

Indigenous Community Infrastructure Initiative (ICII)

Overview



Indigenous Community Infrastructure Initiative

- The Indigenous Community Infrastructure Initiative (“**ICII**”) is a lending solution to accelerate community-level infrastructure investments through by providing low-cost and long-term loans to Indigenous communities to fund projects across the CIB’s priority sectors
- The two primary differences between the ICII and broader CIB investments in bigger projects, showing how the CIB is aiming to be responsive to priorities and needs of First Nation, Metis and Inuit communities, includes:

1. **Investment amount:** Scaled to support community-sized projects

- The ICII targets loan requests of **\$5 million to \$100 million** while the mainstream CIB investment framework typically looks at requests greater than **\$100 million**

2. **Sources of repayment:** Flexible to adapt to community context

- ICII projects must be revenue generating, but can also have alternative sources of revenue assigned for loan repayment

Eligibility Criteria for an ICII Investment

Through the ICII, the CIB invests in community projects, which must:

1. Be in at least one of CIB priority sectors and located in Canada
2. Be revenue generating
3. Represent new infrastructure and/or significant upgrade to existing infrastructure
4. Demonstrate a gap with regard to accessing affordable and sufficient capital
5. Address an Indigenous infrastructure gap and/or provide meaningful Indigenous ownership
6. Represent CIB investment between **\$5–100M** and not more than **80%** of project costs
7. Include Indigenous community ownership of **20% equity** in economic development projects

Eligible Project Categories

1. Clean Power

- Development of renewable energy-powered microgrids and storage systems
- Development of renewable energy, including solar, wind, small-scale hydro, tidal, biomass, and geothermal infrastructure
- District energy systems
- Transmission installation and upgrades to improve access and reliability of access to electricity

2. Public Transit

- Regional bus systems, zero-emission buses (ZEBs), light rail transit, bus rapid transit, subways, transit-oriented development and more

3. Broadband

- Development of broadband infrastructure for underserved communities

4. Green Infrastructure

- Investments that transition communities off diesel generators to renewable energy sources and lower carbon intensive sources of generation
- Investment in retrofits of buildings to improve energy efficiency
- Investments that provide a long term, reliable source of clean drinking water
- Improvement of environmental performance of water and wastewater systems

5. Trade and Transportation

- Development of transportation infrastructure for remote or rural communities including ports, roads, bridges, rail, airports, etc.
- Agricultural-related infrastructure for communities
- Infrastructure to enable community development (e.g. addition to reserve land developments)
- Charging infrastructure for zero-emission vehicles

First Steps to Engage with CIB on ICII Projects Opportunities

- The CIB has an applicant guide for the ICII program, which outlines in further details the requirements of our projects. See link [here](#) or reach out to indigenous@cib-bic.ca.
- The following documents / items would be key to engage with the ICII team:

