; Manicom.David; Davidson.Mark; Parriag.Natasha; Niva.Liisa; Hebert.Christine; Penny.Claire; Leung.Stephanie
Subject: RE: NL IIP

Hello Sharlene,

When we spoke on Friday, I explained that we would be required to provide our assessment of your document and any supplemental information to my DG and ADM very quickly as Les Linklater had promised to get back to your ADM with a reading on whether or not the suspension deadline would be extended by the end of the day today. I hope you found the additional info we sent by email on Friday afternoon to be helpful as well.

I tried to call but have not been able to reach you. I just wanted to let you know that I am now required to send up our assessment.

I know you do very much want to get together the kind of information we need about your plan for complying with the IIP regs and guidelines and myself and my team will be happy to work with you on getting a plan together going forward.

Best wishes,

Susan

Susan E. MacPhee
Director - Economic Immigration Policy and Programs
Directrice - Politique et des programmes de l'immigration économique
NHQ - Immigration | AC - Immigration
Citizenship and Immigration Canada | Citoyenneté et Immigration Canada
385 Laurier Avenue West Ottawa ON K1A 1L1 | 365, avenue Laurier Ouest Ottawa ON K1A 1L1
Office | Bureau JETS D878
Susan.MacPhee@cic.gc.ca
Telephone | Téléphone 613-954-4214
From: Jones, Sharlene J. [mailto:sharlenejones@gov.nl.ca]
Sent: March 22, 2013 12:53 PM
To: MacPhee.Susan
Cc: Malone, Rita C.; Martin, Dave
Subject: RE:

Good Afternoon Susan,

I just wanted to touch base to let you know we are diligently working towards the questions below as well as topics that were discussed during the teleconference earlier today. We would appreciate if you could send along the program guidelines that you mentioned as well as any other questions you or your staff may have. As soon as we have the information you require, we will be forwarding it along to you to assist you in your assessment.

Thank you
Sharlene

Sharlene Jones, CMA
Director, Business Analysis

Innovation, Business & Rural Development
Government of Newfoundland and Labrador
PO Box 8700, St. John's, NL A1B 4J6
Tel: 709.729.7108
Email: sharlenejones@gov.nl.ca

From: MacPhee.Susan [mailto:Susan.MacPhee@cic.gc.ca]
Sent: Friday, March 22, 2013 11:36 AM
To: Jones, Sharlene J.
Subject:

Hi Sharlene,

Sure, I'm happy to give you some examples of our questions but they really are about your management of the NL IIP funds rather than the project.

Please see examples below.

- What liquidity floor do you anticipate keeping in your fund and why?
- How will you continue to roll out other funds this year or in subsequent years to get to that floor?
- Are you considering other forms of investments besides loans?
- On the two proposals in the letter, specifically how many full-time equivalents (FTEs) are specifically attributable to the IIP related funds?
- Beyond FTEs, what direct and indirect economic benefits are expected specifically from the IIP funds?
- As per the IIP program guidelines, please explain why either of these projects would not be able to proceed without the investment of IIP funds?

We look forward to speaking with you, Susan

Susan E. MacPhee
Director - Economic Immigration Policy and Programs
Directrice - Politique et des programmes de l'immigration économique
NHQ - Immigration | AC - Immigration
Citizenship and Immigration Canada | Citoyenneté et Immigration Canada
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From: MacPhee.Susan [mailto:Susan.MacPhee@cic.gc.ca]
Sent: Monday, August 12, 2013 3:22 PM
To: Khurana, Harman
Cc: Niva.Lilas; Hebert.Christine; Graham.Matthew
Subject: FW: NL IIP

Hello Harman,

Here is a copy of the ADM reply that I had previously signalled would be forthcoming.

Susan

Susan E. MacPhee
Director, Economic Immigration | Directrice, l'immigration économique
INRF - Immigration | AC - Immigration
Citizenship and Immigration Canada | Citoyenneté et Immigration Canada
365 Laurier Avenue West Ottawa ON K1A 1L1 | 365, avenue Laurier Ouest Ottawa ON K1A 1L1
Office | Bureau METS 0878
Susan.MacPhee@cic.gc.ca
Telephone | Téléphone 613-954-4214
Facsimile | Télécopieur 613-954-0850
Government of Canada | Gouvernement du Canada

From: Linklater.Les
Sent: August 12, 2013 1:48 PM
To: 'Rmalone@gov.nl.ca'
Cc: Manicom.David; Valkenier.Mary-Ellen; MacPhee.Susan; 'Hogan, Dennis A.'; Davidson.Mark; Parriag.Natasha
Subject: NL IIP

Hello Rita,

I hope that your summer is going well. We've had lots of changes here, sorry for the delay in getting back to you on your proposed investment under the IIP.

We've now fully assessed your proposal for your first investment under IIP and we find that it respects the regulations and program guidelines as well as targeting a key sector for the NL economy. Were you to proceed with this investment, your province would be considered to be in compliance under the program.
I should also add that we find that your early thinking on a more comprehensive strategy for use of the IIP funds makes sense, to put the emphasis on key economic sectors and areas like [redacted] that can promote economic growth.

Since we last spoke, our policy review work on the IIP has intensified and we have been asked to look at all possible policy options for the program. At this time I am not in a position to speculate on the outcome of that review, or the timing.

I would appreciate if Newfoundland and Labrador could keep me informed of your next steps.

Thanks,

Les

Les Linklater
Assistant Deputy Minister | Sous-ministre adjoint
Citizenship and Immigration Canada | Citoyenneté et Immigration Canada
365 Laurier Avenue West Ottawa ON K1A 1L1 | 365, avenue Laurier Ouest Ottawa ON K1A 1L1
Office | Bureau JETS B2027
Les.Linklater@cic.gc.ca
Telephone | Téléphone 613-954-7353
Facsimile | Télécopieur 613-946-6048
Government of Canada | Gouvernement du Canada
Mr. Les Linklater  
Assistant Deputy Minister  
Citizenship and Immigration Canada  
Office of the Assistant Deputy Minister  
Strategic and Program Policy  
365 Laurier Avenue West, 20th Floor  
Ottawa Ontario K1A 1L1

Dear Mr. Linklater:

I am writing to provide you with an update on the status of the contemplated investments by the Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIIFL) as previously communicated to you.

The first is the investment through [redacted], which is a combination of an equity and a loan. This approach, of course, would not be acceptable under the IIP guidelines. Unfortunately, this will preclude NLIIIFL from proceeding with providing any funding for this project, however, I have provided later in this letter information on an alternative infrastructure investment.

The second proposal actively being pursued is a [redacted] NLIIIFL has been identified as a potential source of funding and I am hopeful that the required approvals for this initiative will be in place by December 31, 2013 calendar year end.
As previously indicated, I would also like to present a third investment opportunity that NLIIFL has recently been requested to consider, the [redacted] project for the long-term economic needs of the province, supporting both targeted research and development as well as business and economic development.


The [redacted] will create significant employment opportunities during the construction and operational phase of the project and will provide a long term sustainable supply of skilled professionals to support growth in industries of strategic economic importance. In our opinion the project is a good fit under the IIP and meets the program requirements under Section 92(f) of promoting the creation or continuation of employment in Canada and fostering the development of a strong and viable economy. Prior to NLIIFL proceeding to obtain the necessary authorizations for the investment, your confirmation that the project is eligible is requested.

I again thank you for your patience and your sincere desire to work with us in partnership and cooperation on this matter. I will keep you apprised of developments as they proceed until NLIIFL has issued funding on a first investment. I look forward to hearing from you at your earliest convenience with respect to the attached investment proposal for [redacted].

