

The background of the slide is a vibrant, abstract mural. It features a large, stylized figure in shades of purple and blue, with a prominent eye-like shape. The figure appears to be holding or interacting with a branch that has small, dark, circular elements, possibly representing berries or leaves. The overall style is reminiscent of Indigenous art, with bold lines and a rich color palette.

WEBINAR

Update on Surety & Bonding Initiative

March 2026



Artwork: Snékwem Lane, a collaborative mural by artists Nexw'Kalus-Xwalacktun (James Harry) and Lauren Brevner, located in Downtown Vancouver, BC

SITUATION

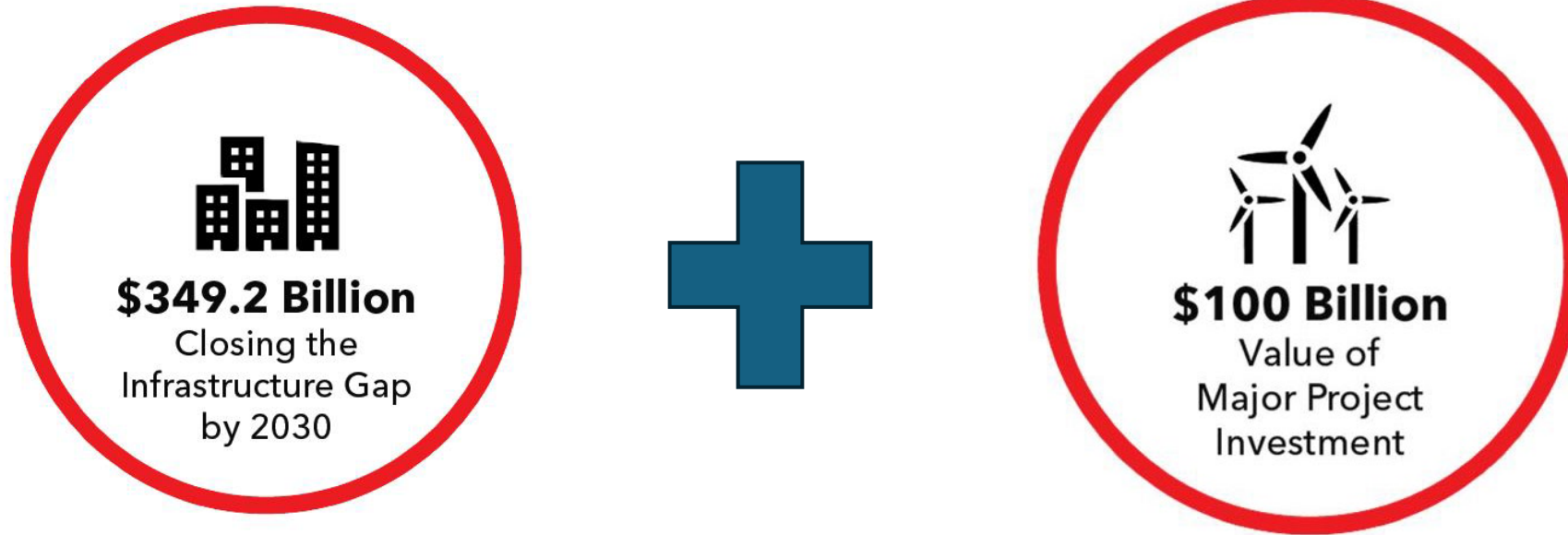


Situation - The Urgent Need for Surety

- The Prime Minister has been clear about his **"build agenda"**: build infrastructure, build clean power, unlock critical minerals and make Canada a clean and conventional energy superpower.
- To deliver, a robust and dynamic construction economy is essential. First Nation-owned construction business are well-positioned to execute projects.
- All federally or provincially funded projects require access to surety.