1. Detailed project description

2. Proposed ownership

3. Sources & uses of capital

4. Details of the project team, including all partners, contractors and advisors

5. Engineering and feasibility studies

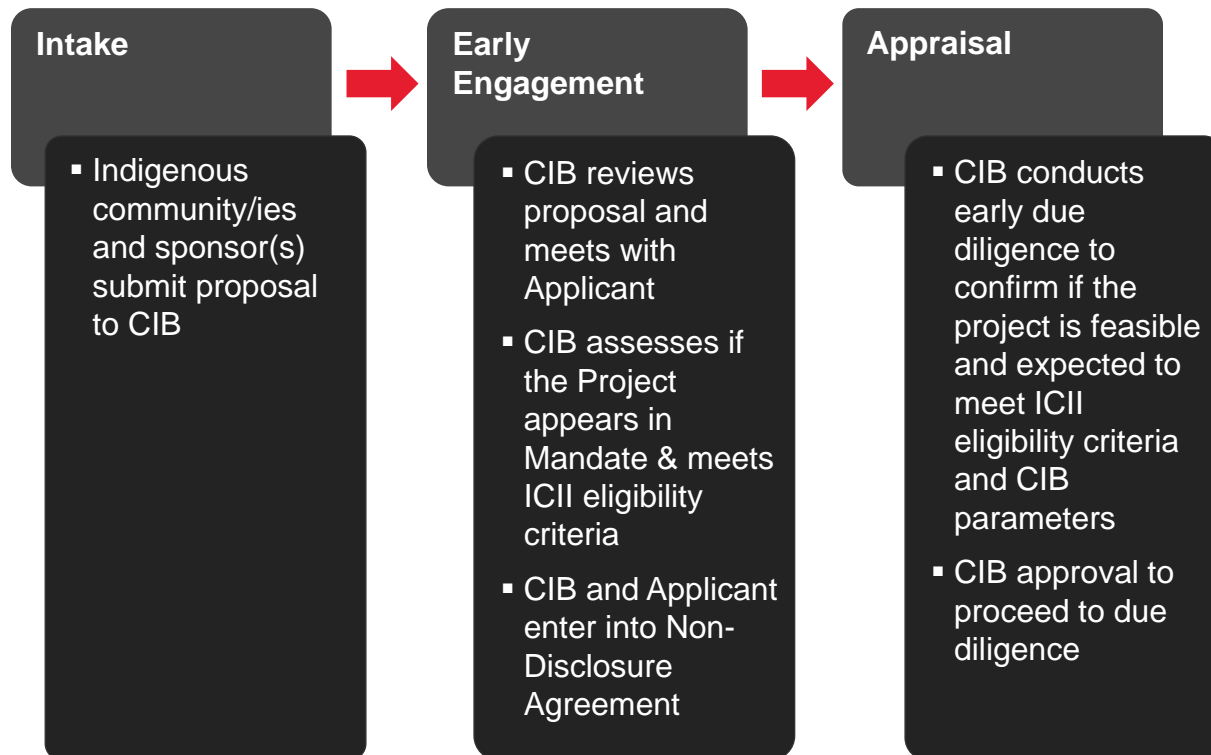
6. Permits, licenses and approvals

7. Documentation for revenue sources

8. Project financial model

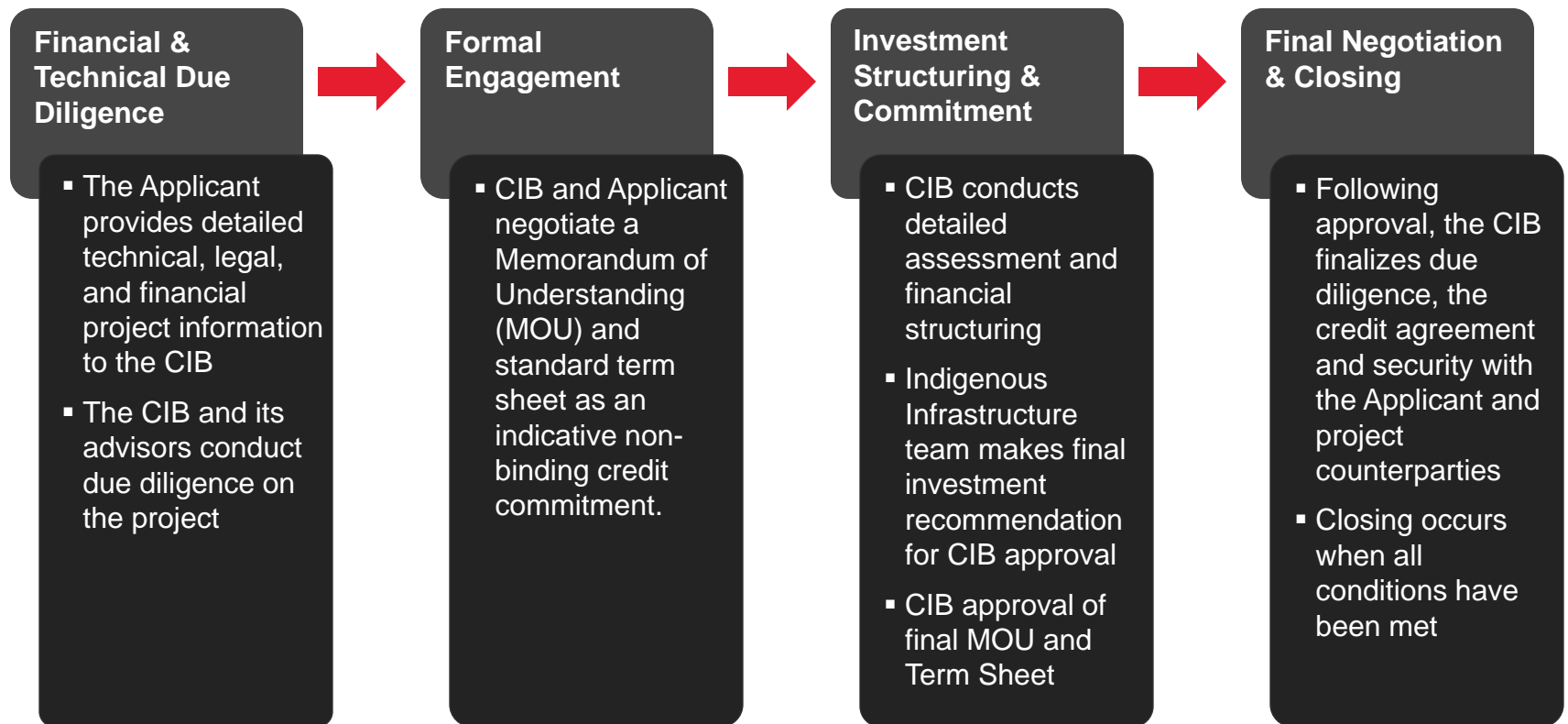
ICII Project Assessment Process – Intake to Appraisal

- The CIB has a dedicated Indigenous Infrastructure team to work with the Indigenous community/ies and sponsor(s) (the “**Applicant**”) through all stages of the Project



ICII Project Assessment Process – Structuring to Financial Close

- The CIB Management Investment Committee and the Investment Committee of the CIB Board of Directors oversee Project assessment decision-making, with ultimate investment approval resting with the CIB Board of Directors



Appendix A: Summary of Standardized ICII Deal Structure



Standardized ICII Deal Structure

Criteria	Details
CIB Investment	<ul style="list-style-type: none"> ▪ Senior or Subordinated Debt (“The Facility”)
Investment Size	<ul style="list-style-type: none"> ▪ From \$5-100M CIB investment (larger projects can flow to regular CIB stream) ▪ Debt is sized based on the lesser of: <ul style="list-style-type: none"> ▪ Up to 80% of the cost of the Project net of grants – remaining cost of project could be provided by the community and/or private sector – additional private capital could be invested in the future to reduce the CIB portion ▪ Amortization profile supporting a forward DSCR, determined based on project sector
Pricing	<ul style="list-style-type: none"> ▪ Interest rate: Varies based on use of the infrastructure and whether there are private sector equity owners
Term	<ul style="list-style-type: none"> ▪ Maximum of Construction+35 years. The Maturity Date will typically be no less than 1 year before the earlier of (i) the expiry of the Material Project Contract(s), or (ii) the expiry of the useful economic life of the project.
Repayment	<ul style="list-style-type: none"> ▪ Interest-only during the Construction Period ▪ Quarterly repayments during the Operating Period only
Security	<ul style="list-style-type: none"> ▪ Secured against revenues of the project or other revenue sources available to the community (from other community assets/businesses) ▪ As is typical in project finance transactions, non-recourse to the community

Standardized ICII Deal Structure (Continued)

