



CANADA INDIGENOUS LOAN  
GUARANTEE CORPORATION

# Applicant Guide



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This **Applicant Guide** provides an overview of the ILGP application process, including details on what constitutes an eligible application, how applications will be selected, and a step-by-step view of the application process. For any further inquiries, contact us at: [info@cilgc-cgpac.ca](mailto:info@cilgc-cgpac.ca).

## PART I

### What Is The Indigenous Loan Guarantee Program?

#### Introduction

The Indigenous Loan Guarantee Program (ILGP) is part of Canada's commitment to economic reconciliation and inclusion. It provides loan guarantees to unlock access to capital for Indigenous groups to invest in commercially viable major projects across Canada in all sectors except gaming.

Loan guarantees are delivered through Canada Indigenous Loan Guarantee Corporation (CILGC), a wholly owned subsidiary of Canada Development Investment Corporation (CDEV), a federal Crown corporation reporting to the Minister of Finance.



#### Available Financial Support

The ILGP provides loan guarantees to successful applicants for the partial (or full) value of a loan. The loan proceeds are then used to support Indigenous investment into commercially viable projects. The minimum guarantee is \$20 million with a maximum of \$1 billion. Typically, the ILGP will require that part of the equity in the project be either financed with non-guaranteed debt or cash.



## What ILGP Supports

Indigenous groups borrowing from private lenders to:



Acquire equity ownership in an existing asset/project; or



Advance a major project where the Indigenous groups are the developer or a leading proponent (including new-builds).

Because CILGC is an agent Crown corporation, Canada's credit rating informs the interest rate on the guaranteed loan. A loan guarantee is like a co-signer: it enhances the credit application and can lower borrowing costs.

## What ILGP Does Not Support



Costs related to the development of a project. Part of the requirement for making an application to the program is that the project is at or near the final investment decision.

The applicant, if they are leading the project, must have completed its development and due diligence on the project prior to applying, and the guarantee program has not been designed to support development costs.





## Eligibility Criteria

ILGP is open to Indigenous groups with recognized section 35 rights. The program supports a range of projects across the country. Our goal is to ensure that Indigenous Peoples, regardless of their location, can benefit from this opportunity to advance economic reconciliation and self-determination.

**Canada Indigenous Loan Guarantee Corporation will consider applications that meet the following criteria:**

Criteria	Description
<b>Applicants</b>	Only Indigenous groups, or their wholly owned subsidiaries, are eligible to apply. Applications must include a clear statement of support from the group’s leadership, such as a band council resolution or other formal decision document used by Métis, Inuit, or self-governing Indigenous groups.
<b>Section 35 Rights</b>	Applicants must have credibly asserted or affirmed rights under section 35 of the Constitution Act, 1982. Screening is exclusively for the purpose of determining loan guarantee eligibility and is not intended to be a rights-determination process.
<b>Geographic Relevance</b>	Applicants must have credibly asserted or affirmed rights under section 35 of the Constitution Act, 1982. Screening is exclusively for the purpose of determining loan guarantee eligibility and is not intended to be a rights-determination process.
<b>Major Projects</b>	Investments must be in a major project, defined as a large-scale or capital-intensive initiative that involves the development, construction, or acquisition of significant in situ physical assets and derives its revenue and cash flow primarily from the operation, leasing, or commercial use of those assets over time. Projects in the gaming and casino sector are not eligible.



Canada Indigenous Loan Guarantee Corporation will consider applications that meet the following criteria:

Criteria	Description
<b>Guarantee Thresholds</b>	Generally, applicants must be seeking a minimum guaranteed amount of \$20 million to a maximum amount of \$1 billion.
<b>Financial Separation of Investments</b>	Applicants must confirm that investments will be made into financially ring-fenced assets or operations, which will be subject to confirmatory diligence. In some cases, there may be a requirement to restructure the assets or operations into separate legal entities to facilitate independent financial reporting and cash flow management.

In addition, the Canada Indigenous Loan Guarantee Corporation will prioritize applications based on the following considerations:

Consideration	Description
<b>Investment-Ready</b>	Priority will be given to investment opportunities that are well-advanced and positioned to proceed without delay. Applicants should demonstrate that substantial diligence, transaction negotiation and structuring work has been completed, reflecting overall readiness for investment.
<b>Demonstrated Cash Flow</b>	Investments should be structured to generate stable cash flow, sufficient to repay the acquisition financing. Projects should be able to demonstrate predictable and future stable cash flow which may be achieved through instruments such as power purchase agreements, delivery contracts, and offtake agreements, where applicable.
<b>Projects of National Interest</b>	Nation-building projects referred to the Major Projects Office will be prioritized by the Canada Indigenous Loan Guarantee Corporation, where appropriate.



