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*Together makes progress*



PART ONE

# The courage to build

## *Getting to the starting line*

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Canada exists as a nation because of the courage of those who came before to build.

Since the CP railway stitched the country together more than 140 years ago—4,600 kilometres of track laid in an astonishing five years—the nation's journey to maturity can be mapped with each new project.[1]

But somewhere along the line Canada stumbled and never fully regained its footing.

Today, ambitious projects can creep along for years in fits and starts, running up debilitating costs along the way, before it's even clear if they're viable. Building major infrastructure is akin to running a marathon: the hardest work needs to happen long before the starting line.

There's no time to waste. Back in the 19th century, big infrastructure projects were about creating a country. Today they're about protecting Canadian sovereignty and ensuring the country prospers in a rapidly shifting world order.



The recently released national security strategy, *Plan for a Stronger Canada*, underscores the urgency and the ambition. The development of "strategic capabilities" in eight sectors is now seen as critical to national security. These priorities, as Prime Minister Mark Carney stated in the plan's opening message, "will be the bedrock of our relationships that promote a sovereign Canada and contribute to a more secure and prosperous world." They include critical minerals, energy, transportation, and food security, all of which require massive investment in infrastructure.[2]

The federal government is moving at warp speed to enable big projects, but more preparation is needed earlier in the process. Ottawa aims to catalyse about $1 trillion in investment over five years, with 167 major projects outlined in the *Canada Investment Summit Prospectus*.[3]

Collectively, these represent some of the most ambitious swings Canada has taken in decades; they have the potential to once again transform the country, ensuring national prosperity and global relevance for generations to come. Yet there's a significant risk many won't make it to the starting line, much less finish the race.

The key to getting critical infrastructure projects built is to do better training for the marathon. To that end, Deloitte recommends creating a centralized Early Projects Office (EPO), focused on unsticking infrastructure projects, derisking them for investors, and steering them from conception to the point where they are effectively shovel-ready, pending only a Final Investment Decision (FID). The Major Projects Office (MPO) is about moving projects toward the finish line; the EPO is about getting them to the starting line—with the wind at their back.

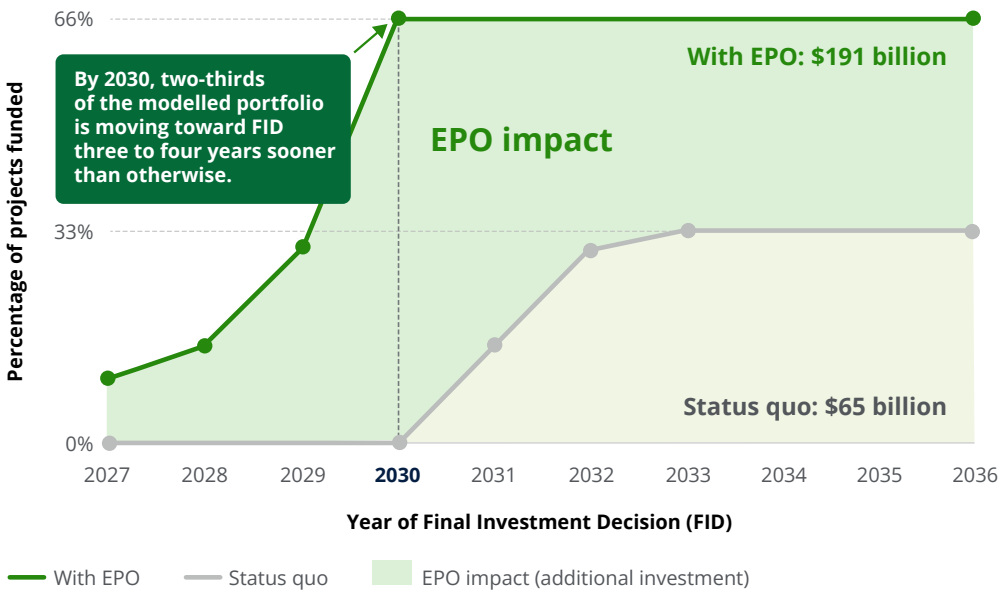
# The Early Projects Office (EPO)

The EPO would be designed to work seamlessly with other measures taken by the government (including in the recent budget), further reducing friction while adding accountability. We recommend the EPO sit within the newly expanded Canada Infrastructure Bank (CIB) to maximize efficiency and will explain more about that later in this paper.