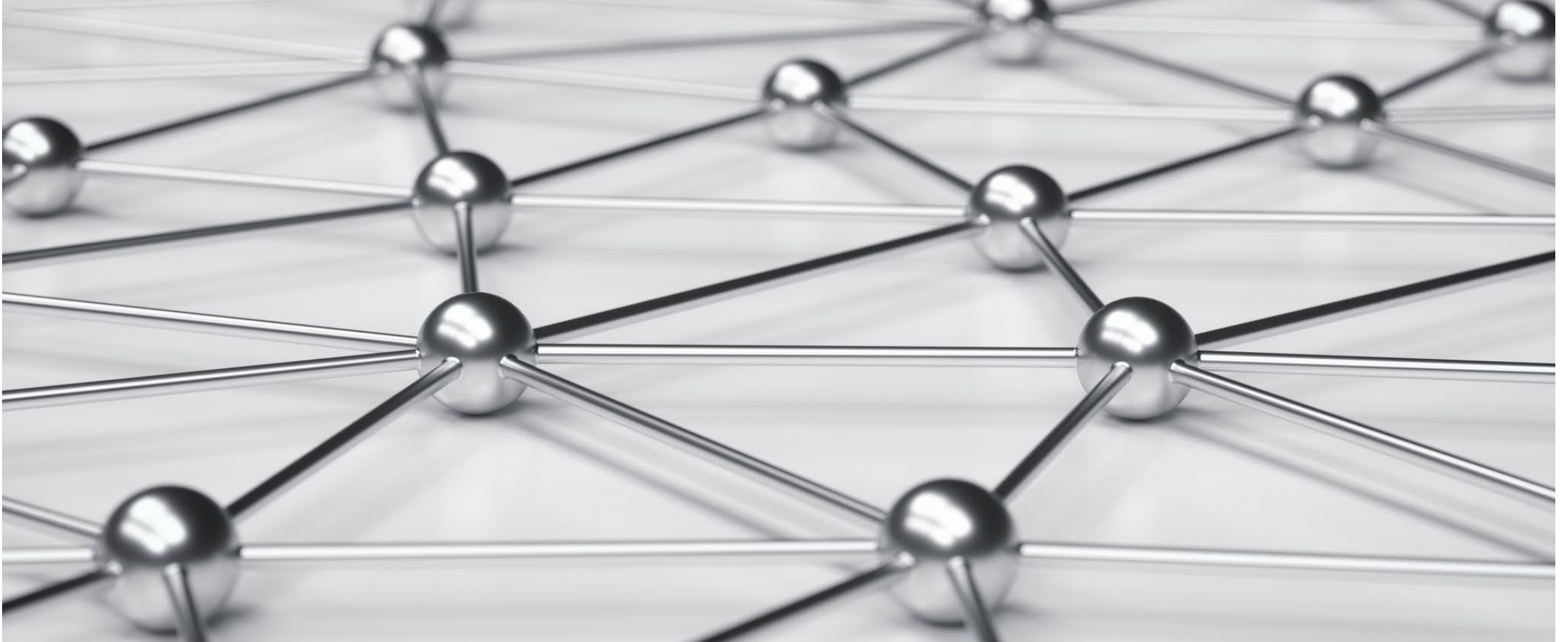
Why Surety?