## Definition and Key Elements to Consider Before Applying

Key Element	Description
<b>Applicant Cost Responsibility</b>	Applicants, lenders, and investment partners are expected to assume most responsibilities and costs for due diligence. CILGC expects much of the due diligence to be completed prior to application, and that the opportunity is “investment ready” (see Part II Preparing to Apply for more on this).
<b>Leadership Support</b>	Only Indigenous groups, or their wholly owned subsidiaries, are eligible to apply. Applicants must have credibly asserted or affirmed section 35 rights. Screening is for program eligibility only and is not a rights-determination process. Applicants must include documentation demonstrating leadership support for the application (e.g., a letter of support). Prior to issuing a guarantee, CILGC will require formal evidence of leadership approval (e.g., a Band Council Resolution or equivalent decision document used by Métis, Inuit, or self-governing Indigenous governments).
<b>Major Projects</b>	<p>Investments must be in a major project, defined as a large-scale or capital-intensive initiative involving the development, construction, or acquisition of significant in situ physical assets and deriving revenue and cash flow primarily from the operation, leasing, or commercial use of those assets over time.</p> <p>Eligible investments must be structured at the project or asset-level and ring-fenced to a specific major project (which meets the above definition). Investments that are not ring-fenced to a major project are not eligible, including, without limitation, investments in parent companies, diversified corporate entities, or service-based businesses.</p> <p>Projects can be in every sector of the economy, excluding gaming and casinos.</p>



Key Element	Description
<b>New-Build Projects</b>	<p>For new-build projects, approaches may include: (i) conditional guarantees issued once a project is in service and/or generating revenue; (ii) proceeds used for convertible debt or hybrid instruments that convert to equity later; or (iii) guarantees of traditional project debt for Indigenous-led projects.</p> <p>Applicants should have a financing plan (financial institution, third-party investor, bond issuance, or combinations) and complete sufficient due diligence to understand risks and expected returns prior to applying. Priority will be given to investment opportunities that are well-advanced and positioned to proceed without delay. Applicants should demonstrate that substantial diligence, transaction negotiation, and structuring work have been completed, reflecting overall readiness for investment.</p>
<b>Financial Separation (Ring-fencing)</b>	<p>Applicants must confirm that investments will be made into financially ring-fenced assets or operations (subject to confirmatory diligence). In some cases, restructuring into separate legal entities may be required to facilitate independent financial reporting and cash flow management. This requirement is designed to ensure that the asset(s) invested into and the associated cash that flows from the asset can service the debt with the remainder flowing to the Indigenous investor.</p>



## Alternative Structures for Investment to Know About Before Applying

Alternative Vehicles	Description
<b>Convertible Debt</b>	<p>Convertible debentures are hybrid instruments that begin as debt – paying interest and providing repayment priority over equity – and later convert to equity once certain milestones are met (for example, after commercial operations). They can be particularly effective for early-stage or pre-operational projects that face construction risk and lack near-term cash flow, whereby an industry partner (not the project) issues a debenture to the Indigenous investor.</p>
<b>Debenture Phase</b>	<p>The Indigenous investor receives a coupon from the industry partner under the debenture (e.g., the cost of borrowing for the Indigenous investor plus a spread). The Indigenous investor then services the guaranteed debt (and other sources of capital if applicable), with residual cash from the debenture’s coupon shared via distributions to communities.</p> <p>Typically, an equity investor would need to wait to receive distributions until the asset begins generating cash flows. This structure enables distributions to communities immediately.</p> <p>Depending on how the transaction is structured, this can also protect the Indigenous investor from construction risk as the debenture is issued to an industry partner sub (not the project).</p>
<b>Equity Phase</b>	<p>Once the project is operational and generating cash flow, the debenture can be redeemed and exchanged for an equity interest in the project.</p> <p>The Indigenous investor, as an equity owner, is entitled to receive pro-rata share of equity distributions (instead of the fixed coupon on the debenture).</p>



