

July 10, 2025



Update on the Spending Outlook of the Canada Infrastructure Bank



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

The Parliamentary Budget Officer (PBO) supports Parliament by providing economic and financial analysis for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

The PBO estimates that the Canada Infrastructure Bank (CIB) will disburse \$14.9 billion by 2027-28, compared to its target of \$35 billion by that year. By 2029-30, the CIB will disburse \$20.7 billion. However, the CIB has already met its target of \$1 billion for Indigenous investments.

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Highlights

The Canada Infrastructure Bank (CIB) will disburse \$14.9 billion by 2027-28, which is \$20.1 billion less than the target of \$35 billion. This disbursement projection is slightly lower than the \$15.9 billion projected in the 2021 PBO report.

By 2029-30, the CIB is projected to disburse \$20.7 billion.

Disbursements for Indigenous projects have already met their \$1 billion target and are expected to reach \$3.1 billion by 2027-28.

Summary

The Canada Infrastructure Bank (CIB) was established in 2017. Its purpose is to co-invest in infrastructure projects that would not have been financially feasible for public and/or private sector investors to proceed with alone.

The CIB invests in 5 priority sectors, each with their own funding target. These sectors are (target in brackets):

- Public Transit (\$5 billion);
- Green Infrastructure (\$10 billion);
- Trade & Transportation (\$5 billion);
- Broadband (\$3 billion); and
- Clean Power (\$10 billion).

Across these projects, the CIB has a goal of investing \$1 billion in Indigenous projects.

As well, the CIB has a target of \$500 million for Project Acceleration, which is meant to help potential projects get to a point where the CIB may make a full investment.

In 2021, the PBO published a report on the progress of the CIB's disbursement of investment funding. The report found that the pace of disbursement was too slow to be on track to meet the goal of \$35 billion by 2027-28.

The current report projects that the CIB will disburse \$14.9 billion by 2027-28. This will still fall short of the target and is slightly lower than the projected disbursements in the previous report. By 2029-30, the CIB is projected to disburse \$20.7 billion.

However, the CIB has already met its disbursement target for Indigenous investments. By 2027-28 and 2029-30, it is projected to invest \$3.1 billion and \$5.4 billion respectively in Indigenous projects.

This report also briefly comments on the split of public and private sector partners that co-invest with the CIB.

Background

The Canada Infrastructure Bank (CIB) was established in 2017. Its purpose is to co-invest in infrastructure projects that would not have been financially feasible for public and/or private sector investors to proceed with alone.¹

In 2021, the PBO published a report on the progress of the CIB's disbursement of funding. The report found that the pace of disbursement was too slow to be on track to meet the goal of \$35 billion by 2027-28.^{2,3} The PBO estimated that the CIB would miss its target by \$19 billion.

Four years have passed since the 2021 PBO report. In that time, the CIB has made further investments. The additional years of data now allow the PBO to create projections for the progress by sector.

The CIB invests in 5 priority sectors, each with their own funding target. Some of these targets have changed since the beginning of the CIB. These will be discussed in the results section. Table 1 shows the current targets.

Table 1
Funding targets for priority sectors

Sector	Target
Public Transit	\$5 billion
Green Infrastructure	\$10 billion
Trade and Transportation	\$5 billion
Broadband	\$3 billion
Clean Power	\$10 billion

Notes:

Public Transit includes various commuter-related projects such as light rail and zero-emissions buses.

Green Infrastructure includes projects such as retrofits to enhance buildings' energy efficiency, electric vehicle (EV) charging stations, hydrogen refuelling stations, water treatment plants and carbon recycling facilities.

Trade and Transportation includes projects such as roads, ports, airports, long distance rail (longer than the commuter rail in the public transit sector) and projects associated with agriculture.

Broadband includes projects that provide high-speed internet access to regions that have little to no access.

Clean Power includes projects such as green power (e.g. solar panels, wind turbines, hydroelectricity, nuclear reactors), energy storage and district energy systems.