Thank you,

RITA MALONE
Chair, NLIIFL
## Annex A
Newfoundland and Labrador Outlook 2020

### Outlook 2020 Science and Related Occupations

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Reference Year</th>
<th>Expansion Demands</th>
<th>Attrition</th>
<th>Job Openings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural and Applied Sciences and Related Occupations</td>
<td>17,038</td>
<td>18,366</td>
<td>16,988</td>
<td>1,328</td>
</tr>
<tr>
<td>Physical science professionals</td>
<td>605</td>
<td>639</td>
<td>609</td>
<td>34</td>
</tr>
<tr>
<td>Civil, mechanical, electrical and chemical engineers</td>
<td>1,793</td>
<td>1,999</td>
<td>1,777</td>
<td>206</td>
</tr>
<tr>
<td>Other engineers</td>
<td>1,210</td>
<td>1,290</td>
<td>1,242</td>
<td>80</td>
</tr>
<tr>
<td>Computer and information systems professionals</td>
<td>2,190</td>
<td>2,390</td>
<td>2,107</td>
<td>200</td>
</tr>
<tr>
<td>Technical occupations in physical sciences</td>
<td>976</td>
<td>1,046</td>
<td>974</td>
<td>70</td>
</tr>
<tr>
<td>Technical occupations in life sciences</td>
<td>1,536</td>
<td>1,536</td>
<td>1,492</td>
<td>1</td>
</tr>
<tr>
<td>Technical occupations in civil, mechanical, industrial engineering</td>
<td>689</td>
<td>772</td>
<td>665</td>
<td>83</td>
</tr>
<tr>
<td>Technical occupations in electronics and electrical engineering</td>
<td>1,718</td>
<td>1,904</td>
<td>1,817</td>
<td>186</td>
</tr>
<tr>
<td>Technical occupations in architecture, drafting, surveying, mapping</td>
<td>728</td>
<td>795</td>
<td>696</td>
<td>68</td>
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<tr>
<td>Other technical inspectors and regulatory officers</td>
<td>1,018</td>
<td>1,087</td>
<td>995</td>
<td>69</td>
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<tr>
<td>Transportation officers and controllers</td>
<td>2,379</td>
<td>2,577</td>
<td>2,484</td>
<td>197</td>
</tr>
<tr>
<td>Technical occupations in computer and information systems</td>
<td>1,319</td>
<td>1,409</td>
<td>1,316</td>
<td>90</td>
</tr>
<tr>
<td>Other natural, applied sciences, related occupations</td>
<td>877</td>
<td>921</td>
<td>813</td>
<td>43</td>
</tr>
<tr>
<td>Health Science Occupations</td>
<td>19,448</td>
<td>20,783</td>
<td>21,382</td>
<td>1,335</td>
</tr>
<tr>
<td>Physicians, dentists and veterinarians</td>
<td>1,932</td>
<td>2,057</td>
<td>2,118</td>
<td>125</td>
</tr>
<tr>
<td>Pharmacists, dieticians and nutritionists</td>
<td>730</td>
<td>813</td>
<td>811</td>
<td>82</td>
</tr>
<tr>
<td>Therapy and assessment professionals</td>
<td>712</td>
<td>753</td>
<td>780</td>
<td>44</td>
</tr>
<tr>
<td>Nurse supervisors and registered nurses</td>
<td>7,221</td>
<td>7,691</td>
<td>7,942</td>
<td>469</td>
</tr>
<tr>
<td>Medical technologists and technicians (except dental health)</td>
<td>1,528</td>
<td>1,629</td>
<td>1,661</td>
<td>101</td>
</tr>
<tr>
<td>Other technical occupations in health Care (except dental)</td>
<td>3,874</td>
<td>4,132</td>
<td>4,262</td>
<td>258</td>
</tr>
<tr>
<td>Assisting occupations in support of health services</td>
<td>3,183</td>
<td>3,420</td>
<td>3,513</td>
<td>237</td>
</tr>
<tr>
<td>Other health occupations</td>
<td>267</td>
<td>286</td>
<td>294</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Outlook 2020, pp. 103-104
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
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:

  5) Kodiak (Terra Nova Shoes)

- 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)

- 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>
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<tbody>
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<td>2006</td>
<td>$173,904</td>
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</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
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:

  5) Kodiak (Terra Nova Shoes)

- 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) 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:

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<td>2012</td>
<td>$610,471</td>
<td>$3,026,499</td>
</tr>
<tr>
<td>Jan 31, 2013</td>
<td>$390,631</td>
<td>$3,417,130</td>
</tr>
</tbody>
</table>

- NLIIFL commenced monthly repayments to CIC on May 31, 2010. As of January 31, 2013, NLIIFL maintains $150 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 $5.163 million to January 31, 2013. 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 actively work with the Department of Finance to identify any eligible proposals for consideration.

Prepared by: Dave Martin, Financial Officer
Reviewed by: Sharlene Jones, Director
Approved by: Rita Malone, ADM

March 5th, 2013
Information Note
Department of Innovation, Business and Rural Development

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

Issue: Fund overview

Background/Current Status:

- NLIIIFL 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 by CIC on a monthly basis to participating provinces and are available for a period of five years, after which they must be repaid. 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. 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 NLIIIFL. Monies held by NLIIIFL 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, NLIIIFL has not made any project investments. Funding requests were considered by the Board for the following:

  5) Kodiak (Terra Nova Shoes)

- 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
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 equity position of NLIIFL:

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<tr>
<td>2013 (Draft)</td>
<td>$632,287</td>
<td>$3,568,786</td>
</tr>
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NLIIFL commenced monthly repayments to CIC on May 31, 2010. As of March 31, 2013, NLIIFL maintains $146 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 $5.558 million to March 31, 2013. Interest rates being earned are sufficient to cover the administration fees from CIC.

In December 2012, discussions began with CIC over potential suspension of NLIIFL from the program due to non-compliance with regulations as none of the funds from CIC had been used other than bond purchases. CIC indicated that NLIIFL were the only provincial entity participating in the program not compliant with regulations.

To complicate this issue, CIC had previously sent correspondence addressed to the NLIIFL Chair on the matter but had not received any response. The present Chair had already been investigating potential investments as required under the program when becoming aware of the prior unanswered CIC letters.

In an effort to avoid suspension from the program, CIC was advised of a [redacted], which would bring NLIIFL compliant under the program.

CIC requested an outline of the proposal be provided for their review and approval. While the request was considered to be within the program guidelines for investment and equivalent to investments done by other provinces through information garnered via a jurisdictional scan, proposal overview was provided.

CIC responded with additional questions regarding the proposed investment as well as questions relating to future investments NLIIFL will pursue to continue investing funds as
per the mandate. All necessary information has been provided and the Department is waiting
CIC’s review of the proposal and subsequent decision.

- 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.

Prepared by:  Dave Martin, Financial Officer
Reviewed by:  Sharlene Jones, Director Business Analysis
Approved by:  Rita Malone, NLIIFL Board Chair & ADM Regional Economic Development

May 6th, 2013
Information Note
Department of Innovation, Business and Rural Development

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

Issue: Fund Overview/Current Status/Shareholder Minute Update – Authorization Request

Background:
- NLIIFL was established in 2005 to receive, administer and disburse funds received from Citizenship and Immigration Canada (CIC) under the Business Immigration Program. The Fund does not have its own staff however; it 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 by CIC on a monthly basis to participating provinces and are available for a period of five years, after which they must be repaid. 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. CIC requires that funds be used for the purpose of contributing towards the development of a strong and viable economy (See Appendix A for details).

- To participate in the program, the Province was required to guarantee repayment to the federal government of all monies received by NLIIFL. CIC’s eligibility requirements are listed in Appendix B.

- 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:

  5) Kodiak (Terra Nova Shoes)  20(1)(c) & (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
A jurisdictional scan was also conducted and it appears that other provinces are using funding from CIC for various initiatives such as infrastructure, venture capital, etc (Jurisdictional scan is listed in Appendix 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 equity position of NLIIFL:

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NLIIFL commenced monthly repayments to CIC on May 31, 2010. As of March 31, 2013, NLIIFL maintains $146 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 $5.558 million to March 31, 2013. Interest rates being earned are sufficient to cover the administration fees from CIC.

In December 2012, discussions began with CIC over potential suspension of NLIIFL from the program due to non-compliance with regulations as none of the funds from CIC had been used other than bond purchases. CIC indicated that NLIIFL were the only provincial entity participating in the program not compliant with regulations.

To complicate this issue, CIC had previously sent correspondence addressed to the NLIIFL previous Chair on the matter that went unanswered. The current Chair had already been investigating potential investments as required under the program once became aware of the prior unanswered CIC letters.

