

**ABORIGINAL
DEVELOPMENT
FUND**

BRIEFING DOCUMENT

Secrétariat aux affaires autochtones

January 2000

Ministère du Conseil exécutif
Secrétariat aux affaires autochtones
Édifice André-Laurendeau, 4^e étage
1050, rue des Parlementaires
Québec (Québec) G1R 5Y6
Telephone: (418) 643-3166
Fax: (418) 646-4918
E-mail: saa@cex.gouv.qc.ca
Web site: <http://www.saa.gouv.qc.ca>

Cover page design: Indiana Marketing
Publishing: Secrétariat aux affaires autochtones

This document is also available in French under the title
Fonds de développement pour les Autochtones

Legal deposit – Bibliothèque nationale du Québec, 2000
National Library of Canada, 2000
ISBN 2-550-35473-7
© Gouvernement du Québec, 2000

**ABORIGINAL DEVELOPMENT FUND
(ADF)**

**Economic development
component**

**Community infrastructure
development component**

Funding of projects on a closed budget
and program plan basis

Funding of measures on a closed
budget basis

Funding the Servicing of
the debt of community infrastructures
on a closed budget and program plan basis

Aboriginal local
investment fund

Aboriginal venture
capital fund

Assistance for
economic development

GENERAL

APPLICATION

FRAMEWORK

ABORIGINAL DEVELOPMENT FUND

GENERAL APPLICATION FRAMEWORK

The Aboriginal Development Fund (ADF) has a \$125 million budget over 5 years, and its management falls under the responsibility of the Minister for Native Affairs. The fund complements other government players, both in Québec and at the federal level, and takes into account the needs and priorities expressed by each nation or community. The fund seeks to:

- Put in place conditions that will facilitate the economic development of the aboriginal communities in order to increase the number of aboriginal entrepreneurs;
- Promote job creation in aboriginal communities;
- Create an economic development approach that is culturally adapted to aboriginal communities;
- Promote a catching-up and an acceleration of the development of community infrastructures in a wealth-sharing perspective;
- Encourage communities to take on greater responsibility and accompany them in the choice of priorities;
- Pursue the development of infrastructures in order to meet certain commitments with aboriginal nations that are agreement signatories.

A reserved sum of \$120 million is broken down by nation or by community. Each nation or community has to present a list of priority economic development and community infrastructure measures or projects that can be funded using the budget earmarked for the nation or the community. An annual program plan is established jointly and agreed upon in a special agreement signed by the Minister for Native Affairs and the representatives of each nation or community concerned. This program plan also contains the management and cooperation conditions as well as the commitments of the parties.

A \$5 million portion of the total budget is reserved for the funding of projects or measures submitted by Native people living outside a community, or by organizations representing either all Native people of Québec or Native people living outside communities. Applications are sent directly to the Secrétariat aux affaires autochtones for analysis according to the same criteria and parameters presented below. Moreover, this budget avoids funding projects that would duplicate or interfere with existing responsibilities, programs and services outside aboriginal communities. Finally, as mentioned in the document entitled “Partnership Development Actions”, this budget concerns more specific objectives such as:

- Improving the socioeconomic condition of persons;
- Supporting economic and community development initiatives that can have a significant impact for the Native people living outside communities or for all of the Native people of Québec;
- Forging closer ties between Native people and Québec’s population as a whole.

The prioritization and program planning aspects requested from aboriginal nations and communities do not necessarily apply.

The fund finances measures or projects according to two intervention components:

- The economic development component;

- The community infrastructure development component.

Each nation or community must devote at least 20% of the total allotted budget to the economic development component.

The role of Québec in economic development and community infrastructures must be clearly seen as an additional element that complements the federal government's trustee role. Within this perspective, in order for projects or measures to be included in the annual program plan and to be approved by the Minister for Native Affairs, a large portion of the funding (at least 50% of the total costs of a project) would have to be assumed by the nation, the community, the federal government and/or any other partner.

The Fund does not finance just any economic development and community infrastructure project. In principle, the regular programs of the departments and agencies of the Government of Québec apply to all citizens, including the Native people, without necessarily resorting to the Fund. Projects must be financed on a priority basis by way of existing programs of the federal government and those of Québec government departments and agencies, from their own budget. The Fund only finances projects where there is no program meeting their specific needs, be it in the community or outside the community and, where applicable, those projects that require assistance over and above that offered under current programs.