Included in the funding for the five sectors is a target of \$1 billion for investments in Indigenous projects.

In addition, the CIB's Project Acceleration program has a target of \$500 million. Project Acceleration funding is meant to help potential projects get to a point where the CIB may make a full investment.⁴

Data

The PBO obtained data from the CIB through Information Requests IR0809 and IR0819.^{5,6} The CIB provided confidential data about projects that have achieved financial close (FC) and Project Acceleration funding commitments, as well as expected disbursements for both types of projects.⁷ As well, data was provided about projects in other stages of consideration.

Information from annual reports, corporate plans, and quarterly updates was also used, as well as other data about CIB projects from public sources.

Methodology

Given that the timing of FC's and disbursements can be unpredictable, especially among larger projects, the PBO's projections reflect what is expected to happen on average over several years, as opposed to being accurate in any given year. The CIB's own projections are performed in a similar way.

To estimate the disbursements that will eventually stem from projects currently under consideration, the PBO calculated the following from historical CIB data for each of the five sectors:

- The average growth rate of projects in the initial stage of consideration from 2022-23 to 2024-25;
- The percent of projects that will be removed from consideration before achieving FC in each stage of consideration;
- Of the projects that are not removed, the percentage of projects in each of the 3 stages that will move on to the next stage or to FC within 12 months;
- The distribution of the number of years between a project reaching FC and its first disbursement;
- The distribution of how much funding will be disbursed during each year of disbursement; and
- The average CIB investment in each of the five sectors since 2021-22.

As well, the PBO projected Project Acceleration disbursements by taking into account how, in most cases, projects only use a percentage of Project Acceleration funding.

Further, to project Indigenous investments, the PBO calculated the historical proportion of each sector's CIB funding that has gone to Indigenous projects. The PBO combined these proportions and each sector's overall projections to create projections for Indigenous investments.

These projections assume that the CIB will not change its behaviour in the future.

Results

Disbursements

The CIB is expected to disburse \$14,902 million by 2027-28 and \$20,675 by 2029-30.

Table 2

Projected total disbursements, in millions of dollars

	Pre 2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
Total	5,018	4,399	3,147	2,338	2,350	3,422
Cumulative total	5,018	9,417	12,565	14,902	17,253	20,675

Source:

CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

The CIB is not expected to reach its disbursement goals in any sector by 2027-28.

The PBO's 2021 report projected that by 2027-28, the CIB would have disbursed \$15,937 million. The current report projects similar, although slightly lower, cumulative disbursements of \$14,902 million. This is \$1,035 million, or 6%, less than the 2021 report projection.

However, the public transit sector is projected to meet its target by 2029-30. As well, the broadband sector will only be 9% lower than its \$3 billion goal by 2029-30. The Indigenous disbursement target was already surpassed by the end of 2024-25.

Further, Project Acceleration has a very low level of disbursements so far. However, this is partially due to the way Project Acceleration funding is classified. If a project receives Project Acceleration funding and later achieves FC, the Project Acceleration funding that was disbursed becomes part of the investment funding instead. Therefore, the more projects that receive Project Acceleration funding and later achieve FC, the lower the amount of funds that will be ultimately classified as Project Acceleration funding. By the end of 2024-25, 18% of Project Acceleration projects have ultimately achieved FC.

Table 3

Projected disbursements and gaps with targets,
in millions of dollars

Sector	Target	Total by 2027-28	Total by 2029-30	% achieved by 2027- 28	% achieved by 2029- 30	Gap by 2027-28	Gap by 2029-30
Public Transit	5,000	3,919	5,178	78%	Target met	1,081	-178
Green Infrastructure	10,000	2,999	3,943	30%	39%	7,001	6,057
Trade & Transportation	5,000	1,246	1,704	25%	34%	3,754	3,296
Broadband	3,000	2,229	2,724	74%	91%	771	276
Clean Power	10,000	4,465	7,043	45%	70%	5,535	2,957
Project Acceleration ⁸	500	46	82	9%	16%	454	418
Total⁹	35,000	14,902	20,607	43%	59%	20,098	14,325

Source:

CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

In some cases, the CIB initially had different sector targets. These include:

- Green Infrastructure: Current target is \$10 billion, original target was \$5 billion;¹⁰
- Broadband: Current target is \$3 billion, original target was \$1 billion;¹¹
- Clean Power: Current target is \$10 billion, original target was \$5 billion.¹²

These initial targets and their comparison to the PBO projections are in Table 4.