We estimate it would directly benefit at least 57 of the 167 projects in the Prospectus, halving the time to FID, slashing costs and, in a third of cases, proving the deciding factor that enables a project to become investable. The amount of private sector investment unlocked would roughly triple, from about $65 billion to $191 billion, with much of that investment occurring sooner than otherwise.

FIGURE 1

**Triple the investment in half the time**




*Based on Deloitte Canada's economic modelling of 54 projects.*

But those numbers dramatically understate the full potential an EPO would unlock. The Prospectus represents a subset of projects on a much larger national list and is merely an illustrative floor for what is possible.

Deloitte believes there are nearly 100 additional important infrastructure projects that could benefit from the interventions of an EPO: for example, provincial infrastructure, Indigenous-led projects, health projects, and Crown and utility capital plans. The economic benefits of this "halo" effect would be significantly higher.

A more detailed explanation of Deloitte's modelling follows but first it's important to understand how the EPO would work, and how it would complement existing agencies like the Major Projects Office and the Canada Infrastructure Bank, with minimal overlap.

# Parallel processes and a portfolio approach

The process by which important infrastructure projects inch toward construction in Canada is typically both convoluted and slow. Key milestones that need to be passed (for example, initial business-case analysis, regulatory approvals, and front-end engineering) are often managed sequentially, with unproductive delays in between.

This imposes a kind of "synchronization tax": development capital is spent gathering evidence before it's needed, long-lead work begins too late, completed studies become stale as upstream assumptions change, and projects wait for deliverables that don't actually constrain the next decision.

Meanwhile, a project-by-project approach obscures shared enabling investments, such as roads and transmission lines, that could make multiple projects viable. Communities and Indigenous Nations are brought in too late in the process. Deloitte estimates the average seven-year period to bring a project from conception to FID status could be cut in half, and significantly more projects would reach that stage with lower construction costs, if two much-needed changes were implemented by an EPO from the very beginning of the process.

**First, work to move through key stages would occur in parallel, rather than sequentially.** Prospective projects would be evaluated against transparent, published criteria, to establish why they matter and identify major benefits and risks. Indigenous communities and other local stakeholders would provide input from the earliest proposition. Multiple studies would occur simultaneously, alongside early geotechnical work, market evaluations, and financial modelling. Partners, including provinces, would be brought on board with development budgets, governance roles, and investment terms—all at the same time. Builders would be part of this process and brought in early to ensure we are getting real-time information about the availability of key trades, balance sheet capacity to deliver projects, the cost to create, and any supply chain issues.