As the Province has been non-compliant with the Fund’s regulations, the CIC has indicated that Newfoundland and Labrador will be suspended from the program if no adequate proposal/investment can be made over the coming months.
Current Status:

- In an effort to avoid suspension from the program, various potential initiatives were reviewed and consultations occurred with the Department of Finance and Natural Resources. 20(1)(c) & 24(1)(f)

- It was deemed by the provincial participants that the investment

- Any proposal that was approved would result in the NLIIIFL finally being compliant with the program regulations. 20(1)(c) & 24(1)(f)

- It was then agreed to move forward to CIC with the 18(1)(e)(v.ix), 18(1)(d), 18(2)(c)
CIC requested an outline of the proposal be provided for their review and approval. While the request was considered to be within the program guidelines for investment and equivalent to investments done by other provinces, the CIC wanted specific information to review.

Working with IBRD provided CIC with a draft of the details surrounding

CIC responded with additional questions regarding the proposed investment as well as questions relating to future investments NLIIFL will pursue to continue investing funds as per the mandate. All necessary information has been provided, with the last correspondence to CIC on April 30th, 2013. CIC has acknowledged the information and advised their assessment is in process. The department is still waiting for CIC’s assessment and subsequent decision.

It should be noted that regarding this investment,

NLIIFL Broader Investment Strategy:

Moving forward, NLIIFL is viewed as being able to complement IBRD’s new programs and the overall stated objectives.

Apart from the initial investment through sector, other opportunities are expected in oil & gas opportunities, aquaculture (bio-security & infrastructure), ocean technologies, applied research, patient capital in the life science area, mining and major infrastructure requirements in Labrador, just to name a few. Projects will be considered on a case by case basis and will be evaluated on the requirements of the Immigration and Refugee Protection Regulations. In addition, parameters are being considered relative to minimum project size and NLIIFL investment.
• Investment in transportation and other infrastructure for rapidly growing aquaculture industry with strong private sector investment shows much promise as well. These investments are critical not only to sustain the existing enterprises but to advance an aggressive growth agenda demanded by external markets.

• Detailed proposals will be part and parcel of the overall NLIIFL investment strategy for investment in strategic sectors and regions of the province.

• The Department is currently working on an investment policy/strategy for the NLIIFL which will be made available for utilization.

• As part of the review of the strategic use of the NLIIFL allocations, the department is in the process of determining the maximum portion of the funds to be invested at any one point in time into the economy and a policy on a minimum amount, if any, should remain in cash or non-program investments. Parameters related to minimum project size and NLIIFL investment, term lengths, interest rates, etc will be considered.

• As previously stated, a portion of the NLIF funds were invested in federal and/or provincial bonds. Beginning in June 2013, some of these bonds mature. Until an investment strategy is finalized and sanctioned by the Immigrant Investor Board, the funds will not be reinvested back into bonds and available for use.
Administrative Note:
• As an aside, a procedural issue has been noted with respect to shareholder minutes for 2012 and 2013. As sole shareholder, Minister’s authorization is required (Appendix E refers).

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

• There are many opportunities for the use of the NLIIIFL and the department is currently working very closely with the CIC on ensuring the first investment is achieved. The department feels strongly that the [redacted] is an eligible applicant and good fit for the fund. The process for getting an initiative approved involves both the provincial and federal government (Appendix D refers) and can transpire to a lengthy process.

• Although no investments have been made to date, a reasonable timeline for approvals can be 3 months assuming all the relevant information is received by the sponsoring department.

Appendix A: Immigrant Investor Fund: Use of Funds by PTs
Appendix B: CIC’s Eligibility Requirements
Appendix C: Jurisdictional Scan
Appendix D: Funding Application Process Guidelines
Appendix E: Shareholder Minutes for Authorization

Prepared by: Sharlene Jones, Director, Business Analysis
Approved by: Rita Malone, NLIIIFL Board Chair & ADM Regional & Business Development

May 23\textsuperscript{th}, 2013
Appendix A
Immigrant Investor Program
Use of Funds by PTs

The purpose of this instructional bulletin is to provide further clarification and guidance for provinces and territories (PTs) on the acceptable uses of funds under the federal Immigrant Investor Program (IIP). This is intended to update the Use of Funds document, issued to participating provinces and territories in 2005, which elaborated on the intent and what was envisaged under Section 92(f) of the Immigration and Refugee Protection Regulations (IRPR).

Background
The purpose of the IIP is to support the Immigration and Refugee Protection Act (IRPA) objective “to support the development of a strong and prosperous Canadian economy, in which the benefits of immigration are shared across all regions of Canada”.

Citizenship and Immigration Canada’s (CIC’s) re-designed Immigrant Investor Program was launched in 1999, as a single federal window model through which investment funds are allocated through CIC, with the Minister acting as agent, to any PT that opts to participate in the program. While the objective of the program remained the same—direct job creation—the program was redesigned to move away from the highly prescriptive approach to the use of IIP funds under the pre-1999 model, to a program that recognized that PTs are in the best position to determine how IIP funds can directly generate employment in their economies most effectively. Consequently, the regulations pertaining to the appropriate use of funds by participating PTs, which are outlined in Section 92(f) of the IRPR, were intentionally made flexible to provide sufficient room for PTs to make those determinations. The regulations, however, envisioned that PTs would invest directly in economic activities that created or allowed for the continuation of employment, which would not have otherwise been realized.

The IIP was intended to provide a value-added benefit to the PTs and initiate new development opportunities outside of general government programming. This vision led to the requirement for PTs to establish a sole purpose Fund to manage IIP monies (Sec 91), place investments directly and to report on the distribution of these funds, including the number and type of jobs created (Sec 95 (e) and (f)). This would allow any jobs created to be attributed directly to the provision of IIP capital.

The 1999 redesign also added a requirement for a provincial guarantee of the return of the funds upon their 5 year maturity. The intent here was to safeguard the program from problems of fraud and to make it a more attractive program for investors. CIC recognized that a provincial guarantee could somewhat limit Fund activity, and that participating PTs may not be in a position to invest at least 70% of their capital in businesses, as was required under the old program. This specificity was removed from program regulations to allow PTs to maintain a balanced portfolio of shorter term, more secure investments and direct, longer term investments in job creation activities, appropriate to the level of risk they were comfortable with. It was understood that with proper portfolio and risk management, and given the 5-year revolving pool of capital that the IIP establishes, PTs would be able to invest in job creation activities while at the same time ensuring that IIP funds could be returned to Investors at the end of the investment period. These management techniques would allow PTs to establish sufficient liquidity to return
the funds at 5 years, where they wished to make investments with terms that go beyond the 5 years.

The IIP redesign was completed after exhaustive consultations with PTs through the Business Immigration FPT Working Group, which is now incorporated into the FPT Economic Working Group. The redesign received the support of all participating provinces in the Business Immigration FPT Working Group.

**Regulatory Requirements**

**Use of Funds:**
Regulations pertaining to appropriate use of funds by participating PTs are outlined in Section 92(f) of the IRPR;
… during the allocation period, it [the Fund] must use the provincial allocation for the purpose of creating or continuing employment in Canada to foster the development of a strong and viable economy.

**Reporting on Use of Funds**
There are specific reporting requirements for PTs and these requirements are indicative of an investment fund with multiple investments in job creating activities. These reporting requirements were carried over from the old program, as the expectation was to see the same type of investments that took place pre-1999 for at least a portion of the funds.

Section 95 requires Funds to:
- Report who the recipients of the Funds’ capital are
- Describe the terms and security received
- Record investment and divestment
- Provide a description of the use of the funds
- Provide the number of full-time job equivalents created; and
- Provide the standard industrial classification code

**Limitations on Use of IIP Funds**
While the regulations prescribing the acceptable use of funds by PTs are not explicit, there are limitations as to what is allowable under the intent of the program.

**Inactivity**
Allowing IIP capital to sit idle in a Fund, or to not engage in any investment activity other than purchasing secure investments, is not considered to be in compliance with the intent of the program, nor will it allow PTs to realize the economic benefits of the program.
Government Programming
IIP capital, or interest earned from IIP capital, is not to be used by government departments for their own spending purposes.

IIP used for General Government Revenue
Placing IIP capital in general government revenue (e.g. Consolidated Revenue Fund) is not consistent with making a direct investment by a stand-alone economic development fund, which can be directly linked to job creation.