The Fund may not be used to cover the operating expenses or the deficit of an agency or an enterprise or to pay off the accumulated debt. Finally, the assistance may not be used to replenish an enterprise's working capital. However, in the case of a non-profit organization presenting a business plan requiring a temporary start-up funding, it may be envisaged to fund a portion of the operating costs for a maximum period of three years and on a diminishing basis.

To meet the needs and priorities of each aboriginal nation, community or group, the Fund can finance economic development projects or measures (a local investment fund, a venture capital fund and local economic development assistance measures) and community infrastructure development projects. The rules and conditions of the various components of the Fund are presented hereinafter.

ECONOMIC

DEVELOPMENT

COMPONENT

ECONOMIC DEVELOPMENT COMPONENT

ECONOMIC DEVELOPMENT PROJECTS

The Aboriginal Development Fund acts as a complement to other government players to allow nations and communities to give tangible form to economic development projects that have a structuring effect and that create jobs.

a) Eligible organizations

- Non-profit aboriginal organizations or their equivalent;
- Profit-oriented aboriginal private firms;
- Band councils;
- Northern villages, Kativik Regional Government and the Cree Regional Authority.

b) Eligible projects

To be eligible, projects must be among the priorities of a nation or a community, have an impact on the consolidation of assets and the economic development of the community, and have one of the following characteristics:

- Short-term project likely to address special and temporary situations;
- Innovative projects and pilot projects;
- Structuring project for the community;
- Job creation project;
- Project that serves as a driving force;
- Project ensuring the influence of the community;
- Project to improve the living environment.

c) Eligible studies

Studies relating to the development of a project may be funded. The portion earmarked for studies may not exceed 10% of the budget devoted to economic development. These studies may include:

- the preparation of a business plan;
- the evaluation of the opportunity of a project;
- the evaluation of the technical and financial feasibility of a project;
- the definition and development of a concept;
- the market analysis associated with an investment project;

- studies dealing with the integrated management of resources and aboriginal traditional activities.

d) Project selection criteria

Generally, the interventions in the economic development field are linked to projects having a significant impact for the community and that correspond to its needs and priorities. This notion of significant impact implies that the eligible projects or eligible studies will have one of the following characteristics:

- structuring in nature for the community;
- leverage effect or driving force in terms of economic, social or cultural development;
- creation of jobs for the Native people.

A project must not run counter to established government policies, laws and regulations, and must not have a significant negative impact on aboriginal and non-aboriginal enterprises working in the same activity sector.

e) Conditions that must be met by the promoter

The promoter must demonstrate the financial needs and provide the aboriginal authorities concerned and the SAA with a business plan containing the following information:

- a description of the problems, explaining and justifying the financial needs and the relevance of resorting to the financing budget;
- the place where the project is being carried out;
- a breakdown of the costs and of the financing of the project, including the details of the other anticipated sources of funding;
- the beneficial effects associated with the project for the community;
- the steps taken to support the project and the demonstration that the assistance requested is needed to carry out the project.

f) Determining of the financial assistance

The maximum amount of financial assistance per project or study is determined by taking into account the project's financial needs and the assistance granted by the departments and agencies of the Government of Québec and of the federal government.

The assistance granted by Québec and its government corporations may not exceed 50% of the total cost of the project. The nation or the community, the promoter, or the federal government shall complete the funding of the project. The combined assistance provided by the two levels of government may not exceed 90% of the cost of the project. No project will be included in the program plan and approved by the Minister for Native Affairs until the financing plan has been completed, including the financial participation of the federal government.

g) Conditions of payment

All authorized projects are recorded in an annual program plan to be agreed upon between the nation or the community and Québec and will be the subject of a funding agreement between the nation or the community in question, Québec and the promoter, where applicable. This agreement shall define the conditions of payment of the assistance and the individual and shared obligations of the parties. However, the government assistance will be paid as the project is carried out and in proportion to project completion.

ABORIGINAL LOCAL INVESTMENT FUND

To allow very small enterprises of the community to have access to start-up or development funding from the community, the Aboriginal Development Fund allows the nations or the communities to set up their own investment fund or to incorporate an already existing fund of the same type to invest on a business basis directly in business projects that are structuring in nature or that create jobs for Native people.

a) Purpose

The main purpose of an aboriginal local investment fund is to offer financial support to very small enterprises in the start-up or development phase by way of interventions of not more than \$50,000, with the occasional exception. This financial assistance may take the form of direct development capital investments, unsecured loans, equity type loans or loan guarantees. The investment fund cannot give grants. The conditions for the assistance will be determined by the corporation responsible for managing the fund.

