



Canadian Infrastructure Bank Annual Public Meeting 2023 Participant Questions and Answers

1. Does CIB have plans for becoming involved with the financing of the construction of affordable housing in Canada?

The CIB's mandate is focused exclusively on investment in new infrastructure projects within our priority sectors that deliver public benefits. Currently, those sectors include public transit, green infrastructure, broadband, trade and transport and clean power. Of course, we welcome any changes to our mandate as determined by the federal government.

2. As a lender whose mission is to “close the gaps” where private sector solutions do not already exist, how does CIB ensure that they remain true to this mandate and do not squeeze lenders and developers out of a market in which they already exist?

The CIB's investment and partnership approach is meant to complement existing ways that infrastructure in Canada is financed. Each investment the CIB makes is structured to leverage revenue streams and crowd in private sector and institutional investors who are willing to share in the risk and innovate.

Investments are structured to address financial or economic gaps that might hinder the way a project proceeds, or if it can proceed at all, by considering the project's financials as they might be structured with and without the CIB's investment.

The CIB seeks to provide the minimal level of support that is required for an investment decision, balanced by the public interest outcomes of the project. If a project has sufficient financial returns to proceed without the CIB's investment, we won't invest.

An Investment Framework with clear guardrails guides our decision-making consistent with the Canada Infrastructure Bank Act, the priorities outlined in the Statement of Priorities and Accountabilities and other relevant policy direction. The Investment Policy is available on cib-bic.ca.



3. The CIB has recently committed \$100M to smaller and medium-sized building owners to lower their environmental footprints with low-carbon retrofits – incredibly important development! When is this program rolling out, and is this funding slated for renewal if fully utilized?

The CIB developed the Building Retrofits Initiative to tackle the problem that one-fifth of GHG emissions in Canada come from buildings. Building retrofits can lead to energy efficiency and electricity savings as well as climate benefits, but they have high upfront costs and often long payback periods.

We've been working on this type of investment for about two years, and the more time we spend in this space, we have learned that one part of the market has not been fully addressed - smaller and medium -size commercial and industrial buildings. That led to the idea of partnering with financial institutions to reach their borrowers at critical moments, like mortgage renewal, to be able to reach that critical group. The first of those opportunities is being rolled out now, and we look forward to doing more of those deals.

These are meant to be short duration loans to help get over the critical challenge of the upfront investment of capital, and to provide a risk-sharing tool where the CIB can help share in getting those projects done on budget and to prove the energy savings that they expect to have. Then the CIB can exit and turn that money in to subsequent projects several times over the course of a few years.

4. When will Canada have a modern speed train connection between Toronto, Ottawa and Montreal?

The CIB serves in an advisory capacity on Transport Canada's High Frequency Rail project to connect the Quebec City-Montreal-Ottawa-Toronto corridor. For more information, visit the [HFR project](#).

5. What is the proper way to contact CIB for proposals? Any contact?

We welcome inquiries from potential partners. Learn more about how to get involved with our investments process, then email us at investments@cib-bic.ca.



6. Can you tell us more about how the CIB will assess opportunities for Indigenous communities to participate as equity partners in clean energy projects?

The opportunity for Indigenous communities to participate as equity partners in clean energy projects is in very early days, having just been announced as part of the 2023 Federal Budget in mid-April. But the CIB is moving quickly to round out the shape of our indigenous equity program. We expect to have clear guidelines in the months ahead.

We are approaching this opportunity with guidance from lenders and Indigenous stakeholders and governed by a few main principles. First, does the potential project fit in one of our five priority sectors, to determine if it's a fit for the CIB. Next, is there an Indigenous community interested in having an ownership stake in the project, who can bring a portion of the required funds to allow the CIB to be a co-investor. Finally, can the CIB structure the deal in a way that meets the needs of both the project and the community, to provide terms that are beneficial for all parties.

While this is new work for our team, as we did with the enhanced mandate for the CIB outlined in Budget 2022 to invest in clean fuels, hydrogen, carbon capture and storage, small modular reactors, and zero-emission vehicle charging, we will work to bring this opportunity to life quickly.

7. How can smaller projects (less than \$50M in total capital) get support from the CIB team for clean energy projects that support the energy transition?

The CIB is one tool in broad toolkit of infrastructure delivery across our country. We were designed to target projects that might not otherwise be possible with traditional financing, and that have relevance across the entire country.

For smaller projects, working with an aggregator is one way to bring these projects to life. Aggregating several smaller projects under one deal allows us to offer consistent terms and scalability, enabling a series of small projects that might not go forward individually to proceed.

Smaller projects like those located in Northern, remote, and Indigenous communities may also find a way forward by working our Indigenous Community Infrastructure Initiative. Designed to provide bespoke opportunities and ways to close the Indigenous infrastructure gap in Canada, this initiative has resulted in our smallest investment, a \$6.4M wastewater treatment facility in British Columbia.

Finally, we are constantly looking for other kinds of aggregations, like those that might not be the right size for a CIB loan individually but could if they were done in aggregate. That would allow us to offer a revolving credit facility to that borrower, to complete a series of projects under standard terms.

8. Why are the pictures of risk leaders removed from the CIB website? Are there any departures in the risk team at CIB? Why those leaders left CIB?

Risk governance is well established at the CIB, where we use the three lines of risk governance approach and an enterprise risk management framework, including input from the Investments team who implement the parameters, guidelines and investment decision-making process designed to ensure appropriate risk-taking. Our legal, finance, credit risk, strategy and communications teams also have roles in risk management. This process is guided by two risk leaders, the Head of Credit Risk and Head of Enterprise Risk, reviewed by our Board of Directors, and confirmed by external auditors.

The CIB's website includes biographies of each of the members of the Board of Directors, as well as members of the Executive and Investment Leadership Team.

9. The Minister of Intergovernmental Affairs, Infrastructure and Communities is currently undergoing the CIB's first five-year legislated review. During this review process, concerns have been raised that the CIB's mandate only supports profit-driven infrastructure projects, which are not guided by the public and do not boost our economy. There have been suggestions that the CIB should be transformed to provide low-cost public loans to municipalities and Indigenous communities and support environmentally sustainable projects. Will the CIB's board and CEO scrap the bank's privatization mandate so it can meet community needs and tackle the climate crisis?

We heard from many members of our community and our stakeholders through the government's Legislative Review process and appreciate the input our stakeholders have provided to the minister.

The CIB has heard of the need to ensure that the bank is targeting two areas that provide a real opportunity to address gaps - in indigenous communities and smaller municipalities. The reality of the infrastructure needs of our country dictate that there are absolutely places where we should be working with municipalities and indigenous communities to deliver on their clean energy, broadband, water and wastewater, and transportation goals, and then there are other sectors and spaces in the economy where the natural partner for those projects is a private sector partner who is absolutely about accelerating our transition and doing it in ways that are economically sustainable.

We are actively working with owners of infrastructure across the country and ensuring that our toolkit is flexible enough to address their needs, while indicating to the Federal Government and other parties where others may be better suited to provide support in partnership with us.

Some answers have been edited for brevity and clarity.