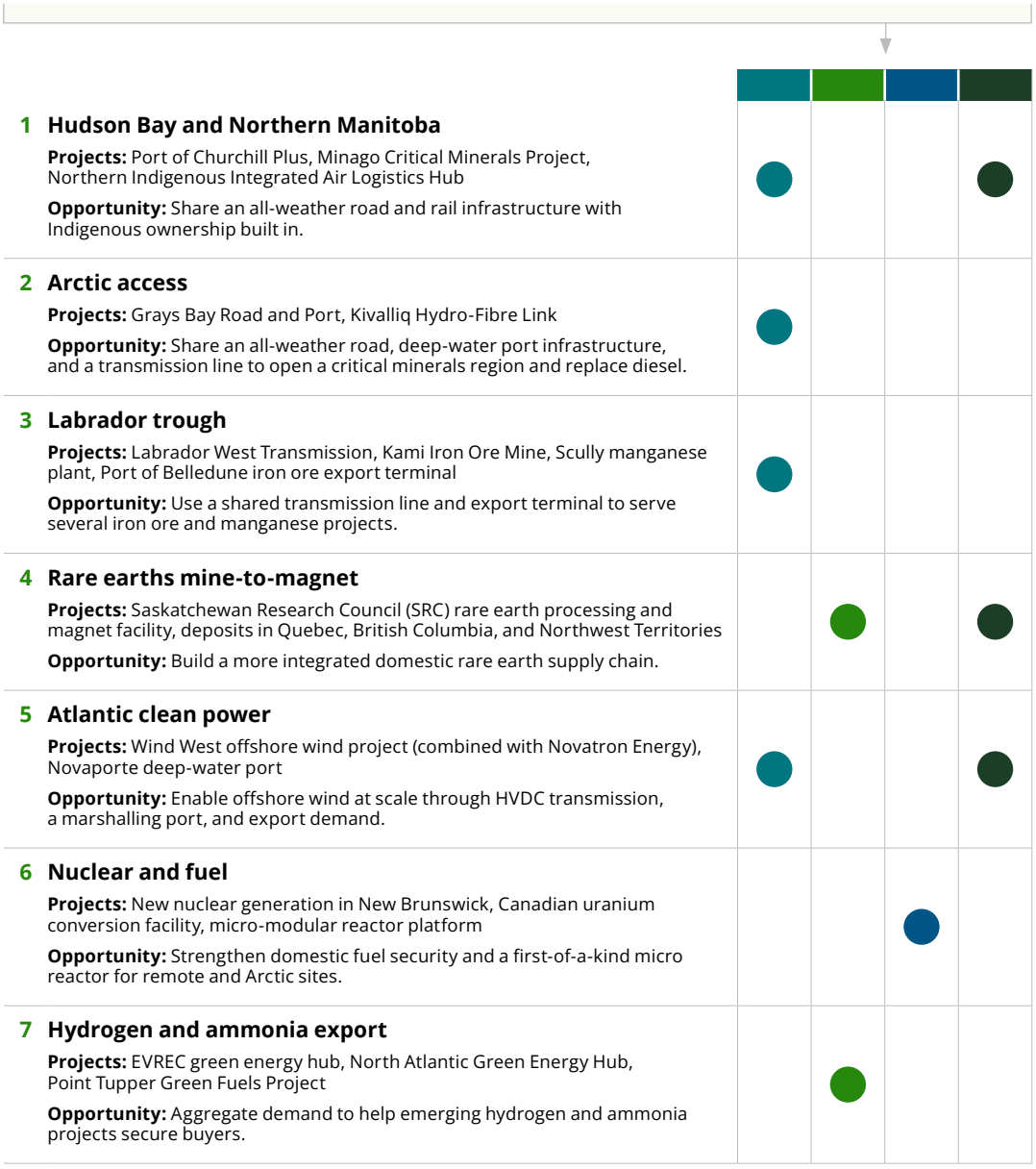
**Second, a "pod" approach to providing early-stage capital would enable more, and mutually supportive, projects to get off the ground.** This would be allocated through a $5 billion government-funded *Early Development Fund* managed by the EPO. This funding would cover the costs of these studies performed in parallel.

There is a huge opportunity cost to evaluating infrastructure projects in isolation. Deloitte has identified a dozen prospective "pods" in which multiple infrastructure projects could support each other, reducing costs and increasing benefits. They do this in four possible ways: by sharing enabling infrastructure, forming new markets, using risk-sharing finance, and through partnership by design.