Table 4

Among projects with different original targets, projected disbursements and gaps with original targets, in millions of dollars

Sector	Original target	Total by 2027-28	Total by 2029-30	% achieved by 2027-28	% achieved by 2029-30	Gap by 2027-28	Gap by 2029-30
Green Infrastructure	5,000	2,999	3,943	60%	79%	2,001	1,057
Broadband	1,000	2,229	2,724	Original target met (in 2025-26)	Original target met (in 2025-26)	-1,229	-1,724
Clean Power	5,000	4,465	7,043	89%	Original target met (in 2028-29)	535	-2,043

Source:

CIB data and PBO calculations.

If the original sector targets were still in place, the broadband target would have been achieved in 2025-26, while the clean power target would have been achieved in 2028-29.

As well, the CIB surpassed its \$1 billion Indigenous funding target in 2024-25. By 2027-28, it is expected to have achieved \$3.1 billion in disbursements, and \$5.4 billion in disbursements by 2029-30.

Table 5

Projected disbursements for Indigenous projects, in millions of dollars

	Total to 2027-28	Total to 2029-30	% achieved by 2027-28	% achieved by 2029-30	Surplus by 2027-28	Surplus by 2029-30
PBO projection	3,056	5,380	306%	538%	2,056	4,380

Source:

CIB data and PBO calculations.

The PBO's disbursement projections are similar but slightly lower than the CIB's most recent corporate plan.¹³ See Appendix A for a comparison with more details.

Public and Private funding

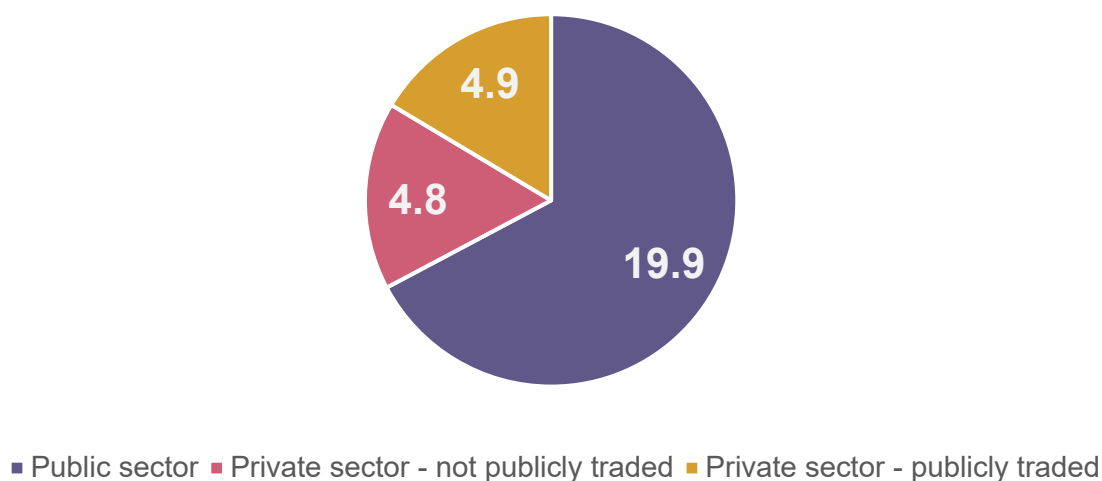
Public and private partners co-invest with the CIB to bring projects to fruition.