Alternative Vehicles	Description
<p><b>Conditional Guarantee</b></p>	<p>A conditional federal guarantee is a guarantee authorized under the ILGP for new-build major projects, where the Federal Guarantor provides a conditional commitment in advance, with final issuance subject to satisfaction of agreed conditions.</p> <p><b>Example:</b> A Quebec First Nation negotiates and receives a conditional ILGP guarantee prior to construction, alongside an option granted by the project proponent to acquire up to 10% of the project equity in a wind project at Commercial Operations Date (COD). The purpose of issuing the conditional guarantee before construction is to give the Indigenous partner certainty that it will be able to finance the equity buy-in once the asset is constructed and operating. If the Indigenous partner elects to exercise its option at COD, it funds the purchase price using an Equity Acquisition Loan, and the ILGP guarantee—previously negotiated and issued on a conditional basis—becomes effective only upon closing of the equity purchase transaction. This structure improves financing availability and terms for the Indigenous partner while limiting the guarantor’s exposure to an operating, revenue-generating project.</p>
<p><b>Non-Guaranteed Debt</b></p>	<p>A tranche of non-guaranteed debt or asset-level leverage are generally required elements in the capital structure to confirm the project’s commercial viability:</p> <ul style="list-style-type: none"> <li>• the required proportion of non-guaranteed debt to total SPV financing would be a function of the individual project size and economics; and</li> <li>• exceptions can include circumstances where the transaction size is small and raising such financing is not economical</li> </ul>



Alternative Vehicles	Description
<p><b>Loan Guarantee Fees</b></p>	<p>Issuance fees and maintenance fees are charged to successful applicants to fund CILGC operational requirements, as the organization operates on a cost recovery basis. CILGC does not seek to make a profit over the life of the program; cumulative fees in excess of operating costs may be used over time to enhance the program.</p> <p>Issuance fees are a one-time fee charged at closing, calculated as a percentage of the guaranteed principal. Maintenance fees are recurring, charged quarterly over the life of the guarantee, and are calculated as a percentage of the outstanding principal at the time the fee is charged.</p>
<p><b>Program Stacking</b></p>	<p>CILGC facilitates the stacking of federal and provincial loan guarantees and harmonizes commercial terms/documents with provincial programs to the extent possible and up to 100% of the value of the equity. Federal stacking with other federal sources (e.g., grants, federally guaranteed loans, loans from federal Crown corporations) is available up to 75% of project costs. It is important for the applicant to incorporate these limits into their financial modeling.</p>

## Canada Indigenous Loan Guarantee Corporation and the Canada Infrastructure Bank

Financing from the Canada Infrastructure Bank (CIB) can be used alongside the ILGP—particularly through tools like the CIB’s Indigenous Equity Initiative (IEI), where CIB provides direct loans to Indigenous communities to help them acquire equity stakes—while ILGP can separately provide a federal guarantee to enhance private lending terms and expand borrowing capacity for the same overall transaction.

As noted above, since CIB is a federal Crown corporation, there is a cap that total federal support cannot exceed 75% of the project costs, including Indigenous equity and debt investments, meaning the capital structure must retain at least 25% non-federal capital.



## Application Process

1



### Expression of Interest

Submit an Expression of Interest. CILGC will review the submission to assess alignment with program eligibility and overall project viability, and may invite you to submit a full application.

2



### Application

CILGC will work with you to complete the application form. Once finalized, the application will be submitted for review.

3



### Eligibility & Prioritization

Your application will be assessed against program eligibility requirements. A decision will be made on whether to advance to due diligence.

4



### Due Diligence

CILGC will perform detailed due diligence across key areas, including financial, commercial, legal, and operational.

5



### Guarantee Term Sheet

Subject to completion of due diligence, a draft term sheet will be issued and negotiated.

6



### Approval

Following agreement on terms, a final decision will be made, including approval from the Minister of Finance.

7



### Transaction Close

Required community approvals (e.g., Band Council Resolutions or equivalent) will be obtained. Definitive documents will be finalized and signed, financing will be completed, and the loan guarantee will be issued.

8



### Ongoing Monitoring

CILGC will monitor the loan guarantee for its duration to ensure compliance with key financial and commercial terms.



## PART II

### Preparing to Apply

#### Early Engagement and Expression of Interest

Indigenous groups looking to invest in a major project (as defined above) should engage early with CILGC’s team members. The team will help guide the applicant toward a successful application. Specifically, it will allow for feedback on eligibility and help the applicant to gather all the requisite information for the application. It will also allow the staff reviewing the material to have an early understanding of the project by providing them with key information such as:

	Key Information
1	Which Indigenous groups are looking to make the investment, and the level of support from their respective leadership
2	A brief description of the project or asset that is being invested into (e.g., location, sector, project development phase)
3	Details on the transaction (e.g., size of the transaction, size of the federal guarantee that is being requested, resulting equity stake in the project, transaction timelines, project partners or sellers)
4	Overview of the business model
5	Summary of due diligence
6	Potential eligibility regarding the project/asset including: <ul style="list-style-type: none"> <li>- Geographic location and relevance to the Indigenous investor(s)</li> <li>- Size and scope (both physical infrastructure and dollar amount)</li> <li>- Legal structure and financial separation</li> </ul>
7	Business model including private sector partners
8	Overall risk profile of the project (e.g., market and construction risk)
9	How the project is being financed
10	Project timelines
11	Summary of the due diligence completed by the Indigenous investors



Once the applicant has a project opportunity with much of the information established (and preferably a document describing key aspects), it is recommended that they submit an Expression of Interest (EOI) to CILGC with the key details as noted in the Early Engagement section.

## Preparation for Application

Once the Applicant has submitted the EOI, they will continue to work on getting the requisite information to fill in the application and to get to their formal investment decision, and to have the project ready for a loan guarantee to support the project.

## Applicant Due Diligence

It is expected that the project is investment ready and that prior to application, the necessary due diligence is completed by the applicant on the project. This will include review of the important financial, technical and legal material and documentation to support the applicant’s investment decision and the application.

Applicant’s due diligence should be conducted by qualified independent third-party advisors and assess key aspects of the transaction, including:

	Key Aspects of Transaction
1	<b>Legal and Commercial Agreements:</b> review of key contracts, ownership structure, and partnership terms
2	<b>Market Conditions and Revenue Assumptions:</b> assessment of demand, pricing, and counterparties
3	<b>Financial Model:</b> sensitivity analysis on cash flow, returns, and debt service coverage;
4	<b>Technical and Environmental:</b> review of project conditions, performance, and lifecycle costs
5	<b>Regulatory and Permitting Status:</b> confirmation of permits, environmental assessments, application(s) to applicable regulatory bodies
6	<b>Financing Plan:</b> approach for securing both guaranteed and non-guaranteed debt (if applicable)



## Mandatory Documents for Application

- ✓ Business plan and/or corporate presentation
- ✓ Letter of leadership support for each participating Indigenous group
- ✓ Financing plan
- ✓ Corporate structure
- ✓ Organizational structure of managing entity
- ✓ Description showing where the asset is located relative to participating Indigenous groups' traditional territory



## PART III

### The Application Process

#### Application Submission

After the applicant has completed its own due diligence and has moved to a decision to proceed with the investment based upon the criteria outlined in the previous sections, they will have an engagement with CILGC staff to present the decision on the project and their intention to make an application to the program. At this point, CILGC will send the applicant a copy of the Intake Form to complete. They will submit it and the required supporting documents for review. During the final meeting, the CILGC team will review the application itself and how to fill it out. The applicant is encouraged to reach out to their CILGC contact to get clarification on anything in the application form itself.

#### Assessment/Screening and Prioritization

Applications will be assessed against program eligibility requirements, and, if eligible, advanced.

Applications will then be prioritized based on several factors which may include the robustness of the investment's financial plan, the level of diligence performed, the extent to which the investment's risks have been assessed and managed, and the readiness to transact.



The areas reviewed include but may not be limited to the following:

Areas Reviewed	Description
<b>Commercial Viability and Feasibility</b>	<ul style="list-style-type: none"> <li>• What is the project’s commercial rationale and feasibility?</li> <li>• What is the implementation plan and critical path?</li> <li>• What demand/offtake supports the revenue case?</li> <li>• What is the plan for operations and long-term sustainability?</li> </ul>
<b>Risk Profile</b>	<ul style="list-style-type: none"> <li>• Construction risk and mitigation plan</li> <li>• Assessment of the key risks related to the business model. This would include:               <ul style="list-style-type: none"> <li>– Sector-specific risk</li> <li>– Assessment of revenue stream(s)</li> <li>– Operational risk. What is the plan for operations and long-term revenue sustainability?</li> </ul> </li> </ul>
<b>Financial Plan Robustness</b>	<ul style="list-style-type: none"> <li>• Provide a clear sources-and-uses table and pro forma capital structure (guaranteed debt, non-guaranteed debt, equity).</li> <li>• Provide a financial model (base + sensitivities) showing debt service coverage and key assumptions.</li> </ul>
<b>Agreements and Counterparties</b>	<ul style="list-style-type: none"> <li>• List key revenue agreements (e.g., PPA, offtake agreements, delivery, tolling, leases) and summarize key terms (e.g., tenor, pricing, termination, credit support).</li> <li>• List key EPC/O&amp;M/supply agreements and how risks are allocated (e.g., price certainty, schedule guarantees, liquidated damages).</li> <li>• Identify key counterparties and provide evidence of capability/creditworthiness.</li> </ul>