Secure Investments
IIP funds cannot be used for the sole purchase of secure investments, such as provincial government bonds where interest is invested only as it is earned. This, however, does not preclude the purchase of secure investments as a risk mitigation technique, and as part of a balanced portfolio of investments. Funds can purchase secure investments with a portion of their allocations, while the remainder of IIP capital is used for direct investment in job creation initiatives. The ratio of secure to active investments is determined by the Fund, within the limits described above.

Indirect Investments
The placement of investments in an indirect manner, such as channeling IIP monies through two or three other fund managers before an investment is actually placed is outside the parameters of the IIP. However, partnering as a co-investor in a specific project is acceptable. So long as the IIP capital is being injected directly into the project and not simply being transferred to another Fund manager, then a direct link is created between the Fund -> the investment -> the outcomes of the investment (i.e. number of jobs created or sustained).
Appendix B
Immigrant Investor Fund – Eligibility Requirements

CIC Requirements:
➢ Section 92(f) of the Federal Regulations state that the Province must use its allocation for the purpose of “creating or continuing employment in Canada to foster the development of a strong and viable economy”.
➢ Article 5 (f) of the Fund Agreement between CIC and NL11FL repeats this objective without further elaboration or detail, leaving discretion open in the definition.
➢ CIC March 31, 2012 audited financial statements indicate the following in the statement notes relative to the program “The participating provinces are responsible for investing their allocations to strengthen their economies and to create or continue employment”.
➢ CIC has previously indicated that the program was not designed to simply provide capital to participating provinces for any government related purpose but intended as a pool of investment capital.
➢ CIC also previously noted that funds should not be given to another provincial ministry for subsequent investment in private sector economic development, investments should be made direct. The other provincial information noted below for Ontario does appear to be somewhat of a spin off from this.
➢ I have forwarded an email and placed a call to CIC to attempt to obtain additional information.

Provincial Direction: 18(1)(a)(i & ix), 18(1)(d), 18(2)(c)
➢ Funds are required to be repaid to NL11FL to ensure repayment commitments to CIC are maintained, however, no maximum repayment term length specified for individual projects.
➢ Funds are to be used for a combination of larger business assistance/development projects that Government considers strategic with the assistance provided to be in the form of either a loan or other type of investment as well as strategic infrastructure projects in support of targeted research and development, business development and/or economic development.
➢ Only approve projects that would normally be funded based on their own merit regardless of IIF funding.
➢ No restrictions or caps placed on the amount of funds available for projects.
Appendix C
Immigrant Investor Fund – Jurisdictional Scan

Information Other Jurisdictions:

- Northwest Territories has withdrawn from the program.
- Ontario operates its program through the Ontario Immigrant Investor Corporation and its March 31, 2012 financial statements indicate that prior to February, 2011 all of its allocations had been invested in fixed income securities issued by the Province of Ontario. A new investment strategy was approved in September 2010 to direct a significant portion of allocations to the Loan Program managed by Infrastructure Ontario (IO), a crown corporation. IO helps finance infrastructure projects such as construction of roads, bridges and facilities.
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- File notes indicate that P.E.I Century 2000 Fund Inc. has participated in loans to private entities such as East Isle Shipyards to assist construction of two tug boats and Master Packaging Inc. to finance building expansion and new equipment.
- Information obtained on Manitoba Opportunities Fund (MOF) notes that IIP funds received are invested for a five year period with interest income generated used to create jobs and help the Manitoba economy grow by supporting Manitoba’s growing through Immigration Strategy and economic development initiatives for immigrants in the province.
- Saskatchewan Immigrant Investor Fund Inc. (SIIF) is a wholly-owned subsidiary of the Crown Investments Corporation of Saskatchewan (SCIC), a holding company for 9 Saskatchewan commercial Crown corporations. Results of SIIF are included in the consolidated statements of SCIC and I have been unable to find any specific information for SIIF.
- Officials have been unable to locate specific information related to New Brunswick Immigrant Investor Fund Limited.
Appendix D
Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL)
Funding Application Process Guidelines

While there does not appear to be a formal application process documented relative to NLIIFL funding, the following procedures are considered appropriate based on Cabinet directives and applications previously considered:

➢ Departments are responsible for complete project analysis and to bring the request forward to NLIIFL for eligibility, the initial application would require whatever the sponsoring Department considered necessary under their programs.

➢ When Departments have the application and consider the project meritorious, a project summary would be sent to NLIIFL for an eligibility ruling. The summary should include the following:
  • Project Description (requirement of funds)
  • Background
  • Project Rationale
  • Project Approval (Client)
  • Project Benefits
  • Project Cost and Timeline
  • Funding Requirement

➢ After determining eligibility, NLIIFL Board would advise the respective Department of the decision. If eligible, the Board would indicate to the Department the recommended terms and security requirements.

➢ The sponsoring Department, with the support of IBRD Business Analysis Division, will

18(1)(e)(i & ix), 18(1)(d), 18(2)(c)
Appendix E
Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIIFL)
Shareholder Minutes for Authorization – 2012 and 2013
NEWFOUNDLAND AND LABRADOR IMMIGRANT INVESTOR FUND LIMITED
SHAREHOLDER’S RESOLUTION

Resolved:

At a meeting of the shareholder held at the Offices of the Corporation on the 16th day of January, 2012, the undersigned as the only shareholder confirmed and ratified the new appointment of Harman Khurana, Director of Budgeting, Department of Finance, effective December 21, 2011. The list of Directors was noted as attached.

Minister of Innovation, Business
And Rural Development
NEWFOUNDLAND AND LABRADOR IMMIGRANT INVESTOR FUND LIMITED
SHAREHOLDER’S RESOLUTION

Resolved:

At a meeting of the shareholder held at the Offices of the Corporation on the 14th day of
February, 2013, the undersigned as the only shareholder, noted and concurred with the actions
being taken by the Board with respect to Citizenship and Immigration Canada’s concern over
non-compliance with the program regulations. The current list of Directors was also noted as
attached.

___________________________
Minister of Innovation, Business
And Rural Development
Information Note
Department of Innovation, Business and Rural Development

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

Issue: Fund Overview and Current Status

Background:
• NLIIFL was established in 2005 to receive, administer and disburse funds received from Citizenship and Immigration Canada (CIC) under the Business Immigration Program. The Fund does not have its own staff however; it 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 by CIC on a monthly basis to participating provinces and are available for a period of five years, after which they must be repaid. 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. CIC requires that funds be used for the purpose of contributing towards the development of a strong and viable economy (See Appendix A for details).

• To participate in the program, the Province was required to guarantee repayment to the federal government of all monies received by NLIIFL. CIC’s eligibility requirements are listed in Appendix B.

• 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:

  5) Kodiak (Terra Nova Shoes)

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

(i) Kodiak (Terra Nova Shoes) – decision was made to fund utilizing the Business Attraction Fund.
A jurisdictional scan was also conducted and it appears that other provinces are using funding from CIC for various initiatives such as infrastructure, venture capital, etc (Jurisdictional scan is listed in Appendix 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 equity position of NLIIFL:

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<tr>
<th>March 31</th>
<th>Surplus (Loss)</th>
<th>Cumulative Surplus (Loss)</th>
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NLIIFL commenced monthly repayments to CIC on May 31, 2010. As of March 31, 2013, NLIIFL maintains $146 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 $5.558 million to March 31, 2013. Interest rates being earned are sufficient to cover the administration fees from CIC.

In December 2012, discussions began with CIC over potential suspension of NLIIFL from the program due to non-compliance with regulations as none of the funds from CIC had been used other than bond purchases. CIC indicated that NLIIFL were the only provincial entity participating in the program not compliant with regulations.

To complicate this issue, CIC had previously sent correspondence addressed to the NLIIFL previous Chair on the matter that went unanswered. The current Chair had already been investigating potential investments as required under the program once became aware of the prior unanswered CIC letters.

As the Province has been non-compliant with the Fund’s regulations, the CIC has indicated that Newfoundland and Labrador will be suspended from the program if no adequate proposal/investment can be made over the coming months.
Current Status:

- In an effort to avoid suspension from the program, various potential initiatives were reviewed and consultations occurred with the Departments of Finance and Natural Resources.

- It was deemed by the provincial participants that the investment [REDACTED] was not only eligible under the program but that it would be the best fit for the use of the NLIIFL.

- Any proposal that was approved would result in the NLIIFL finally being compliant with the program regulations.