Criteria	Details
Governance	<ul style="list-style-type: none"> ▪ As with all CIB projects, the preference (wherever practical) is for the project to sit within a special purpose entity and be ring fenced from other community assets ▪ Decision making must reside with a board of directors or management team – investment, rate setting decisions must be independent of elected members
Appropriate Risk Transfers to Contractors & Operators	<ul style="list-style-type: none"> ▪ The Borrower will be required to enter into fixed-price, date certain construction contracts and operating contracts (or have an operations plan and risk mitigation strategy) that are otherwise satisfactory to the Lender
Equity Contribution	<ul style="list-style-type: none"> ▪ At least 20% of total Project Cost net of grants. An equity L/C, or the full of amount of the equity must be deposited in a blocked account at Financial Close
Project Accounts	<ul style="list-style-type: none"> ▪ Proceeds Account, Debt Service Reserve Account (“DSRA”), Major Maintenance Service Reserve Account (“MMRA”), Equity Lock-Up Account
Use of Third Party Advisor Reports	<ul style="list-style-type: none"> ▪ The CIB will benefit from the expertise and opinions of independent advisors to assess technical, resource, & insurance risks specific to projects

Appendix B: ICII Partnerships





Deerfoot and Barlow

\$78.8M Investment
(Financial close)



These projects set a precedent for Indigenous participation in renewable energy projects in Canada. Through collaboration with the Canada Infrastructure Bank and our partners at ATCO, we have an exciting opportunity to not only support energy transition but generate economic growth for our First Nations communities.

Chief Clifford Poucette,
Goodstoney First Nation



[Learn more](#)

- Western Canada's largest urban solar project will provide enough green electricity to power approximately 16,500 homes.
- Reduces greenhouse gas emissions by approximately 50,000 tonnes annually
- Fosters economic resiliency for the Chiniki and Goodstoney First Nations'
- CIB's first Indigenous Community Infrastructure Initiative (ICII) clean power investment to reach financial close in Alberta



Enoch Arena Road

**\$15M investment
(Financial close)**

Enoch Cree Nation #440

“

Having this project become a reality, is an accomplishment for all of us, as a Nation. Working with Canada Infrastructure Bank (CIB) helps secure our economic development and the future of infrastructure advancements within our community...Moving forward these projects will lay the foundation and help look after the next generations to come.

- Cody Thomas, Chief of Enoch Cree Nation



[Learn more](#)

- Upgrade and realignment of seven-kilometre road
- New multi-use pedestrian trail with safety features to support community well-being
- Provides local training and employment opportunities for Enoch Cree Nation-owned contracting company and local Indigenous people
- Led and delivered by an all-Indigenous crew



Arrow Technology Group Broadband

**\$8.1M investment
(Financial Close)**

**Arrow Technology Group
Limited Partnership**

This collaboration with the Canada Infrastructure Bank will enable us to connect more Indigenous and rural communities in Alberta to high-speed internet.

Vaughn Paul
President



[Learn more](#)

- Increased broadband access for 20 Indigenous and 4 rural communities in Alberta
- Investment fills a structural lending gap, allowing Arrow to deliver needed broadband infrastructure
- Provides access to internet services with minimum speeds of 50/10 Mbps and unlimited data
- Supports a majority First Nations-owned business to expand their operations and services to Indigenous and rural communities in Alberta



Grasswoods Urban Reserve Wastewater Treatment Facility

**\$27.3M investment
(Financial Close)**

English River First Nation

“

This unique partnership with English River First Nation, Des Nedhe Group, the Rural Municipality of Corman Park and Saskatchewan Water Corporation, enabled by CIB financing, signals an important step towards economic reconciliation. We look forward to ensuring we can advance future economic development for years to come.