Areas Reviewed	Description
<b>Governance, Capacity, and Indigenous Participation</b>	<ul style="list-style-type: none"> <li>• Describe governance and decision rights for Indigenous investors (e.g., board seats, veto/consent rights, reserved matters).</li> <li>• Describe management and advisor capability; highlight prior comparable transactions and execution track record.</li> </ul>
<b>Legal/Regulatory Readiness</b>	<ul style="list-style-type: none"> <li>• Provide status of permits, approvals, land/environmental assessments and any legal/material disputes.</li> <li>• Proof that the asset is legally ring-fenced and the structure is appropriate to ensure no recourse to the Indigenous investor group.</li> </ul>

Once the assessment and prioritization are complete, the application will then be advanced to due diligence.

## Due Diligence

CILGC will perform independent due diligence (with potential support from external advisors) and will look to recover diligence costs from the industry partner. CILGC will review diligence previously performed by the Applicant, lenders, and/or other transaction counterparties to minimize duplication.

Key diligence areas include financial, regulatory, commercial, and legal.

## Negotiation of Guarantee Terms

Subject to and following completion of CILGC’s due diligence, a draft term sheet is issued.

The term sheet is negotiated between CILGC, the Applicant, and the proposed lender(s) (or their bondholder(s) / representatives).

## Approval

The Applicant reviews the draft guarantee term sheet alongside their financing arrangements to confirm alignment of terms with their long-term interests.



Once there is agreement with the Applicant, CILGC will make a recommendation to the Minister of Finance for approval.

Once approved by the Minister, the terms of the guarantee are used to secure the financing from lenders.

## Transaction Close

A formal approval process by the Applicant's governance bodies (e.g., Chief and Council, Board of Directors) is a necessary pre-condition to closing.

Drafting and negotiation of legal agreements (e.g., loan, guarantee, & security package agreements) are finalized among the Applicant, CILGC, lenders, and other stakeholders.

Financing is funded and disbursed in parallel with issuance of the loan guarantee.

Guarantee fee is paid to CILGC at transaction close.

## Ongoing Monitoring

Once the guarantee is issued and the transaction is executed, the file will move to the Monitoring stage of the lifecycle.

CILGC actively monitors the loan guarantee throughout its term to protect the Crown's exposure and ensure compliance; monitoring fees are charged quarterly for the duration of the guarantee. Key activities include submission by the Applicant of reporting documents (e.g., financial statements and covenant compliance certificates).

At maturity or repayment of the loan, CILGC formally discharges its guarantee and records closure of the file.





## PART IV

### Ownership

What does it mean to be the owner of a project?



#### Benefits

- Cash flows from the asset that can be used for whatever purpose the Indigenous investor needs or wants;
- Capacity building for the Indigenous owner, whether in governance, financial management, or sector-specific education;
- Potential economic development benefits such as employment opportunities for community members, procurement, etc.; and
- Building reputation in the business community



#### Obligations

- Maintaining the payments on the loan and other covenants;
- Reporting requirements (financial, regulatory);
- Supporting the governance of the operation;
- Communicating with key stakeholders such as operational partners, lenders and CILGC



## Description

The guarantee supports the financing raised by a single Indigenous Special Purpose Vehicle (SPV) which holds an ownership interest in the underlying project:

- an Indigenous SPV can be owned by one or more Indigenous groups, without necessarily requiring upfront capital;
- an SPV structure ensures that loan default does not result in recourse to the Indigenous groups themselves; consequently, CILGC does not need to conduct a review of the Indigenous groups' financials; and
- formation of a single SPV is encouraged to create alignment in transaction management and governance, reduce transaction costs, and to provide for long-term operational efficiencies as it relates to voting, consents, etc.

The Indigenous Equity Stack typically consists of two layers of limited partnerships ("LPs") in precedent Canadian financing structures consisting of:

- an 'upper' LP(1) which raises the guaranteed financing; and
- a 'lower' LP(2) which raises any additional financing required which does not benefit from any guarantees;
- a tranche of non-guaranteed debt or asset-level leverage is generally a required element in the capital structure to confirm the project's organic commercial viability;
- the required proportion of non-guaranteed debt to total SPV financing would be a function of the individual project size and economics; and
- exceptions can include circumstances where the transaction size is small and raising such financing is not economical



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