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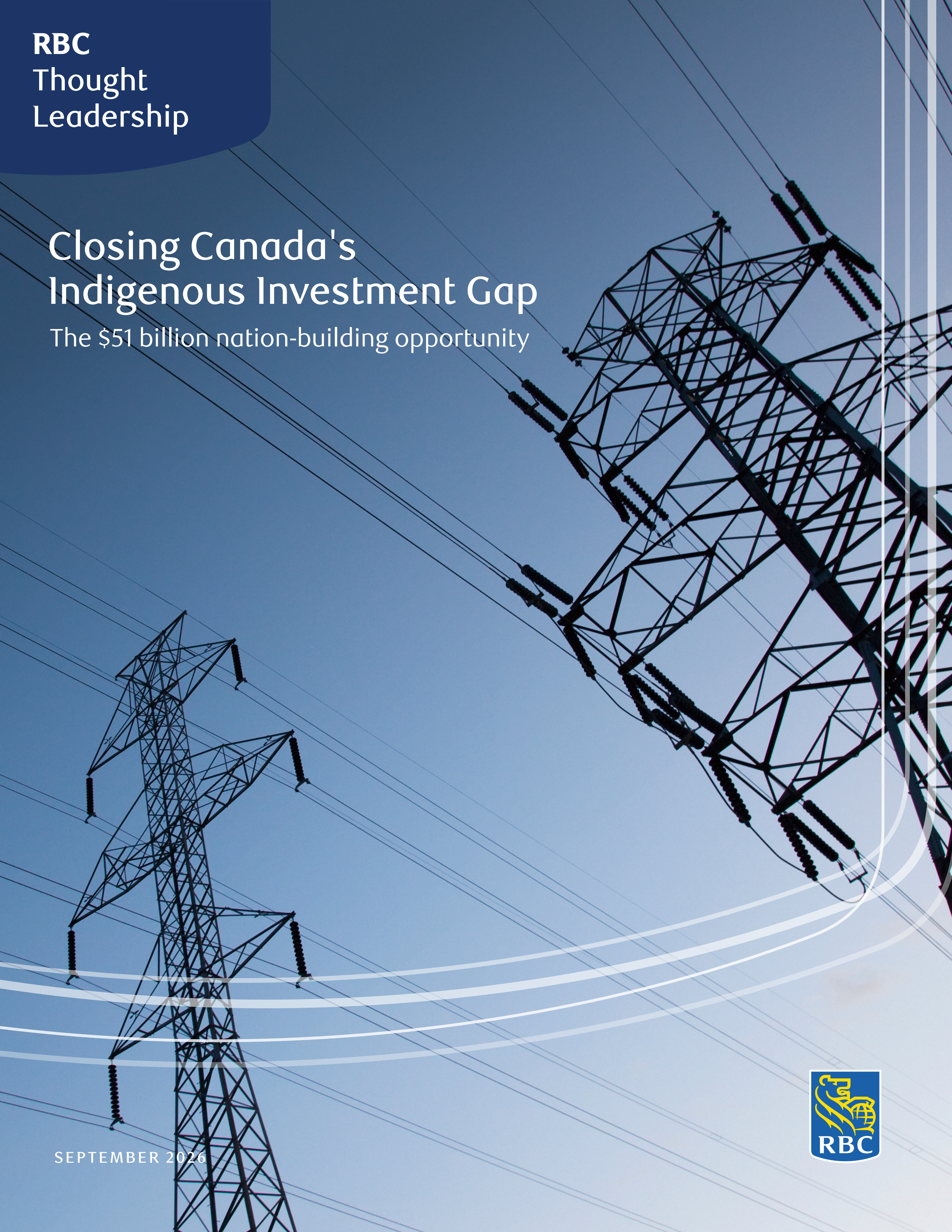
Closing Canada's Indigenous Investment Gap

The $51 billion nation-building opportunity



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Canada’s nation-building strategy runs through First Nations territory.

As the country embarks on a new development wave, spanning hydroelectricity grids, copper mines, and liquefied natural gas projects, Indigenous groups are front and centre in several roles: as communities, investors, and the labour force. They are also likely to be most deeply impacted by the developments.

As it seeks reconciliation, Canada has a generational opportunity to leverage Indigenous expertise, include them in the fruits of new capital injection, and make some headway in redressing long-standing issues of exclusion.

There is no nation building without First Nations, Inuit, and Métis communities being involved.

Our *Nations Building* report, published earlier this year, examined why the capital architecture set up to facilitate Indigenous participation in Canada’s development does not match the impending project wave. This briefing measures the mismatch.