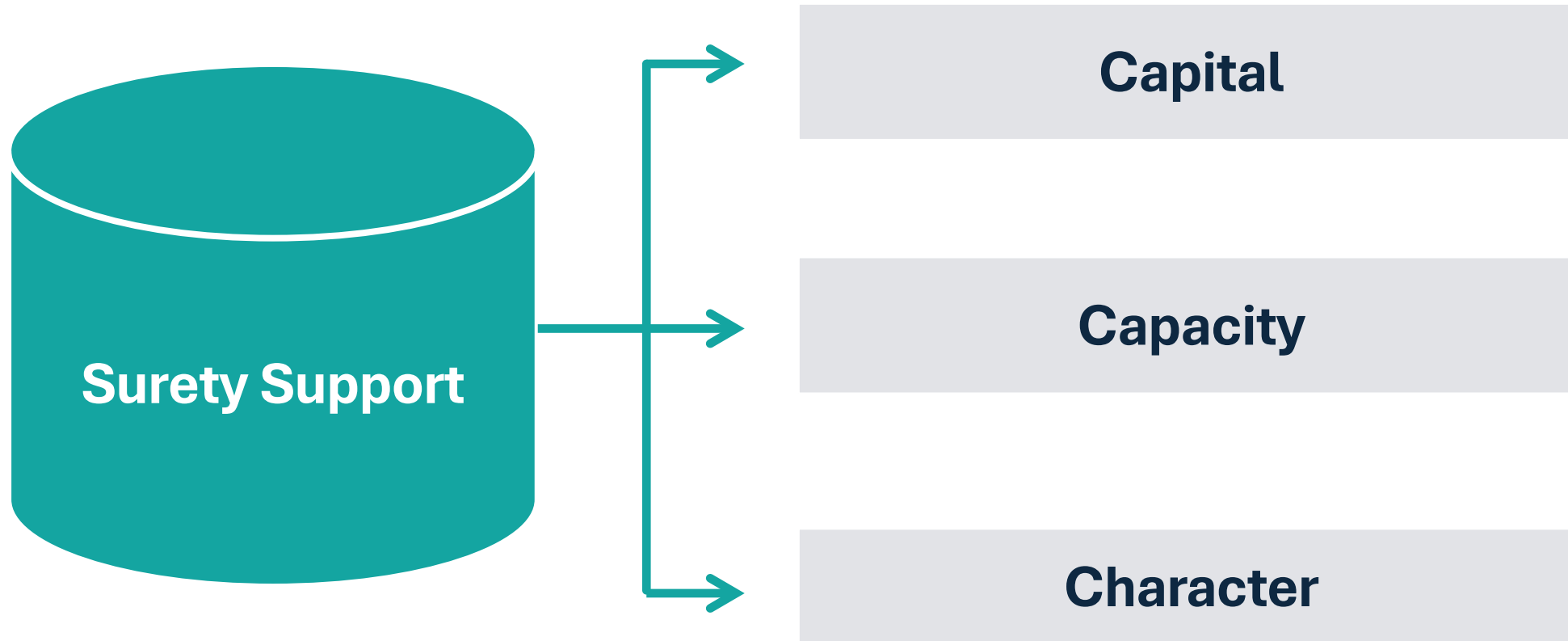
Source (left): Closing the First Nations Infrastructure Gap Report 2023 - **AFN & Indigenous Services Canada**

Source (right): Prime Minister Carney announces second tranche of nation-building projects referred to the Major Projects Office, November, 2025