b) Eligible organizations

- The aboriginal nations of Québec;
- The aboriginal communities of Québec, namely band councils and northern village councils;
- The organizations set up in an aboriginal community, namely as the representative of specific aboriginal nations or clientele or working in public activity sectors.

c) Funding

To ensure an interesting investment capacity, the local investment fund must be capitalized with an initial amount of at least \$250,000 with the possibility of increasing this sum according to the needs. Capitalization takes place in the following way:

- Québec makes a financial contribution to the setting up of the fund by making a contribution conditional upon an equivalent aboriginal financial participation or of a partner;
- The federal government's financial participation is desirable. Each dollar invested by the federal government could reduce the aboriginal community's participation by as much;
- At the request of the measure initiator, an additional financial participation by a financial partner wishing to invest in aboriginal enterprises may be envisaged to create a substantially larger fund.

d) Responsibility

The nation or the community has the responsibility, if it wishes to create such a fund: to initiate the process, to prepare a business plan that it will submit to the SAA, to bring together the initial funding, to create a corporation or to mandate an existing organization in charge of managing the fund, and to negotiate the participation of financial partners in their fund, where applicable. The corporation responsible for managing the fund has full autonomy with respect to the general management of the fund and, in particular, the approval of investment projects, the determining of intervention priorities, the form and the amount of the assistance granted, etc.

ABORIGINAL VENTURE CAPITAL FUND

The Aboriginal Development Fund can intervene to allow nations or communities to create a venture capital fund.

a) Objectives

The objectives associated with the setting up of a venture capital fund are:

- promote the creation, preservation or safeguarding of jobs in aboriginal communities;
- stimulate the structuring development of the economy in aboriginal communities by supporting viable enterprises in their efforts to establish their operations, to restructure or to grow;
- develop an investment expertise in aboriginal communities;
- foster the emergence of innovative projects that create lasting, high-quality jobs in aboriginal communities;
- support aboriginal entrepreneurship in driving-force activity sectors that have a high added value and that create jobs;
- ensure that aboriginal enterprises in Québec take root, over the medium and long terms;
- promote the presence of aboriginal small businesses on the Québec, Canadian and international markets.

b) Means

Québec intends to participate financially, in cooperation with one or more financial partners wishing to invest in aboriginal enterprises, in the creation of a venture capital fund.

c) Purpose

The main purpose of an aboriginal venture capital fund is to:

- make investments in businesses that are starting up, in the initial stages of development, growing or recovering, and that are active in most sectors but mainly in the manufacturing or tertiary sectors, with the financial services and real estate sectors being excluded;
- to provide, if necessary, technical support for these enterprises respecting, in particular, the preparation of files, business and financing plans as well as market studies.

To achieve this goal, the main functions of the fund are to:

- make investments in aboriginal enterprises and to provide them, if necessary, with advisory services, the goal of which is to create, preserve or safeguard jobs;
- foster or bring about the consolidated participation in the funding of aboriginal enterprises with other investment corporations present on the territory or in Québec;
- cooperate in the training of aboriginal workers involved in the economic field and allow them to increase their influence on economic development;
- cooperate in the stimulation of the aboriginal economy by strategic investments in sectorial development that will benefit workers, people as well as the enterprises of the community;

- support and steer enterprises towards other organizations active in providing assistance to businesses.

d) Eligible organizations

- The aboriginal nations of Québec;
- The aboriginal communities of Québec, namely band councils and northern village councils;
- Organizations set up in an aboriginal community, namely as the representative of specific aboriginal nations or clienteles or working in public activity sectors.

e) Funding

Québec will pay 50% of the management expenses during the first five years, up to a maximum total annual contribution of \$200,000 the first two years, \$150,000 the third year, \$100,000 the fourth year and \$50,000 the fifth year. The annual contribution is conditional upon meeting the commitments agreed upon between the parties in a funding agreement. The federal government and the nation or the community can take part in an aboriginal venture capital fund.

f) Responsibilities

The nation or the community or a financial partner shall initially provide a sufficient budget to make investments in aboriginal enterprises and, thereafter, make available additional sums according to the needs and the rhythm of the investments made. The minimum capitalization is \$5 million.

The nation or the community or a financial partner shall create a corporation. This corporation shall make known the general investment criteria, namely the types of investment envisaged, the investment policy (past achievements, complementary actions, enterprise management practice, priority sectors, capital outlay, etc.), the measures for evaluating the projects submitted, the follow-up on investments, etc.