The prize of development

- **New infrastructure is vital for Canada to meet its new trade goals.** Ottawa's target of $300 billion in additional non-U.S. trade over the next decade[1] depends largely on expanding its energy base, scaling its minerals riches, and developing the infrastructure that moves them to overseas markets.
- **Indigenous territorial borders intersect nearly every major economic development plan in Canada.** More than 70% of the Major Projects Inventory sits within 20 kilometres of an Indigenous community.[2]
- **Starting projects with the right stakeholders would speed up development.** Similarly, more than 70% of the $126 billion fast-tracked by the Major Projects Office—launched by the Mark Carney government to fast-track nation-building projects—runs through Indigenous territories. Creating pathways for Indigenous participation could be decisive in ensuring Canada can restore its reputation as a builder of large-scale projects.
- **The financing opportunity is immense.** The inventory lists 475 active projects worth ~$690 billion, requiring an estimated $314 billion in equity financing[3]. That would require foreign and domestic capital, interlaced with blended finance, loan guarantees and other support to bridge the gap.
- **There are more opportunities beyond the new build.** The new proposed projects are only a portion of a broader opportunity. Another major untapped area are operating assets—pipelines, transmission, terminals—where the largest Indigenous equity transactions to date have occurred.
- **Nation building projects would lift the economy.** Together the projects could generate $1.45 trillion in GDP, $665 billion in labour income, 310,000 jobs annually, and $170 billion in government revenue.[4] This accrues to the country rather than to any community specifically.
- **Trade pressures highlight the need for speed—and financing challenges.** U.S. tariffs imposed in 2025 exempted energy, potash and critical minerals—exports with the fewest substitutes, and the sectors most represented in this pipeline. Trade uncertainty raises the weight of domestic capital financing it.

Building Together

Hydro One offers First Nations up to 50% equity in every new large transmission project. The standing policy was adopted after the Wataynikaneyap Power project, in which 24 First Nations hold 51% of a $1.9 billion system connecting 17 remote communities, demonstrated majority Indigenous ownership at scale.

The Haisla Nation has a 50.1% stake in the $6-billion Cedar LNG project on the West Coast. It's a majority Indigenous ownership, financed without a loan guarantee.

Suncor directed 20% of its total supply-chain spend to Indigenous businesses in 2022, up from 8% in 2019—a 2.5x increase in three years.

Trans Mountain delivered 25% of contract value to Indigenous businesses and roughly 11% Indigenous workforce participation during construction.

BC Hydro and SaskPower have set minimum First Nations equity ownership requirements in power procurement, 25% and 10%, respectively, as conditions of bidding, at no fiscal cost.

$690B

Construction cost of Major Projects Inventory developments

$1,053B

Operating + sustaining costs of projects (20-year timeframe)

$314B

Equity required in MPI projects

$51B

Indigenous equity required

$17B

Indigenous Loan Guarantees

$3B

Indigenous loan guarantees already deployed

Sources: RBC Thought Leadership, Natural Resources Canada's Major Projects Inventory, Indigenous Energy Monitor

The price of Indigenous ownership

Full Indigenous equity participation would require around $51 billion. That's a 16% weighted share of the $314 billion equity requirement, and would return roughly $75 billion, net of the capital invested, over a 20-year horizon, according to our research.

While $51 billion is not a requirement for projects to proceed, it creates room for Indigenous groups to become stakeholders and play a meaningful role in the development of Canadian resources and the wider economy.

The existing architecture is not set up to match the requirements. Federal and provincial Indigenous loan guarantee programs hold more than $17 billion in combined authority. As much as $2.5 billion had been deployed across 27 transactions[5] from 2009 to June 2026. The requirement is roughly three times the federal and provincial authorities that exist to support it.

Ownership does not require entry at the outset. Stakes can be acquired at financial close or in assets already operating, which is how the largest Indigenous transactions to date have been structured: an Indigenous partnership acquiring an interest in an operating pipeline system, a post-completion equity option, a federal asset signalled for divestment. Roughly one-eighth of the requirement modelled here sits in projects essentially already built and generating cash flow.

The opportunity for Indigenous groups extends beyond new projects. Corporate resource projects—oil and gas, mining, LNG—hold roughly 60% of the pipeline's capital and carry the highest expected returns. Contracted and regulated assets, including transmission and community-scale power, return less but are more predictable. Assumed participation in this analysis varies accordingly, with capital intensity and technological maturity: highest in smaller, contracted, mature assets, lowest in the largest resource projects. A portion of the requirement also sits in Crown-owned assets, where participation would require a policy decision to open equity to outside partners—a decision with precedent, in Ontario's transmission and Darlington nuclear projects.