The PBO considered certain partners to be public that the CIB considered to be private, and vice versa. However, the differences did not substantially impact the results of this report. The PBO defined what was public and private based on Statistics Canada's Public Sector Universe (PSU) and its associated documentation.

Since the CIB was established, two-thirds of partner funding has come from public-sector partners. However, in more recent years, the amount from private partners have been almost equal, reaching 48% of total partner funds. Private sector funding consistently originates in equal parts from publicly traded companies and other private sector entities.

Figure 1

Level of funding from partners, since the start of the CIB
(\$ billions)



Source:

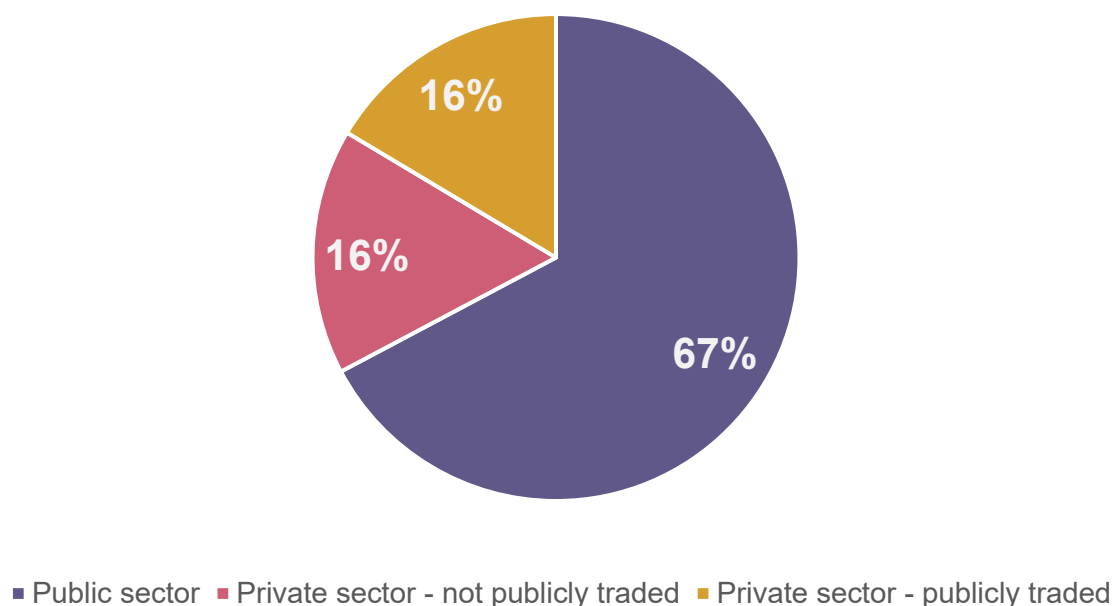
CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

Figure 2

Percentage of funding from partners since the start of the CIB



Source:

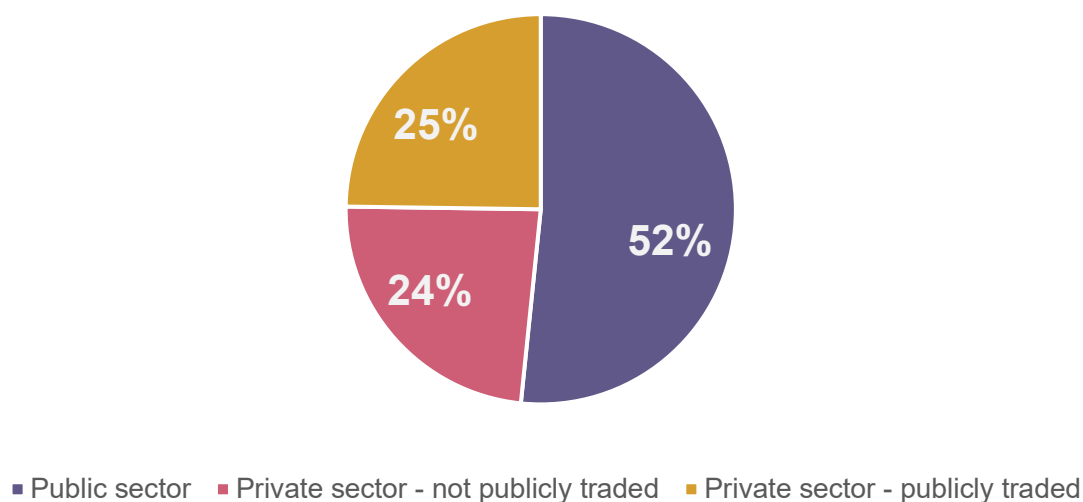
CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