- It was then agreed to move forward to CIC with the [REDACTED].
• CIC requested an outline of the proposal be provided for their review and approval. While the request was considered to be within the program guidelines for investment and equivalent to investments done by other provinces, the CIC wanted specific information to review.

• Working with [Redacted] and the Department of Natural Resources, IBRD provided CIC with a draft of the details surrounding the [Redacted] as requested.

• CIC responded with additional questions regarding the proposed investment as well as questions relating to future investments NLIIFL will pursue to continue investing funds as per the mandate. All necessary information has been provided to CIC on April 30th, 2013 which CIC acknowledged and advised their assessment is in process.

• On June 4th, 2013 IBRD sent correspondence to CIC inquiring into the status of their review. The CIC acknowledged again that they have received all the required information and still currently working on the matter. As all the requested information has been provided, NL has avoided suspension to date and in fact, the fund received over $5m for the month of May.

• It should be noted that regarding this investment,

NLIIFL Broader Investment Strategy:

• Moving forward, NLIIFL is viewed as being able to complement IBRD’s new programs and the overall stated objectives.

• Apart from the initial investment through [Redacted] other opportunities are expected in a [Redacted] oil & gas opportunities, aquaculture (bio-security & infrastructure), ocean technologies, applied research, patient capital in the life science area, mining and major infrastructure requirements in Labrador, just to name a few. Projects will be considered on a [Redacted]
case by case basis and will be evaluated on the requirements of the Immigration and Refugee Protection Regulations. In addition, parameters are being considered relative to minimum project size and NLIIFL investment.

• Investment in transportation and other infrastructure for rapidly growing aquaculture industry with strong private sector investment shows much promise as well. These investments are critical not only to sustain the existing enterprises but to advance an aggressive growth agenda demanded by external markets.

• Detailed proposals will be part and parcel of the overall NLIIFL investment strategy for investment in strategic sectors and regions of the province.

• The Department is currently working on an investment policy/strategy for the NLIIFL. Overall this strategy will better align with the strategic goals of the department and include departmental wide engagement. The present expectation is, under the assumption that NLIIFL funding will be mainly in a loan format providing an ongoing repayment stream, that the maximum possible amount available to be invested in the economy, while ensuring sufficient cash is available to meet monthly repayments to CIC, will be made available for utilization.

• As part of the review of the strategic use of the NLIIFL allocations, the department is in the process of determining the maximum portion of the funds to be invested at any one point in time into the economy and a policy on a minimum amount, if any, should remain in cash or non-program investments. Parameters related to minimum project size and NLIIFL investment, term lengths, interest rates, etc will be considered.

• As previously stated, a portion of the NLIIFL funds were invested in federal and/or provincial bonds. Beginning in June 2013, some of these bonds mature. Until an investment strategy is finalized and sanctioned by the Immigrant Investor Board, the funds will not be reinvested back into bonds and therefore available for use.
Conclusion & Timelines:

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

- There are many opportunities for the use of the NLIIIFL and the department is currently working very closely with the CIC on ensuring the first investment is achieved. The department feels strongly that the [REDACTED] is an eligible applicant and good fit for the fund. The process for getting an initiative approved involves both the provincial and federal government (Appendix E refers) and can transpire to a lengthy process.
Next Steps:

- Completion of the broad investment strategy to better align with the strategic goals as per the recent Core Mandate Analysis initiative.

- Receipt of CIC’s review and approval of the proposal being presented to the NL immigrant Investors Board of Directors.

- Receipt of CIC’s review and approval for the second funding proposal. Once CIC approval of the proposal is received, it will be presented to the NL immigrant Investors Board of Directors.

- These three pieces of work are critical.

Appendix A: Immigrant Investor Fund: Use of Funds by PTs
Appendix B: CIC’s Eligibility Requirements
Appendix C: Jurisdictional Scan
Appendix D: Business Development Continuum
Appendix E: Funding Application Process Guidelines

Prepared by: Sharlene Jones, Director, Business Analysis
Approved by: Rita Malone, NLIIIFL Board Chair & ADM Regional & Business Development

June 11th, 2013
Appendix A
Immigrant Investor Program
Use of Funds by PTs

The purpose of this instructional bulletin is to provide further clarification and guidance for provinces and territories (PTs) on the acceptable uses of funds under the federal Immigrant Investor Program (IIP). This is intended to update the Use of Funds document, issued to participating provinces and territories in 2005, which elaborated on the intent and what was envisaged under Section 92(f) of the Immigration and Refugee Protection Regulations (IRPR).

Background
The purpose of the IIP is to support the Immigration and Refugee Protection Act (IRPA) objective “to support the development of a strong and prosperous Canadian economy, in which the benefits of immigration are shared across all regions of Canada”.

Citizenship and Immigration Canada’s (CIC’s) re-designed Immigrant Investor Program was launched in 1999, as a single federal window model through which investment funds are allocated through CIC, with the Minister acting as agent, to any PT that opts to participate in the program. While the objective of the program remained the same—direct job creation—the program was redesigned to move away from the highly prescriptive approach to the use of IIP funds under the pre-1999 model, to a program that recognized that PTs are in the best position to determine how IIP funds can directly generate employment in their economies most effectively. Consequently, the regulations pertaining to the appropriate use of funds by participating PTs, which are outlined in Section 92(f) of the IRPR, were intentionally made flexible to provide sufficient room for PTs to make those determinations. The regulations, however, envisioned that PTs would invest directly in economic activities that created or allowed for the continuation of employment, which would not have otherwise been realized.

The IIP was intended to provide a value-added benefit to the PTs and initiate new development opportunities outside of general government programming. This vision led to the requirement for PTs to establish a sole purpose Fund to manage IIP monies (Sec 91), place investments directly and to report on the distribution of these funds, including the number and type of jobs created (Sec 95 (e) and (f)). This would allow any jobs created to be attributed directly to the provision of IIP capital.

The 1999 redesign also added a requirement for a provincial guarantee of the return of the funds upon their 5 year maturity. The intent here was to safeguard the program from problems of fraud and to make it a more attractive program for investors. CIC recognized that a provincial guarantee could somewhat limit Fund activity, and that participating PTs may not be in a position to invest at least 70% of their capital in businesses, as was required under the old program. This specificity was removed from program regulations to allow PTs to maintain a balanced portfolio of shorter term, more secure investments and direct, longer term investments in job creation activities, appropriate to the level of risk they were comfortable with. It was understood that with proper portfolio and risk management, and given the 5-year revolving pool of capital that the IIP establishes, PTs would be able to invest in job creation activities while at the same time ensuring that IIP funds could be returned to Investors at the end of the investment period. These management techniques would allow PTs to establish sufficient liquidity to return

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the funds at 5 years, where they wished to make investments with terms that go beyond the 5 years.

The IIP redesign was completed after exhaustive consultations with PTs through the Business Immigration FPT Working Group, which is now incorporated into the FPT Economic Working Group. The redesign received the support of all participating provinces in the Business Immigration FPT Working Group.

**Regulatory Requirements**

**Use of Funds:**
Regulations pertaining to appropriate use of funds by participating PTs are outlined in Section 92(f) of the IRPR;

… during the allocation period, it [the Fund] must use the provincial allocation for the purpose of creating or continuing employment in Canada to foster the development of a strong and viable economy.

**Reporting on Use of Funds**
There are specific reporting requirements for PTs and these requirements are indicative of an investment fund with multiple investments in job creating activities. These reporting requirements were carried over from the old program, as the expectation was to see the same type of investments that took place pre-1999 for at least a portion of the funds.

Section 95 requires Funds to:
- Report who the recipients of the Funds’ capital are
- Describe the terms and security received
- Record investment and divestment
- Provide a description of the use of the funds
- Provide the number of full-time job equivalents created; and
- Provide the standard industrial classification code

**Limitations on Use of IIP Funds**
While the regulations prescribing the acceptable use of funds by PTs are not explicit, there are limitations as to what is allowable under the intent of the program.

**Inactivity**
Allowing IIP capital to sit idle in a Fund, or to not engage in any investment activity other than purchasing secure investments, is not considered to be in compliance with the intent of the program, nor will it allow PTs to realize the economic benefits of the program.
Government Programming
IIP capital, or interest earned from IIP capital, is not to be used by government departments for their own spending purposes.

