



FIRST NATIONS FINANCE AUTHORITY APPLAUDS GROWING SUPPORT FOR NEW METHOD TO ACCELERATE FINANCING OF INDIGENOUS INFRASTRUCTURE

Westbank, British Columbia (June 30, 2022) The First Nations Finance Authority (FNFA) commends the Standing Committee on Indigenous and Northern Affairs for [recommending](#) that the federal government work with Indigenous institutions to test an alternative funding method known as [monetization](#) to transition remote Indigenous communities off dirty diesel fuel into cleaner energy.

The FNFA is also pleased by a media report that Indigenous Services Canada is giving the Committee's recommendation to fund a pilot project using monetization serious consideration.

"Monetization has the potential to be a game-changer in fulfilling the government's goal of getting Indigenous communities off diesel into safer, cleaner, environmentally sustainable energy by 2030," said FNFA President and CEO Ernie Daniels. "We believe that it would be a major step on the path to economic reconciliation now rather than at some distant timeline down the road."

Monetization [would change the model](#) for funding Infrastructure from the Government of Canada's traditional, "pay as you go" model and would leverage the capital markets to provide funding to qualifying First Nations to finance their infrastructure upgrades. Canada would then direct the funds to the FNFA to service the debt payments. FNFA would issue debentures in the capital markets to finance the projects much in the same way that provinces and municipalities finance infrastructure.

As an example, \$58 million per year in federal funding leveraged over 10 years could unlock \$500 million in funds to end diesel dependency for between 15 and 25 First Nations communities. The cost to the federal government would be at significantly offset by the savings in fuel costs and maintenance of obsolete diesel generating systems.

"Our lending institution has provided almost \$1.7 billion in low-cost, non-profit loans to First Nations to date but there is still a \$30 billion dollar infrastructure gap between First Nations and the rest of Canada," Daniels added. "Our fellow institutions, the [Financial Management Board](#) and the [First Nations Tax Commission](#) are ready to partner with Canada on this project that will help us build healthier and more prosperous communities."

About the First Nations Finance Authority (FNFA)

The [FNFA](#) is a not-for-profit First Nation institution that plays a crucial role in the social and economic development of First Nations across Canada by providing qualifying First Nations with access to the capital markets at competitive rates. Established by the federal First Nations Fiscal Management Act in 2005, FNFA is by First Nations, for First Nations. The FNFA will continue to expand and diversify, looking to strengthen its credit rating and increase the financial benefits to its growing membership.

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