The fund corporation shall assure the day-to-day management of the fund. An advisory committee, made up of representatives of aboriginal communities, the government and the partner(s), will see to approving the business plan of the fund, including:

- an annual expenditure budget (insofar as the government pays a portion of the management expenses);
- an investment policy;
- intervention objectives defined according to the priorities;
- the identification of the activity niche markets specific to Native people and requiring priority attention;
- a policy concerning territorial coverage and its strategies with respect to the various communities;
- a venture capital market penetration strategy and in particular, a communication strategy, a strategy for training aboriginal players and one for developing means of action;
- a policy to support and steer enterprises towards other organizations active in venture capital allocation.

ASSISTANCE FOR LOCAL ECONOMIC DEVELOPMENT

The basic aim of this measure is to help the nation or the community to structure its own economic development to ensure an improvement in the conditions of socioeconomic life in the community. More specifically, this measure seeks to:

- adopt an approach of openness to local development and to make known the community's development intentions: its vision, its orientations, its tangible measures, etc.;
- call on the cooperation of the various partners both inside and outside the community;
- adopt a concrete approach with respect to the means available to promote the community's development and with respect to the means sought;
- survey the resources of the community, make them better known and facilitate access to them;
- harmonize the community's orientations with those already known in the region or others;
- give priority to the development of specific action fields, for example that of human resources, and make them the lever of choice in the community's development;
- hire and train local economic development officers in aboriginal communities.

a) Means

Québec intends to offer financial support to the nation or the community wishing to initiate actions, the aim of which is to structure the local economic development of the community.

b) Purpose

The financial assistance granted by way of this measure takes the form of direct contributions, paid to the nations or communities, to support initiatives seeking to create conditions that facilitate local economic development. The preparation of a strategic local economic development plan, the hiring and training of a local economic development officer in aboriginal communities, the putting in place of mechanisms to tie in with local economic development organizations that already exist outside the community, in particular LDCs, the development of individual or group entrepreneurship, consultation and research with a view to implementing framework and sectorial agreements between Québec and the nation or the community are all examples of initiatives that are eligible for this measure.

c) Funding

Québec will pay, for a maximum period of three years, 50% of the total costs of the projects submitted by the nation or the community and approved by the Minister for Native Affairs under the annual program plan. The federal government's financial participation in a project reduces, proportionally, the contribution requested from the nations or communities. In the case of initiatives concerning the implementation of framework or sectorial agreements signed between the Government of Québec and the nation or the community, Québec can finance the implementation costs up to a maximum of \$50,000. The financial assistance for local economic development may not exceed 15% of the total budget earmarked for the nation or the community.

COMMUNITY

INFRASTRUCTURE

DEVELOPMENT

COMPONENT

COMMUNITY INFRASTRUCTURE DEVELOPMENT COMPONENT

COMMUNITY INFRASTRUCTURE DEVELOPMENT PROJECTS

The Aboriginal Development Fund complements other government players to allow nations or communities to carry out repairs on, enlarge, or build community infrastructures and to purchase community facilities. Community infrastructures and facilities refer globally to any property or capital asset used by a community to improve the quality of life by meeting social, health, education, recreation, public security or other needs. More specifically, the work must contribute to the achievement of one or more of the following objectives:

- permit a catching-up and an acceleration of the development of community infrastructures by meeting infrastructure needs deemed a priority by the nation or the community;
- renew and improve community infrastructures in order to provide public services that are accessible, useful and of interest to the community and that contribute to the creation of conditions that are conducive to the economic development as well as to the improvement of the living environment;
- improve and put in place community infrastructures that have a consolidation effect on the development of the territory or on the economy;
- promote job creation for the Native people;
- improve the socioeconomic conditions of the Native people living outside a community.

a) Eligible organizations

- the aboriginal nations of Québec;
- the aboriginal communities of Québec, namely band councils and northern village councils;
- organizations set up in an aboriginal community, namely as the representative of specific aboriginal nations or clienteles or working in public activity sectors.
- non-profit aboriginal organizations or their equivalent.

b) Eligible projects

The nation or the community will have to draw up a list of priority community infrastructure projects, and establish in cooperation with the Minister for Native Affairs, an annual implementation program plan. In order for a project to be eligible for the project plan, it will have to meet the following criteria:

- the project must be considered a priority, be useful and be interesting for the community;
- the financial capacity of the nation or the community or the beneficiary organization to assume the operating and maintenance costs, where applicable, must be assured;
- the project must be justified (deterioration, outdated, insufficient capacity for the current population, work carried out to comply with standards and regulations, presence or absence of facilities/equipment of the same nature or having the same vocation, etc.);
- the impacts on the economy, employment, territory development and the revitalization of the reserve must be taken into consideration;

- the funding of a project may not exceed more than half of the budget intended for the nations or the communities.

c) Eligible and non-eligible infrastructures

Aboriginal community infrastructure projects must always be funded on a priority basis by way of existing federal government programs or existing programs of the Government of Québec.