The channels of Indigenous participation

Value from these projects can reach communities through four channels that can be blended or priced independently.

- **Channel 1—Ownership.** Equity of $51 billion returns approximately $75 billion, net of capital, over 20 years. Even this is conservative, as transmission assets operate for roughly 70 years, hydro assets even longer, and nuclear refurbishments extend station life toward 80. The model counts no more than 20 years of distributions from any project regardless of its actual life. The economics of these assets extend well beyond the window in which this report accounts for them.

- **Channel 2—Agreements.** Impact benefit agreements are negotiated payments from proponents to Indigenous governments, typically struck on a project's revenue or production rather than its capital cost. According to the Indigenous Energy Monitor, Disclosed payments reached $847 million in 2025 and $4.2 billion cumulatively since 2017, across 231 reporting companies and 287 Indigenous government recipients. Because only mandatory disclosure is captured, these are floors. Notably, they concentrate in projects where equity participation is least common, with mining at highest risk. This study does not model agreement payments across the inventory: the dataset is built on capital cost, and no defensible bridge exists to revenue-based payment structures.

- **Channel 3—Work.** Indigenous workers earn wages and Indigenous businesses win contracts on these projects irrespective of ownership. Applying capture rates grounded in disclosed outcomes—4% to 12% of labour income, and 10% to 30% of the Tier-1 domestic contract pool—yields an estimated $27 billion to $80 billion in wages and $59 billion to $177 billion in procurement over the 20-year window. The base of each range assumes nothing more than demographic parity in hiring and a procurement share below levels several major operators already report. This channel requires no capital commitment from any Nation.

- **Channel 4—The build.** The aggregate is $1.45 trillion in GDP, $665 billion in labour income, 310,000 jobs annually, and $170 billion in government revenue[6]. This accrues to the country rather than to any community specifically, and is the reason participation question matters beyond the parties directly involved. Ownership distributions and wage flows are components of this total, not additions to it.

- **Two concerns shape real decisions and deserve direct treatment.** First, taking equity might displace an existing agreement. It does not: the channels draw on different pools and pay different recipients. The national payment data confirms the separation, as disclosed agreement tracking explicitly excludes contractor and supplier payments. Second, own-source revenue from an equity stake can, over time, reduce federal transfers that fund basic services. That concern is real.

- **Look beyond equity for Indigenous participation.** A project that does not suit equity by a Nation need not exclude them. Much of the mining pipeline carries commodity and construction risk that a community dependent on stable distributions may rationally decline, a judgement any institutional investor would exercise. But there are other ways Nations can participate, such as the $85 billion of estimated value through wages and procurement alone that these projects generate nationwide. That would require no capital at all from Indigenous groups, but help lift the community's economic prospects.

What international investors need to know

As the world's second-largest country by area, Canada requires infrastructure at continental scale to move energy and minerals to market. Most resource endowments, and therefore most major projects, sit outside urban Canada, on or near the traditional territories of more than 630 First Nations as well as Inuit and Métis communities.

Section 35 of the Constitution Act, 1982 recognizes and affirms the rights of Indigenous peoples. It is constitutional law, not policy. From it flows the Crown's duty to consult and, where impacts are serious, to accommodate, before projects proceed. Canada has also legislated alignment with the UN Declaration on the Rights of Indigenous Peoples, whose standard of free, prior and informed consent shapes project processes. Equity participation is a financial structure; it is not a substitute for consent.

The legal landscape varies by region. Most of British Columbia is not covered by historic treaties, which makes title and consultation dynamics materially different from Alberta and the Prairies.

Federal and provincial loan guarantee programs spanning $17 billion have existed to backstop Indigenous borrowing for equity stakes in these projects. Indigenous ownership is well established with majority stakes in operating LNG, transmission and midstream assets. The federal government has also signalled selling assets to Indigenous buyers.

Contributors

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Endnotes

IEM

All data sourced from Indigenous Energy Monitor (IEM) unless otherwise mentioned. Indigenous Energy Monitor data is sourced from IEM's Indigenous Energy Ownership Tracker (IEOT) module and Indigenous Resource Payment Tracker.

[1] Prime Minister's Office, November 2025.

[2] *Building Together,* April 2025.

[3] Major Projects Inventory, RBC Thought Leadership estimates.

[4] RBC Thought Leadership analysis.

[5] *Nations Building*, April 2026; deployment updated.

[6] Production and product taxes plus estimated personal income tax only; excludes corporate income tax and resource royalties.