Figure 3

Percentage of funding from partners from 2022-23 to 2024-25



Source:

CIB data and PBO calculations.

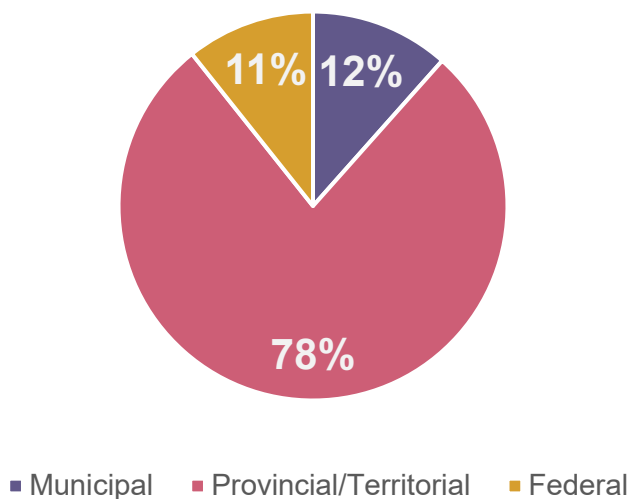
Note:

Totals may not add due to rounding.

Further, since the start of the CIB, more than three quarters of public sector funding has come from the provincial level. The rest of the public sector funding has been provided almost equally between the federal and municipal levels of government.

Figure 4

Percentage of public partner investment funds from various levels of government, since the start of the CIB



Source:

CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

Sources of uncertainty

The PBO assumed that the CIB will continue to prioritize the same sectors and move projects along the various phases at the same pace as in the last couple of years. The CIB could, however, decide to focus on sectors that are at risk of not reaching their targets. However, it is unclear how this would increase the overall performance of the CIB, given that the overall target of \$35 billion is higher than the combined sector and Project Acceleration targets. In order to reach the overall target of \$35 billion, the CIB would need to exceed at least some of its sector targets.

The size of projects and the rate at which they progress through the CIB's consideration process could vary over time, which would affect the rate of financial closes and disbursements.

As well, the willingness of partners to invest with the CIB can be affected by broader economic conditions, including geo-political events. This could affect the amount of CIB investments.

Appendix A: Disbursements and Financial Closes

Table A1

Projected disbursements by year and sector, in millions of dollars^{14,15}

	Pre 2025-26	2025-26	2026-27	2027-28	2028-29	2029-30	Total by 2027-28	Total by 2029-30
Public Transit	1,471	842	737	869	540	719	3,919	5,178
Green Infrastructure	584	1,016	858	540	443	502	2,999	3,943
Trade & Transportation	481	347	249	169	196	262	1,246	1,704
Broadband	327	1,194	607	100	189	306	2,229	2,724
Clean Power	2,145	988	686	645	965	1,614	4,465	7,043
Project Acceleration	9	11	11	14	17	19	46	82
Total	5,018	4,399	3,147	2,338	2,350	3,422	14,902	20,675

Source:

CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

Table A2

Projected financial closes by year and sector, in millions of dollars

	Pre 2025-26	2025-26	2026-27	2027-28	2028-29	2029-30	Total by 2027-28	Total by 2029-30
Public Transit	4,330	688	694	618	625	678	6,329	7,633
Green Infrastructure	3,111	1,081	1,003	835	796	835	6,029	7,660
Trade & Transportation	1,315	428	438	318	293	308	2,499	3,100
Broadband	2,154	453	393	324	299	303	3,324	3,926
Clean Power	4,935	3,290	2,274	1,612	1,320	1,235	12,112	14,667
Project Acceleration¹⁶	24	15	17	20	23	27	76	126
Total	15,867	5,955	4,819	3,728	3,357	3,387	30,369	37,113