The fund avoids financing infrastructures and heavy equipment, deemed too specialized and expensive for the current financial availabilities of the fund. Four sectors in particular are concerned: health, education, municipal affairs and transportation.

The following infrastructures and equipment are eligible:

- daycare centres;
- recreational facilities;
- reception, recreation, physical fitness, community and administrative centres;
- development of the territory (for example: landscaping, earthwork, recreational and community parks, playgrounds, walk paths, beaches, sanitary landfill sites, campgrounds, stabilization of banks);
- cultural and communications facilities having a community vocation (computers);
- enhancement of heritage property;
- centres for youth and the elderly;
- public security (police station) and justice (place where justice is administered) facilities.

The following infrastructures are not eligible for financing from the fund:

- drinking water collection, purification, storage and distribution equipment, including fire protection equipment;
- waste water removal and inspection equipment, including rain water;
- roads, streets, sidewalks, bridges, viaducts, tunnels, retaining walls and noise barriers;
- schools;
- hospitals and dispensaries;
- airports and wharfs;
- heaving rolling stock;
- penitentiaries.

d) Eligible and non-eligible work

The following work is eligible for funding:

- the rehabilitation, repair, reconstruction or replacement of existing community infrastructures;
- the expansion or construction of new infrastructures;

- the revitalization of specific sectors.

The following work is not eligible for funding:

- routine maintenance;
- the development of new housing or retail sectors.

e) Eligible and non-eligible costs

Eligible costs include:

- the costs of contracts for services for the carrying out of eligible work;
- control costs. These costs are eligible insofar as the nation, the community or the organization hires additional staff to carry out the work;
- incidental expenses, including professional fees, the cost of surveys, tests, analyses and temporary financing charges;
- the cost of purchasing eligible community equipment.

A project may not include the costs already covered by financial assistance from a department, a government agency or a representative of the Government of Québec or of the Government of Canada.

Expenses for engineering or work supervision services carried out by the permanent staff of the nation or the community are not eligible. The cost of purchasing land is not eligible.

f) Financial assistance

The financial assistance granted to the nations or the communities or an organization by Québec may not exceed more than 50% of the total cost of all of the work and the approved eligible expenses in the annual program plan.

All capital asset expenditures for community infrastructures are amortized and financed according to their useful lifespan, namely according to the same rules as those applicable to similar facilities financed by the Government of Québec on non-aboriginal territories.

For this purpose, Québec intends to pay the cost of servicing the debt for each project, namely it will reimburse the principal, the interest payments and the expenses inherent to the long-term loan that the nation or community or an organization has contracted with a financial institution of its choice to finance its project.

The Fund will only finance work and community facility purchases made after the date of the filing of the application for financial assistance. The projects presented to the SAA since April 2, 1998 and prior to the creation of the Fund may be considered if they meet the requirements.

A NEW

DEVELOPMENT FUND

Article appearing in

RENCONTRE magazine

Volume 21, Number 2, October 1999

A NEW DEVELOPMENT FUND

by Pierre Cauchon

When it announced its guidelines for aboriginal affairs on April 2, 1998, one of the objectives of the Québec government was to create favourable conditions for economic development and job creation among native people. Concrete and practical measures have been put forward to deal in the short and medium term with needs the communities consider priorities and which enable them to narrow the gap in both socio-economic and community terms.

To do so, the Québec government set up the Aboriginal Development Fund, as announced by the Minister for Native Affairs, Guy Chevrette, during his meeting with the chiefs last June 29 in Québec City. This major, diversified development tool has a substantial financial envelope to meet the many needs that have frequently been expressed by aboriginal communities in Québec. The Québec government favours concerted action and partnership by involving aboriginal people closely in the implementation and management of certain components of the Fund.

More specifically, the Aboriginal Development Fund is designed to support aboriginal community infrastructure and economic development measures or projects. It comes into play, as a regular Québec government program, according to the needs and priorities expressed by each community.