Vice-Chief Jenny Campbell



[Learn more](#)

- Indigenous-owned and operated with contracted operations and maintenance support from Saskwater Corporation
- Advances the reserve's and nearby municipality's transition away from septic wastewater systems
- Reduces adverse environmental impacts and supports sustainable growth

Atlin Hydroelectric Expansion

Up to \$80M investment

Tlingit Homeland Energy LP

The Atlin Hydroelectric Expansion Project will bring reliable and clean electricity to Yukon, while also providing economic development opportunities for local communities.

Peter Kirby
President



[Learn more](#)



- > New hydroelectric facility and transmission line to deliver clean, reliable power to the Yukon microgrid
- > Will reduce GHG emissions by approximately 29,500 tonnes annually
- > Led by Tlingit Homeland Energy Limited Partnership, fully owned by the Taku River Tlingit First Nation
- > Supports closing an infrastructure gap for 10 First Nation communities and 7 municipalities

Georgina Island Fixed Link

Memorandum of Understanding

Chippewas of Georgina Island First Nation

The Chippewas of Georgina Island First Nation are pleased with the support we are getting from CIB to make it possible to do the necessary and important studies for our Fixed Link project.

Chief Donna Big Canoe



[Learn more](#)



- Examining the feasibility of a proposed bridge linking Georgina Island to the mainland
- Expected to deliver numerous Indigenous social benefits
- Replacing unsafe and unreliable, fuelled ferry service and ice road
- Commitment supports our mandate to advise on trade and transportation projects

Kahkewistahaw Landing Infrastructure

**\$15.4M investment
(Financial Close)**

Kahkewistahaw First Nation

“Working with the CIB has been a very positive experience for us. The CIB really took the time to understand every aspect of this project and work with our team as a true partner in developing a financing model that works within our specific circumstances.

Chief Evan Taypotat



[Learn more](#)



- First project in Saskatchewan
- Multi-use gathering place for community, sport and business activities on designated urban reserve land
- Investment used for enabling infrastructure such as road work, utilities and broadband connectivity
- Second investment commitment as part of Indigenous Community Infrastructure Initiative

Netmizaaggamig Nishnaabeg Reserve Extension

**\$7.9M investment (Financial
Close)**

**Netmizaaggamig
Nishnaabeg**

*The investment from the
CIB was essential to
completing the financing
for this project, that
includes community equity
and funding from various
other community partners.*

Chief Louis Kwissiwa



[Learn more](#)



- Critical infrastructure required for on-reserve commercial and residential development
- 55 new building lots will accommodate on-reserve housing and commercial use
- Netmizaaggamig Nishnaabeg is responsible for project management of the works phase, ensuring local employment and training opportunities
- Enables future businesses and residences electricity, water and broadband connections

Tshiuetin Railway

**\$50M investment
(Financial Close)**

Tshiuetin Rail Transportation

“With the financing from our partners, we will expand our capacity to deliver on our mission to provide safe, reliable, and environmentally friendly services to our passengers and customers, while boosting our local economy through the creation of business and employment opportunities in the North.”

Tanis Peterson
Director General and Chief
Operation Officer



[Learn more](#)



- First indigenous-owned railway in Canada, only accessible link connecting three First Nations communities
- Investment to maintain and upgrade railway
- Increase mobility efficiency, safety as well as comfort of passengers; improve capacity and efficiency of freight services
- First investment commitment as part of ICII



Thompson Regional Airport

\$52M (financial close)

Keewatin Tribal Council

“Collaborating with the CIB has been instrumental in securing funds to re-develop the airport infrastructure which will have an enormous impact on the quality of life for all residents within the region.

Walter Wastesicoot
Grand Chief



[Learn more](#)

- Enables the redevelopment of Thompson Regional Airport
- Airport provides critical passenger and cargo services to communities in northern Manitoba and western Nunavut
- Serves 37 northern communities, including 15 remote Indigenous communities only accessible by air and ice roads
- Replacing the airport terminal will provide a long-term solution resilient to the impacts of climate change



Thank you

Contact us at indigenous@cib-bic.ca

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