

Canada Infrastructure Bank (CIB)



TYPE OF TOOL:
Institutional reform



MAIN SECTORS:
*Transport;
Energy;
ICT*



THEME:
Green



INFRASTRUCTURE GOVERNANCE PILLARS:
*Long-term strategic vision;
Fiscal sustainability, affordability and
value for money*

In a nutshell:



OBJECTIVE: The purpose of the Bank is to invest, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada.



Agency in charge
CIB



Levels of government
Federal



Year of implementation:
2017



Current status:
Fully operational

Overview:

As a key component of the Government of Canada's CAD 180 billion long-term infrastructure plan, the Canada Infrastructure Bank (CIB) was established to leverage public funds of CAD 35 billion to invest in revenue-generating infrastructure projects that are in the public interest. It also seeks to attract investment from the private sector and institutional investors for such ends. The CIB works with public and private sector partners to plan, finance, and deliver on a wide array of infrastructure projects that otherwise would not have been undertaken in Canada. The CIB will push the involvement of the private sector in Canadian infrastructure one step further by encouraging it to invest directly in infrastructure where the project has revenue-generating potential through various user-pricing models. The key benefits include bringing private capital to large-scale projects that are within the public interest, reducing fiscal pressure on governments at all levels for managing their infrastructure, and transferring appropriate project risk to private investors. As such, the private sector is incentivised to take on a significant portion of the demand and revenue risk.

The CIB operates like a merchant that brings investors together and implements appropriate financial capital structures for infrastructure projects. It aims to help public funds go further by attracting private investment to free up government resources for other infrastructure priorities and use federal support strategically by advancing new and innovative financing models to help more projects get built. It also acts as a centre of expertise in support of evidence-based decision-making, which it achieves by fostering better data collection across the Canadian infrastructure sector. Finally, it works to develop a pipeline of potential projects in Canada and promote investment opportunities to catalyse the market.

REFERENCES:

- Canada Infrastructure Bank, <https://cib-bic.ca/en/about-us/our-purpose/>