In the interests of fairness and greater responsibility for native communities, the total envelope of \$125 million is distributed by community according to objective criteria, such as population and a basic amount for each community. The amount allocated to a community to fund projects or measures is entered in a special agreement between the Québec government and the community concerned. A portion of the total envelope will be set aside for aboriginal people living off-reserve.

Accordingly, each community will submit a list of priority community infrastructure and economic development projects or measures to be financed within the financial envelope earmarked for it. An annual program is decided jointly and set out in a special agreement, which also includes the management and consultation details and the undertakings of the parties. Projects and measures are entered in the program and approved by the Québec government only if at least 50% of the funding is provided by the nation, the community, a partner or the federal government.

The Fund will not finance just any project. Projects must obtain financing first through existing programs of the federal government and those of Québec government departments, from their budgets. The Fund only finances projects for which there is no program that meets their specific needs, whether in a community or outside a community, and those projects that require financial assistance in addition to what existing programs can provide.

As shown in the government's position paper, *Partnership, Development, Achievement*, the Fund does not attempt to take the place of the federal government regarding the financing of economic development and community infrastructure projects in aboriginal communities. In this sense, Québec's financing must clearly be seen as a supplement to that of the federal government as fiduciary. In addition, the Fund does not finance expenditures on a recurring basis.

Economic Development

To meet the needs and choices of each aboriginal community, the Fund can finance either economic development measures or projects.

Eligible **economic development projects** are those identified as priorities by a community, which help to reinforce the gains and economic development of one or more aboriginal communities in Québec and feature one of the following characteristics: innovation, developmental effects, job creation, enhancement of the living environment of the nation or community. Funding may also be provided for studies relating to the fine-tuning of a project.

The maximum amount of financial assistance per project or study takes into account the financial needs of the project and the assistance provided by departments and organizations of the Québec and federal governments. The assistance provided by Québec may not exceed 50% of the total cost of the project. The nation or community, the promoter and the federal government provide the balance of the project's financing. The assistance provided by both levels of government may not exceed 90% of the cost of the project.

Depending on the priorities expressed by each community and the rules and details to be agreed to, the Fund can also finance the implementation of **specific economic development measures** in aboriginal communities, namely a local aboriginal investment fund, an aboriginal venture capital fund or local economic development assistance measures.

Community infrastructure development

Support for community infrastructure development covers the repair, expansion and construction of community infrastructures and the purchase of community equipment. Community

infrastructures and equipment generally mean goods or capital assets that improve the quality of life of the community by satisfying social needs as well as health, education, recreation, public security or other needs. More specifically, the work must help achieve at least one of the following objectives:

- Make up lost ground and accelerate the development of community infrastructures by meeting the needs deemed to be priorities by aboriginal communities and nations;
- renew and improve community infrastructures in order to provide accessible and useful public services that are of interest to the community and which contribute to the creation of conditions conducive to the economic development of the communities and the improvement of the living environment;
- improve and set up community infrastructures which have a consolidating effect on land use or on the economy;
- continue infrastructure development in aboriginal communities in order to fulfil, as far as possible, certain undertakings with nations that have signed agreements;
- ensure that infrastructures comply with the standards, codes and regulations of the community and of Québec;
- encourage job creation;
- give priority, where possible, to aboriginal businesses and labour to improve their know-how in the long run;
- improve the socio-economic conditions of aboriginal people living outside the communities.

Each native community will draw up a list of community infrastructure projects and, working with the Québec government, will produce a program for completion. A project will be eligible for inclusion in the program only if it is considered a priority, is useful and of interest to the community, is able to generate sufficient funds to cover its operating and maintenance expenses, is justified (deterioration, obsolescence, insufficient capacity for the current population, presence or lack of similar equipment or equipment with the same purpose, etc.) and has positive impacts on the economy, employment, land use and the revitalization of villages.

The financial assistance granted to a community or organization may not exceed 50% of the total cost of all the eligible purchases and work approved in the annual program. All capital expenditures for community infrastructures are depreciated and financed according to their useful life, namely according to the same rules as those applicable to similar investments financed by the Québec government in non-aboriginal regions. To do so, the Québec government will finance the debt service of each project, i.e. pay the principal, interest and inherent expenses of the long-term loan a nation, community or organization contracted with the financial institution of its choice.

Financial assistance may be provided for community infrastructure purchases and work provided they are not started before the program is agreed to by the governments and the nation, the community or the organization in question. However, projects submitted to the Secrétariat aux affaires autochtones since April 2, 1998 and before the implementation of the Fund may be considered provided they satisfy the requirements.