IIP used for General Government Revenue
Placing IIP capital in general government revenue (e.g. Consolidated Revenue Fund) is not consistent with making a direct investment by a stand-alone economic development fund, which can be directly linked to job creation.

Secure Investments
IIP funds cannot be used for the sole purchase of secure investments, such as provincial government bonds where interest is invested only as it is earned. This, however, does not preclude the purchase of secure investments as a risk mitigation technique, and as part of a balanced portfolio of investments. Funds can purchase secure investments with a portion of their allocations, while the remainder of IIP capital is used for direct investment in job creation initiatives. The ratio of secure to active investments is determined by the Fund, within the limits described above.

Indirect Investments
The placement of investments in an indirect manner, such as channeling IIP monies through two or three other fund managers before an investment is actually placed is outside the parameters of the IIP. However, partnering as a co-investor in a specific project is acceptable. So long as the IIP capital is being injected directly into the project and not simply being transferred to another Fund manager, then a direct link is created between the Fund -> the investment -> the outcomes of the investment (i.e. number of jobs created or sustained).
Appendix B

Immigrant Investor Fund – Eligibility Requirements

CIC Requirements:
- Section 92(f) of the Federal Regulations state that the Province must use its allocation for the purpose of “creating or continuing employment in Canada to foster the development of a strong and viable economy”.
- Article 5 (f) of the Fund Agreement between CIC and NLIIIFL repeats this objective without further elaboration or detail, leaving discretion open in the definition.
- CIC March 31, 2012 audited financial statements indicate the following in the statement notes relative to the program “The participating provinces are responsible for investing their allocations to strengthen their economies and to create or continue employment”.
- CIC has previously indicated that the program was not designed to simply provide capital to participating provinces for any government related purpose but intended as a pool of investment capital.
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- I have forwarded an email and placed a call to CIC to attempt to obtain additional information.

Provincial Direction:
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- Funds are to be used for a combination of larger business assistance/development projects that Government considers strategic with the assistance provided to be in the form of either a loan or other type of investment as well as strategic infrastructure projects in support of targeted research and development, business development and/or economic development.
- Only approve projects that would normally be funded based on their own merit regardless of IIF funding.
- No restrictions or caps placed on the amount of funds available for projects.
Appendix C
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Information Other Jurisdictions:

- Northwest Territories has withdrawn from the program.
- Ontario operates its program through the Ontario Immigrant Investor Corporation and its March 31, 2012 financial statements indicate that prior to February, 2011 all of its allocations had been invested in fixed income securities issued by the Province of Ontario. A new investment strategy was approved in September 2010 to direct a significant portion of allocations to the Loan Program managed by Infrastructure Ontario (IO), a crown corporation. IO helps finance infrastructure projects such as construction of roads, bridges and facilities.
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- Officials have been unable to locate specific information related to New Brunswick Immigrant Investor Fund Limited.
Appendix D
Business Development Continuum

Existing IBRD Programs

Stage 1
Idea
GAP

Stage 2
Start-Up
SME Fund
Innovation Programs

Stage 3
Developmental
GAP
Oceans Tech Programs

Stage 4
Growth

Stage 5
Maturity

Foreign Directed Investment:
BAF ADF DDOEPO

Research & Development Corp.
RCI Newfoundland
Petroleum R&D
Gas EXPLOR.US
Industrial R&D Fellowship (IRDF)

1.800.563.2299
www.gov.nl.ca
Appendix E
Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIFL)
Funding Application Process Guidelines

While there does not appear to be a formal application process documented relative to NLIIFL funding, the following procedures are considered appropriate based on Cabinet directives and applications previously considered:

➢ Departments are responsible for complete project analysis and to bring the request forward to NLIIFL for eligibility, the initial application would require whatever the sponsoring Department considered necessary under their programs.

➢ When Departments have the application and consider the project meritorious, a project summary would be sent to NLIIFL for an eligibility ruling. The summary should include the following:
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➢ After determining eligibility, NLIIFL Board would advise the respective Department of the decision. If eligible, the Board would indicate to the Department the recommended terms and security requirements.

➢ The sponsoring Department, with the support of IBRD Business Analysis Division, will

18(1)(a)(i & ix), 18(1)(d), 18(2)(c)
Title: Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIIFL)

Background:

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- To participate in the program, the Province was required to guarantee repayment to the federal government of all monies received by NLIIIFL. CIC’s eligibility requirements are listed in Appendix B.

- Monies held by NLIIIFL 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 appropriate due diligence and risk and repayment assessment, as the Province is ultimately responsible for repayment.

- The NLIIIF Board has considered several investment proposals in the past; however, no investments have been made to-date. Some of the funding requests considered by the Board include:

  1.  
  2.  
  3.  
  4.  
  5) Kodiak (Terra Nova Shoes)
• Only two submissions were deemed to meet the funding eligibility requirements:

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

(ii) 20(1)(a) & (c), 24(1)(d) & (f)

• 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 were invested in federal or provincial bonds. Presently, the overall return on funds held by NLIIFL is sufficient to meet these administration costs. The table below denotes the annual equity position of NLIIFL:

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• NLIIFL commenced monthly repayments to CIC on May 31, 2010. As of March 31, 2013, NLIIFL maintained $146.0M in its bank account at an interest rate of 1.9%, and $88 million (purchase cost) in bonds with interest rates ranging between 2.0% and 3.4%. Bonds began to mature in June 2013.

• In December 2012, discussions began with CIC over potential suspension of NLIIFL from the program due to non-compliance with regulations as none of the funds from CIC had been used for purposes other than bond purchases. CIC indicated that NLIIFL were the only provincial entity participating in the program not compliant with regulations.

• To complicate this issue, CIC had previously sent correspondence addressed to the NLIIFL’s previous Chair on the matter that went unanswered. The current Chair had already been investigating potential investments as required under the program prior to becoming aware of the unanswered CIC letters.

• As the Province has been non-compliant with the Fund’s regulations, the CIC has indicated that Newfoundland and Labrador would be suspended from the program if no adequate proposal/investment was made in the short term.
Current Status:

- In an effort to avoid suspension from the program, various potential initiatives were reviewed and consultations occurred with the Departments of Finance and Natural Resources. A jurisdictional scan was also completed to evaluate what initiatives were being funded by other provinces utilizing IIF funds (Jurisdictional scan is included in appendix C).

- It was deemed by the provincial participants that the proposed [redacted] was not only eligible under the program but that it would be a good fit for the immediate use of NLIIF funds. If approved (by the NLIIF Board [redacted] and CIC), allocation NLIIF funds towards the [redacted] would also alleviate concerns relating to non-compliance.

- It was then agreed to move forward to CIC with a [redacted] being considered for [redacted] (details on the proposal are included below).

- CIC requested an outline of the proposal be provided for their review and approval. While the request was considered to be within the program guidelines for investment and equivalent to investments done by other provinces, the CIC wanted specific information to review.

- Working with [redacted] IBRD provided CIC with a draft of the details surrounding the [redacted] (details on the proposal are included below).

- On August 12, 2013, Mr. Les Linklater, Assistant Deputy Minister of CIC emailed the Department to inform that the assessment of the [redacted] was concluded and deemed eligible. As well, the email indicated that CIC is supportive of the broad investment strategy being contemplated by the NLIIF including the use of funds for [redacted] (details on the proposal are included below).

NLIIFL Broader Investment Strategy:

- The Department is currently working on a detailed investment strategy/policy for the NLIIFL. Overall this strategy will better align with the strategic goals of the province and foster economic development and job creation by complementing IBRD’s existing suite of economic development programs.

- As part of the broader strategy it is recommended that besides the oil and gas sector, the NLIIFL consider investments in other strategic industries such as aquaculture (bio-security & infrastructure), ocean technologies, applied research, aerospace and defense, life sciences, mining and major infrastructure requirements in Labrador, just to name a few. Projects should be considered on a case by case basis and evaluated against the requirements of program parameters and [redacted]
• Investment in transportation, port infrastructure and other infrastructure such as transportation with strong private sector investment shows much promise as well. These investments are critical not only to sustain the existing enterprises but to advance an aggressive growth agenda demanded by external markets.

• In addition to the investment opportunities noted above, it is envisioned that other strategic investments opportunities will be generated by the Department of Finance during the course of the annual Budget process as well as through other line departments where meritorious proposals meet the program guidelines and objectives.