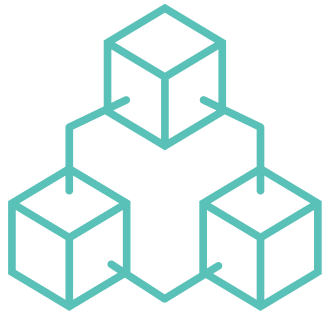
COMPLICATION



Underwriting Process: The Three Cs for Surety Support



Underwriting Character & Capacity



Reputation in
industry and
peers

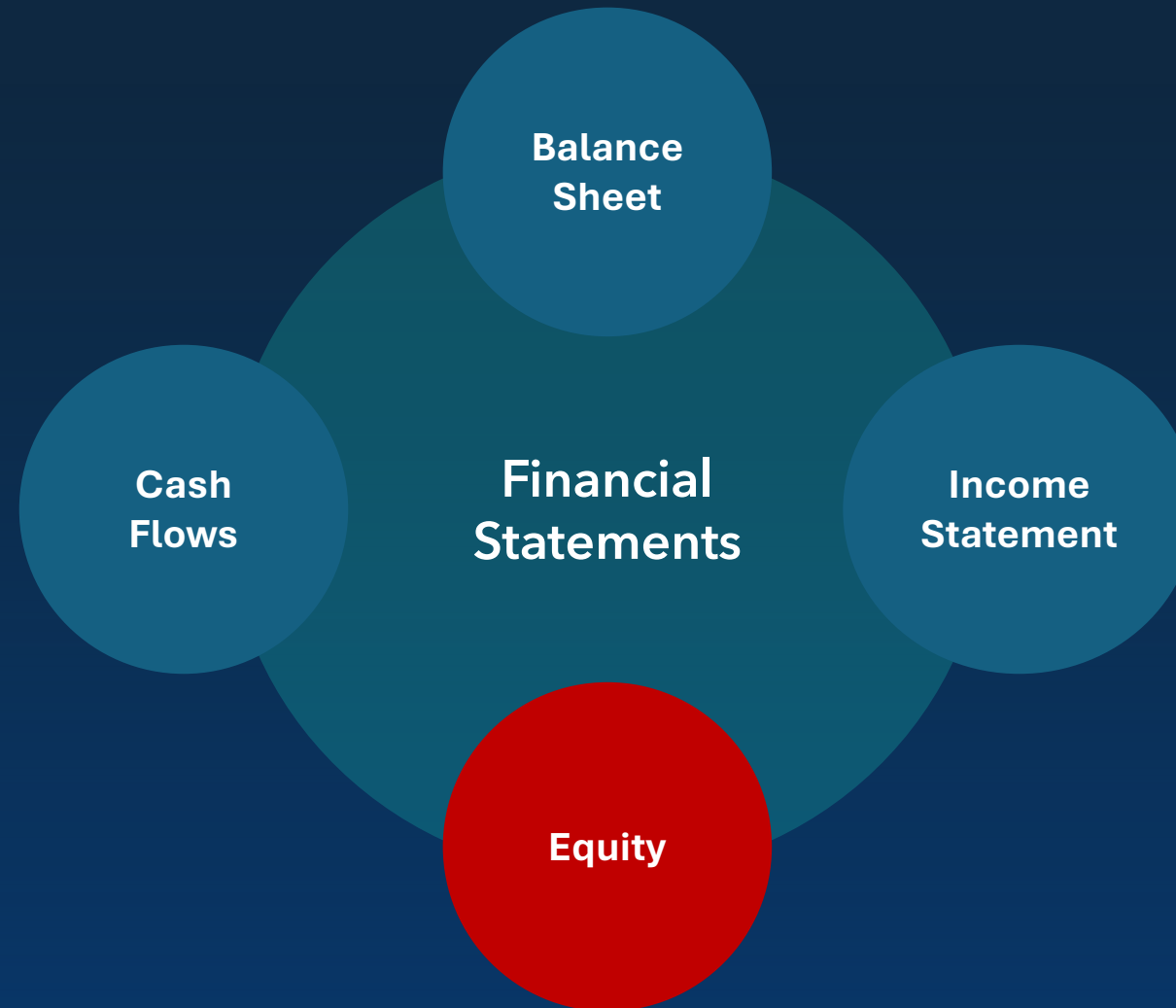


Track record of
successful
projects



Face-to-face
meetings with
brokers/surety
underwriters

Capital: Financial Statements

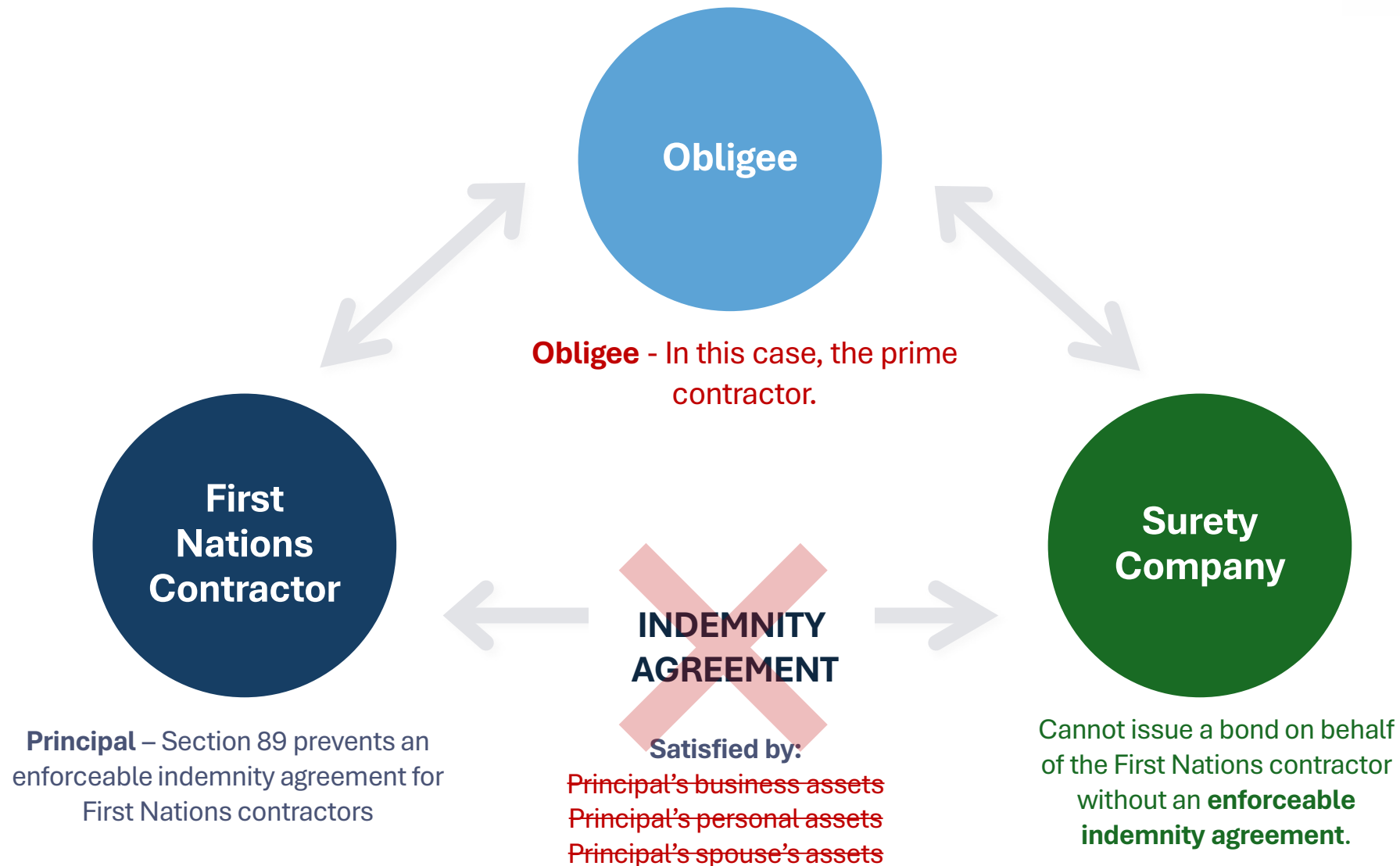


Section 89 of the Indian Act – **The barrier**

89 (1) *Subject to this Act, the real and personal property of an Indian or a band situated on a reserve is not subject to charge, pledge, mortgage, attachment, levy, seizure, distress or execution in favour or at the instance of any person other than an Indian or a band.*



Indian Act- Section 89's Interference



Current Surety Workarounds to the Indian Act - Inequitable



WORKAROUND

- ☐ Contractor to issue a Letter of Credit, equal to 10-20% of Contract Value, in place of surety bonds.
- ☐ **Community-invested project:** waive bonding, waive all contract security.
- ☐ **Non-Community project:** waive bonding, waive all contract security.
- ☐ Joint Venture / Partnership to access third party's Bonding.
- ☐ First Nations contractor leverages assets located off reserve to satisfy indemnity agreement.