Source:

CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

Table A3

Projected financial closes for PBO estimate and CIB corporate plan estimates¹⁷, in millions of dollars

	Pre 2025-26	2025-26	2026-27	2027-28	2028-29	2029-30	Total by 2027-28	Total by 2029-30
PBO estimate	15,867	5,955	4,819	3,728	3,357	3,387	30,369	37,113
Corporate plan – lower bound	15,867	3,000	3,000	3,000	3,000	3,000	24,867	30,867
Corporate plans – upper bound	15,867	5,000	5,000	5,000	5,000	5,000	30,867	40,867
Corporate plan – middle	15,867	3,500	3,500	3,500	3,500	3,500	26,367	33,367

Source:

CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

The CIB's corporate plan for 2024-25 to 2028-29 projects \$3 billion in FC's in each of those years. The corporate plan also projects that additional FC's of at least \$10 billion will occur during those years or in later years. This \$10 billion is expected to come from large projects, which typically have longer and less predictable timelines than other projects. The corporate plan also assumes that on average, \$3.5 billion in FC's will be achieved annually.

To provide a meaningful comparison between the corporate plan and PBO projections, Table 3 presents the corporate plan data under 3 scenarios:

- Lower bound: only \$3 billion per year in FC's;
- Upper bound: \$3 billion per year in FC's, with an additional \$10 million spread equally across five years, for a total of \$5 million per year; and
- Middle bound: \$3.5 billion per year in FC's.

The CIB 2024-25 to 2028-29 corporate plan does not extend to 2029-30. The PBO has assumed that the amounts for 2029-30 will be the same as the CIB's projected amounts for 2028-29.

The PBO's projected total by 2027-28 is similar to the CIB's upper bound scenario, while the total by 2029-30 is in between the CIB's middle and upper bound scenarios.

Table A4

Projected disbursements for PBO estimate and CIB corporate plan estimates, in millions of dollars

	Pre 2025-26	2025-26	2026-27	2027-28	2028-29	2029-30	Total by 2027-28	Total by 2029-30
PBO	5,018	4,399	3,147	2,338	2,350	3,422	14,902	20,675
Corporate plan¹⁸	5,018	3,393	3,406	3,435	3,522	3,610	15,253	22,385

Source:

CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

Based on its methodology, the PBO is expecting \$350 million, or 2%, less in disbursements to be made by 2027-28 than the CIB's corporate plan projects. By 2029-30, the PBO's estimate is \$1,170 million, or 8%, less than the CIB's.

Table A5

Projected disbursements by Indigenous projects, in millions of dollars

	Pre 2025-26	2025-26	2026-27	2027-28	2028-29	2029-30	Total to 2027-28	Total to 2029-30
PBO Projection	1,014	511	746	784	1,018	1,306	3,056	5,380

Source:

CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

Table A6

Detailed: Projected financial closes by Indigenous projects, in millions of dollars

	Pre 2025-26	2025-26	2026-27	2027-28	2028-29	2029-30	Total by 2027-28	Total by 2029-30
PBO projection	2,385	1,732	1,263	913	770	740	6,294	7,803

Source:

CIB data and PBO calculations.

Note:

Totals may not add due to rounding.

Table A7

Summary: Projected financial closes for Indigenous projects, in millions of dollars

	Target	Total by 2027-28	Total by 2029-30	% achieved by 2027-28	% achieved by 2029-30	Surplus by 2027-28	Surplus by 2029-30
PBO projection	1,000	6,294	7,803	629%	780%	5,294	6,803

Source:

CIB data and PBO calculations.