• As part of the NLIIFL strategy, it is recommended that the Board establish pre-determined parameters (Investment Policy) related to minimum project size and NLIIFL investment, types of investments and portfolio allocation (loans, equity etc.), term lengths, interest rates, security requirements etc. It is the IBRD’s understands that NLIIFL investment will primarily be structured as loans thereby providing an ongoing repayment stream. The investment policy should also address the maximum amount available to be invested in the economy, while ensuring sufficient cash is available to meet monthly repayment obligations to CIC.

• As previously stated, a portion of the NLIIFL funds were invested in federal and/or provincial bonds. Beginning in June 2013, some of these bonds mature. Until an investment strategy is finalized and sanctioned by the Immigrant Investor Board, the funds will not be reinvested back into bonds and therefore available for use.

• The first two proposals, the have been deemed eligible under the CIC program guidelines and are considered consistent with the proposed NLIIIF investment strategy outlined above. The Department is seeking concurrence of the NLIIFL Board to proceed.
Next Steps:
• Completion of the broad investment strategy to better align with the strategic goals as per the recent Core Mandate Analysis initiative.

Appendix A: Immigrant Investor Fund: Use of Funds by PTs
Appendix B: CIIC’s Eligibility Requirements
Appendix C: Jurisdictional Scan
Appendix D: Business Development Continuum
Appendix E: 
Appendix F: Funding Application Process Guidelines

Prepared by: Michael Day, Manager of Business Investment
Reviewed by: Harman Khurana, Director, Business Analysis
Approved by: Rita Malone, NLIIFL Board Chair & ADM Regional & Business Development

September 3, 2013
Appendix A

Immigrant Investor Program
Use of Funds by PTs

The purpose of this instructional bulletin is to provide further clarification and guidance for provinces and territories (PTs) on the acceptable uses of funds under the federal Immigrant Investor Program (IIP). This is intended to update the Use of Funds document, issued to participating provinces and territories in 2005, which elaborated on the intent and what was envisaged under Section 92(f) of the Immigration and Refugee Protection Regulations (IRPR).

Background
The purpose of the IIP is to support the Immigration and Refugee Protection Act (IRPA) objective “to support the development of a strong and prosperous Canadian economy, in which the benefits of immigration are shared across all regions of Canada”.

Citizenship and Immigration Canada’s (CIC’s) re-designed Immigrant Investor Program was launched in 1999, as a single federal window model through which investment funds are allocated through CIC, with the Minister acting as agent, to any PT that opts to participate in the program. While the objective of the program remained the same—direct job creation—the program was redesigned to move away from the highly prescriptive approach to the use of IIP funds under the pre-1999 model, to a program that recognized that PTs are in the best position to determine how IIP funds can directly generate employment in their economies most effectively. Consequently, the regulations pertaining to the appropriate use of funds by participating PTs, which are outlined in Section 92(f) of the IRPR, were intentionally made flexible to provide sufficient room for PTs to make those determinations. The regulations, however, envisioned that PTs would invest directly in economic activities that created or allowed for the continuation of employment, which would not have otherwise been realized.

The IIP was intended to provide a value-added benefit to the PTs and initiate new development opportunities outside of general government programming. This vision led to the requirement for PTs to establish a sole purpose Fund to manage IIP monies (Sec 91), place investments directly and to report on the distribution of these funds, including the number and type of jobs created (Sec 95 (e) and (f)). This would allow any jobs created to be attributed directly to the provision of IIP capital.

The 1999 redesign also added a requirement for a provincial guarantee of the return of the funds upon their 5 year maturity. The intent here was to safeguard the program from problems of fraud and to make it a more attractive program for investors. CIC recognized that a provincial guarantee could somewhat limit Fund activity, and that participating PTs may not be in a position to invest at least 70% of their capital in businesses, as was required under the old program. This specificity was removed from program regulations to allow PTs to maintain a balanced portfolio of shorter term, more secure investments and direct, longer term investments in job creation activities, appropriate to the level of risk they were comfortable with. It was understood that with proper portfolio and risk management, and given the 5-year revolving pool of capital that the IIP establishes, PTs would be able to invest in job creation activities while at the same time ensuring that IIP funds could be returned to Investors at the end of the investment period. These management techniques would allow PTs to establish sufficient liquidity to return
the funds at 5 years, where they wished to make investments with terms that go beyond the 5 years.

The IIP redesign was completed after exhaustive consultations with PTs through the Business Immigration FPT Working Group, which is now incorporated into the FPT Economic Working Group. The redesign received the support of all participating provinces in the Business Immigration FPT Working Group.

Regulatory Requirements

Use of Funds:
Regulations pertaining to appropriate use of funds by participating PTs are outlined in Section 92(f) of the IRPR; … during the allocation period, it [the Fund] must use the provincial allocation for the purpose of creating or continuing employment in Canada to foster the development of a strong and viable economy.

Reporting on Use of Funds
There are specific reporting requirements for PTs and these requirements are indicative of an investment fund with multiple investments in job creating activities. These reporting requirements were carried over from the old program, as the expectation was to see the same type of investments that took place pre-1999 for at least a portion of the funds.

Section 95 requires Funds to:
- Report who the recipients of the Funds’ capital are
- Describe the terms and security received
- Record investment and divestment
- Provide a description of the use of the funds
- Provide the number of full-time job equivalents created; and
- Provide the standard industrial classification code

Limitations on Use of IIP Funds
While the regulations prescribing the acceptable use of funds by PTs are not explicit, there are limitations as to what is allowable under the intent of the program.

Inactivity
Allowing IIP capital to sit idle in a Fund, or to not engage in any investment activity other than purchasing secure investments, is not considered to be in compliance with the intent of the program, nor will it allow PTs to realize the economic benefits of the program.
Government Programming
IIP capital, or interest earned from IIP capital, is not to be used by government departments for their own spending purposes.

IIP used for General Government Revenue
Placing IIP capital in general government revenue (e.g. Consolidated Revenue Fund) is not consistent with making a direct investment by a stand-alone economic development fund, which can be directly linked to job creation.

Secure Investments
IIP funds cannot be used for the sole purchase of secure investments, such as provincial government bonds where interest is invested only as it is earned. This, however, does not preclude the purchase of secure investments as a risk mitigation technique, and as part of a balanced portfolio of investments. Funds can purchase secure investments with a portion of their allocations, while the remainder of IIP capital is used for direct investment in job creation initiatives. The ratio of secure to active investments is determined by the Fund, within the limits described above.

Indirect Investments
The placement of investments in an indirect manner, such as channeling IIP monies through two or three other fund managers before an investment is actually placed is outside the parameters of the IIP. However, partnering as a co-investor in a specific project is acceptable. So long as the IIP capital is being injected directly into the project and not simply being transferred to another Fund manager, then a direct link is created between the Fund -> the investment -> the outcomes of the investment (i.e. number of jobs created or sustained).
Appendix B
Immigrant Investor Fund – Eligibility Requirements

CIC Requirements:
- Section 92(f) of the Federal Regulations state that the Province must use its allocation for the purpose of “creating or continuing employment in Canada to foster the development of a strong and viable economy”.
- Article 5 (f) of the Fund Agreement between CIC and NLIIFL repeats this objective without further elaboration or detail, leaving discretion open in the definition.
- CIC March 31, 2012 audited financial statements indicate the following in the statement notes relative to the program “The participating provinces are responsible for investing their allocations to strengthen their economies and to create or continue employment”.
- CIC has previously indicated that the program was not designed to simply provide capital to participating provinces for any government related purpose but intended as a pool of investment capital.
- CIC also previously noted that funds should not be given to another provincial ministry for subsequent investment in private sector economic development, investments should be made direct. The other provincial information noted below for Ontario does appear to be somewhat of a spin off from this.
- I have forwarded an email and placed a call to CIC to attempt to obtain additional information.