PROPOSED SOLUTION

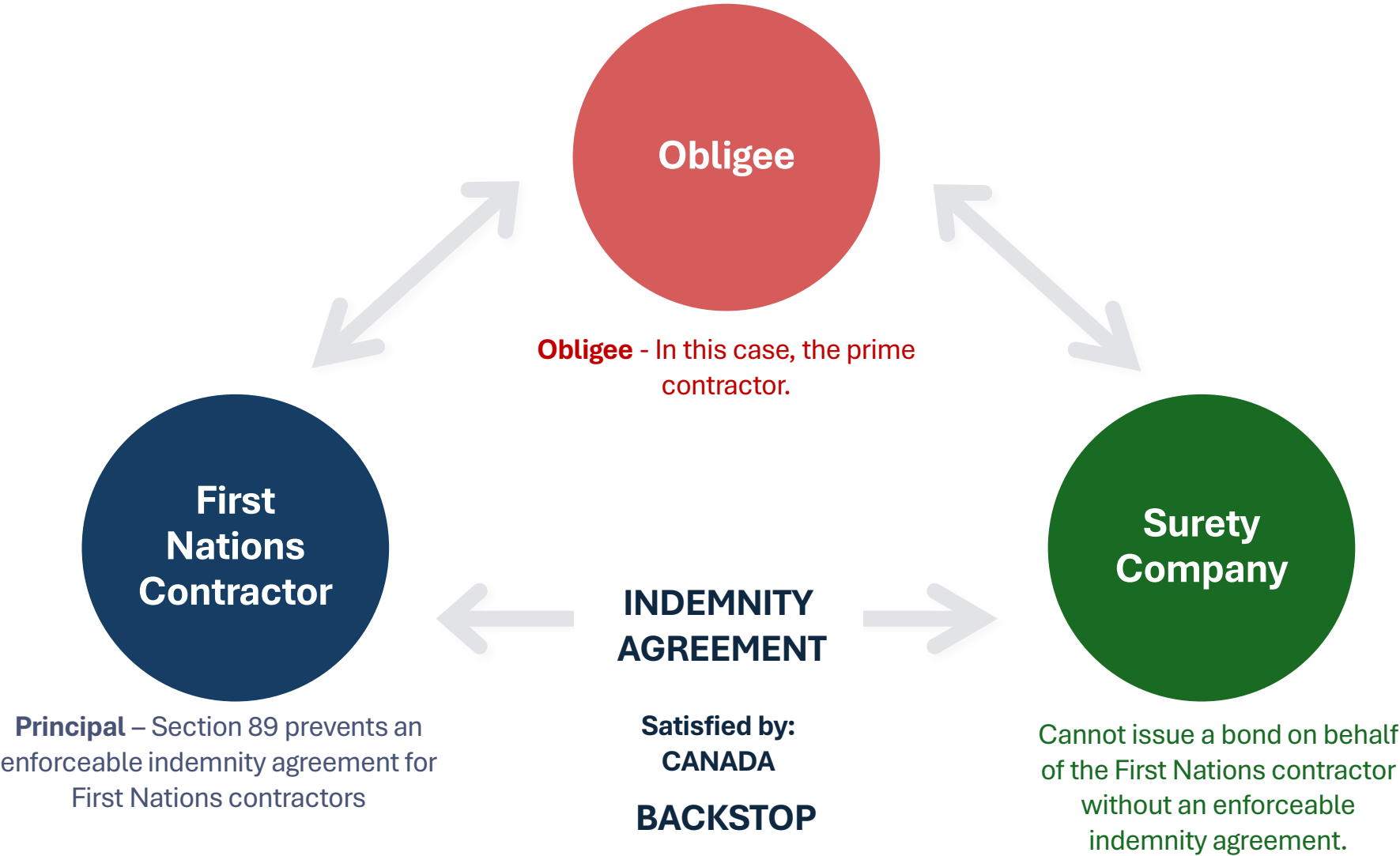


Establishing a Surety Backstop



- Canada's 2025-2026 budget announced its intention to **develop a bonding & surety pilot project to enable on-reserve construction contractors to bid for infrastructure projects.**
- FNFA has established a technical working group with BFL Canada & ISC to co-develop this pilot with involvement from other subject matter experts (SAC, Legal team, contractors etc.)
- FNFA's proposal calls for the establishment of a \$100M backstop as a pilot **as a start.**
- The long term intended objective, is that this model will be made available to all First Nations contractors, on reserve, who face this barrier, so that there is **equitable** access to surety & bonding to **fairly compete and complete** contracts and can scale and grow their businesses and are no longer be left behind.
- The national program will be open to any surety provider.

Section 89's Interference & Proposed Pilot Model



Next Steps **Your Voice Matters**

- ✓ Show of support from contractors that this is needed.
- ✓ Engagement on proposed model
- ✓ Your experience with surety and bonding access.
- ✓ How do contractors have skin in the game?
- ✓ How do you build for sustainability



Q&A



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