Table A8

Fiscal years in which each sector is expected to reach its target

Sector	Disbursement	Financial Close
Public Transit	2029-30	2025-26
Green Infrastructure	2036-37	2032-33
Trade & Transportation	2039-40	2034-35
Broadband	2030-31	2027-28
Clean Power	2031-32	2026-27
Project Acceleration ¹⁹	Many years	Many years
Total CIB	2034-35	2029-30
Indigenous	2024-25	2023-24

Source:

CIB data and PBO calculations.

Notes

¹ According to a report from the University of Toronto's School of Cities and the Canada Urban Institute, the total infrastructure deficit in Canada is between \$150 billion and \$1 trillion. [Report: Canada's Urban Infrastructure Deficit: Toward democracy & equitable prosperity.](#)

² [Investing in Canada: Canada's Long-Term Infrastructure Plan – Canada Infrastructure Bank section](#) This plan articulates that "[t]he CIB is responsible for delivering \$35 billion on a cash basis over 11 years." The 2027-28 fiscal year is 11 years after the establishment of the CIB.

³ The CIB also generates revenue from its investments. Currently, the amount of revenue generated is enough that some of this revenue is re-invested into other CIB investments. Therefore, not all of the CIB's investment funding comes from government appropriations. As such, the disbursements figures in this report reflect the funding provided for infrastructure projects, regardless of where that funding originated. The figures should not be interpreted as fiscal costs to the government.

⁴ While each Project Acceleration project fits into one of the 5 sectors, funding in the Project Acceleration program cannot simultaneously be considered to have achieved financial close.

⁵ [IR0809.](#)

⁶ [IR0819.](#)

⁷ A project achieves financial close when all necessary contractual steps have been finalized for the CIB's participation in the project.

⁸ In Table 3 and in all other tables in this report, Project Acceleration figures only include funding provided to projects that have not yet achieved Financial Close. The figures do not include Project Acceleration funding received by projects that have since achieved Financial Close. In those cases, the funding originally received under Project Acceleration is not longer classified as such.

⁹ The CIB's total target is higher than the sum of its sector and Project Acceleration targets.

¹⁰ [Investing in Canada: Canada's Long-Term Infrastructure Plan – Canada Infrastructure Bank section](#). Initially, the CIB only had 3 priority sectors, each with a target of \$5 billion: public transit, trade & transportation, and green infrastructure. Only the target for the green infrastructure sector was later increased.

¹¹ [CIB Annual Report 2018-19](#).

¹² [CIB Annual Report 2020-21](#).

¹³ [CIB Corporate Plan 2024-25 to 2028-29](#).

¹⁴ One project, [Algoma Steel Retrofit](#), achieved FC but ultimately found financing elsewhere and did not use the CIB money. This project was not included in the PBO's data calculations.

¹⁵ One project, [Azure Sustainable Fuels](#), received Front-End Engineering and Design ("FEED") funding from the CIB. The funding will be for activities that are similar to what is usually funded under Project Acceleration, but the project's funding agreement with the CIB is more comparable to how agreements for projects that have achieved FC. For this reason, the PBO included the Azure Sustainable Fuels funding in the same category as other projects that have achieved FC.

¹⁶ The Project Acceleration is included because it is part of the CIB's total funding commitments. The amounts in the table are the estimated commitment amounts, whether or not they are ultimately disbursed.

¹⁷ In the time since the CIB published its most recent corporate plan, more data from 2024-25 has become available. The table above applies the PBO estimate for the total in 2024-25 to the CIB corporate plan rows.

¹⁸ The pre-2025-26 figure uses CIB data provided in IR0819 instead of data from the 2024-25 to 2028-29 corporate plan, which is less recent. To project the corporate plan data to 2029-30, the PBO applied the growth rate for the last two years of CIB projections to the 2028-29 number.

¹⁹ Based on the PBO's methodology, the Project Acceleration target would take so long to achieve that the PBO decided it would not be prudent to show results. Any results would come with a large degree of uncertainty.

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