Provincial Direction:
- Funds are required to be repaid to NLIIFL to ensure repayment commitments to CIC are maintained, however, no maximum repayment term length specified for individual projects.
- Funds are to be used for a combination of larger business assistance/development projects that Government considers strategic with the assistance provided to be in the form of either a loan or other type of investment as well as strategic infrastructure projects in support of targeted research and development, business development and/or economic development.
- Only approve projects that would normally be funded based on their own merit regardless of IIF funding.
- No restrictions or caps placed on the amount of funds available for projects.
Appendix C

Immigrant Investor Fund – Jurisdictional Scan

Information Other Jurisdictions:

- Northwest Territories has withdrawn from the program.
- Ontario operates its program through the Ontario Immigrant Investor Corporation and its March 31, 2012 financial statements indicate that prior to February, 2011 all of its allocations had been invested in fixed income securities issued by the Province of Ontario. A new investment strategy was approved in September 2010 to direct a significant portion of allocations to the Loan Program managed by Infrastructure Ontario (IO), a crown corporation. IO helps finance infrastructure projects such as construction of roads, bridges and facilities.
- British Columbia operates its program through the BC Immigrant Investment Fund Ltd (BCIIF) and its March 31, 2012 report indicates that a portion of funding has been used for public sector infrastructure such as schools, universities and bridges. It also notes that an allocation of $90 million was made to B.C. Renaissance Capital Fund Ltd (BCRCF), which is wholly owned by BCIIF. The purpose of the BCRCF is to attract successful venture capital managers and their capital to develop promising, innovative technology companies in the province. As of April, 2012, the BCRCF had made investment commitments of $90 million with eight fund managers.
- Nova Scotia uses Nova Scotia Strategic Opportunities Fund Incorporated to administer its program. Its website indicates that it can provide loans of at least $1 million for projects meeting listed criteria. The March 31, 2012 financial statement for the entity records loan receivable amount of $75 million but no indication of the nature. I have placed a call to attempt to obtain additional details.
- File notes indicate that P.E.I Century 2000 Fund Inc. has participated in loans to private entities such as East Isle Shipyards to assist construction of two tug boats and Master Packaging Inc. to finance building expansion and new equipment.
- Information obtained on Manitoba Opportunities Fund (MOF) notes that IIP funds received are invested for a five year period with interest income generated used to create jobs and help the Manitoba economy grow by supporting Manitoba’s growing through Immigration Strategy and economic development initiatives for immigrants in the province.
- Saskatchewan Immigrant Investor Fund Inc. (SIIF) is a wholly-owned subsidiary of the Crown Investments Corporation of Saskatchewan (SCIC), a holding company for 9 Saskatchewan commercial Crown corporations. Results of SIIF are included in the consolidated statements of SCIC and I have been unable to find any specific information for SIIF.
- Officials have been unable to locate specific information related to New Brunswick Immigrant Investor Fund Limited.
Appendix D
Business Development Continuum

Existing IBRD Programs

Stage 1 | Stage 2 | Stage 3 | Stage 4 | Stage 5
---|---|---|---|---
Idea | Start-Up | Developmental | Growth | Maturity

- SME Fund
- Innovation Programs
- Oceans Tech Programs
- GAP
- Foreign Directed Investment
- Research & Development Corp.
  - RD&O of Concepts
  - Petroleum RD&O
  - Gas RD&O
  - Industrial RD&O Follow-on (IRDF)

1.800.563.2299
www.gov.nl.ca
Annex B
Business Development Continuum

Existing IBRD Programs

1.800.563.2299  www.gov.nl.ca
Appendix F
Newfoundland and Labrador Immigrant Investor Fund Limited (NLIIIFL)
Funding Application Process Guidelines

While there does not appear to be a formal application process documented relative to NLIIIFL funding, the following procedures are considered appropriate based on Cabinet directives and applications previously considered:

➢ Departments are responsible for complete project analysis and to bring the request forward to NLIIIFL for eligibility, the initial application would require whatever the sponsoring Department considered necessary under their programs.

➢ When Departments have the application and consider the project meritorious, a project summary would be sent to NLIIIFL for an eligibility ruling. The summary should include the following:
  • Project Description (requirement of funds)
  • Background
  • Project Rationale
  • Project Approval (Client)
  • Project Benefits
  • Project Cost and Timeline
  • Funding Requirement

➢ After determining eligibility, NLIIIFL Board would advise the respective Department of the decision. If eligible, the Board would indicate to the Department the recommended terms and security requirements.

➢ The sponsoring Department, with the support of IBRD Business Analysis Division, will
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.

- 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 to increase the return. Bank account interest rate is 1.1% with interest rates on the bond portfolio ranging between 2.038% and 3.4%. Administration fees are amortized over the five year period and the overall return on funds held by NLIIFL is sufficient to meet the administration costs. The table below denotes the annual returns for the fund and demonstrates that over the life of NLIIFL the investments have earned a total of $3,870,580.

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<th>Date</th>
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- NLIIIFL commenced monthly repayments to CIC on May 31, 2010. As of September 30, 2013, NLIIIFL maintains a total cash and investment balance of approximately $236 million made up $80 million in bonds and $156 million in a bank account. Based on the average cash inflows and outflows within a five year cycle, it is expected that the NLIIIFL should maintain a combined cash and investment value of approximately $200 to $250 million on average in any given year.

- Traditionally the amount of funds received annually from CIC were equivalent to repayments to CIC, however, during the fiscal year 2013 CIC undertook some changes in the program which resulted in lower disbursements to Provinces for a period of time. As a result, NLIIIFL repaid $22.2 million more to CIC than was received in fiscal 2013. Monthly receipts from CIC have been averaging in excess of $5 million in fiscal 2014.

- Other than investments in federal and provincial bonds, NLIIIFL has not made any project investments. While several projects were considered and deemed eligible for investment by NLIIIFL, for various reasons they did not proceed.

- In early 2013, the CIC deemed the NLIIIFL to be non-compliant with the program regulations due to the lack of eligible investments made though the fund. This was also reflected in the notes to the 2013 audited financial statements of the corporation issued by the Auditor General’s office.

- Since then the department in cooperation with the NLIIIFL Board has developed an investment strategy targeted at strategic investments in infrastructure and large scale economic/business opportunities within the province. The department has also submitted initial proposals consistent with the overall investment strategy to the CIC for their review and approval. CIC has accepted this strategy and preliminary proposals as submitted by the department, and has confirmed that if NLIIFL was to proceed with the proposed investments the province would be considered to be in compliance under the program.

Key Message:

- Funding received from CIC plus administration fee is fully repayable 5 years from date of receipt.

- Investments must be sound with the ability to repay NLIIIFL.

- Investments must be made in projects that create wealth and economic activity.

- Investments cannot be made in public infrastructure that would normally be government funded.
• The NLIIF investment strategy combined with eligible large-scale investment proposals for the fund has been presented to and accepted by CIC.

• The province continues to receive funds from CIC under the program and is expecting to maintain an available balance of approximately $200-250 million for investment purposes.

• The province will continue to maintain compliance under the program guidelines by concluding the first investment through the NLIIFL in the near future.

Prepared by: Dave Martin, Financial Officer  
Reviewed by: Harman Khurana, Director Business Analysis  
Approved by: Rita Malone, ADM Regional & Business Development

November 4, 2013
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.

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- 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.

- 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 to increase the return. Bank account interest rate is 1.1% with interest rates on the bond portfolio ranging between 2.038% and 3.4%. Administration fees are amortized over the five year period and the overall return on funds held by NLIIFL is sufficient to meet the administration costs. The table below denotes the annual returns for the fund and demonstrates that over the life of NLIIFL the investments have earned a total of $3,870,580.

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• Traditionally the amount of funds received annually from CIC were equivalent to repayments to CIC, however, during the fiscal year 2013 CIC undertook some changes in the program which resulted in lower disbursements to Provinces for a period of time. As a result, NLIIFL repaid $22.2 million more to CIC than was received in fiscal 2013. Monthly receipts from CIC have been averaging in excess of $5 million in fiscal 2014.

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Key Message:
• Funding received from CIC plus administration fee is fully repayable 5 years from date of receipt.
• Investments must be sound with the ability to repay NLIIFL.
• The NLIIF investment strategy combined with eligible large-scale investment proposals for the fund has been presented to and accepted by CIC.
• The province continues to receive funds from CIC under the program and is expecting to maintain an available balance of approximately $200-250 million for investment purposes.
• The province will continue to maintain compliance under the program guidelines by concluding the first investment through the NLIIFL in the very near future.

Prepared by:  Dave Martin, Financial Officer
Reviewed by: Harman Khurana, Director Business Analysis
Approved by: Rita Malone, ADM Regional & Business Development

November 4, 2013