## 12 pods for advancing Canadian infrastructure

Grouping projects into pods can strengthen the case for investment by enabling them to share infrastructure, form new markets, spread financial risk, and build partnerships from the outset.

| **Shared infrastructure** | **Market formation** | **Risk-sharing finance** | **Partnership by design** |
|---|---|---|---|
| One road, port, transmission line, or storage hub unlocks several projects at once. | Assembling buyers through demand aggregation, offtake, price floors, or anchor procurement, so lenders can see the revenue. | First-loss capital gets a first-of-a-kind project past its first commercial unit, and can open a whole new category. | Indigenous equity and federal-provincial alignment built in from the start. |



| | | | | |
|---|---|---|---|---|
| 1 | **Hudson Bay and Northern Manitoba**<br>**Projects:** Port of Churchill Plus, Minago Critical Minerals Project, Northern Indigenous Integrated Air Logistics Hub<br>**Opportunity:** Share an all-weather road and rail infrastructure with Indigenous ownership built in. | ● | | | ● |
| 2 | **Arctic access**<br>**Projects:** Grays Bay Road and Port, Kivalliq Hydro-Fibre Link<br>**Opportunity:** Share an all-weather road, deep-water port infrastructure, and a transmission line to open a critical minerals region and replace diesel. | ● | | | |
| 3 | **Labrador trough**<br>**Projects:** Labrador West Transmission, Kami Iron Ore Mine, Scully manganese plant, Port of Belledune iron ore export terminal<br>**Opportunity:** Use a shared transmission line and export terminal to serve several iron ore and manganese projects. | ● | | | |
| 4 | **Rare earths mine-to-magnet**<br>**Projects:** Saskatchewan Research Council (SRC) rare earth processing and magnet facility, deposits in Quebec, British Columbia, and Northwest Territories<br>**Opportunity:** Build a more integrated domestic rare earth supply chain. | | ● | | ● |
| 5 | **Atlantic clean power**<br>**Projects:** Wind West offshore wind project (combined with Novatron Energy), Novaporte deep-water port<br>**Opportunity:** Enable offshore wind at scale through HVDC transmission, a marshalling port, and export demand. | ● | | | ● |
| 6 | **Nuclear and fuel**<br>**Projects:** New nuclear generation in New Brunswick, Canadian uranium conversion facility, micro-modular reactor platform<br>**Opportunity:** Strengthen domestic fuel security and a first-of-a-kind micro reactor for remote and Arctic sites. | | | ● | |
| 7 | **Hydrogen and ammonia export**<br>**Projects:** EVREC green energy hub, North Atlantic Green Energy Hub, Point Tupper Green Fuels Project<br>**Opportunity:** Aggregate demand to help emerging hydrogen and ammonia projects secure buyers. | | ● | | |

| | | | | | |
|---|---|---|---|---|---|
| 8 | **Sustainable aviation fuel**<br>**Projects:** Nova Scotia Renewable Energy Park, Atlantic Canada E-Fuels, Azure Sustainable Fuels, Covenant Energy, Vegreville SAF, Prince Rupert E-Fuels<br>**Opportunity:** Pool airline and federal demand for sustainable aviation fuel to create a market lenders can underwrite. | | ● | | |
| 9 | **Carbon storage and removal**<br>**Projects:** East Calgary Carbon Sequestration Hub, North Star, Northern Spruce, Deep Sky One<br>**Opportunity:** Pool emitters for the shared storage hub and aggregate demand for carbon removal. | ● | | | |
| 10 | **Defence industrial base**<br>**Projects:** Sterling Energetics, Project Arrow, FPDynamics defence-grade turbojets, Mi Integration sovereign magnesium<br>**Opportunity:** Use anchor procurement from DND and allies to fill sovereign supply gaps. | | ● | | |
| 11 | **Remote mine access and power**<br>**Projects:** Yukon Energy reliability and growth, Mactung tungsten mine, New Polaris mine<br>**Opportunity:** Strengthen power and year-round access for remote mines. | ● | | | |
| 12 | **First-of-a-kind energy technology**<br>**Projects:** Eauclaire FORCE tidal array, Canadian Showcase heavy oil technology, Project Northern Lights small scale LNG, Marguerite Lake compressed-air storage<br>**Opportunity:** Use first-loss finance and offtake or tolling agreements to move beyond the first commercial unit. | | | ● | |

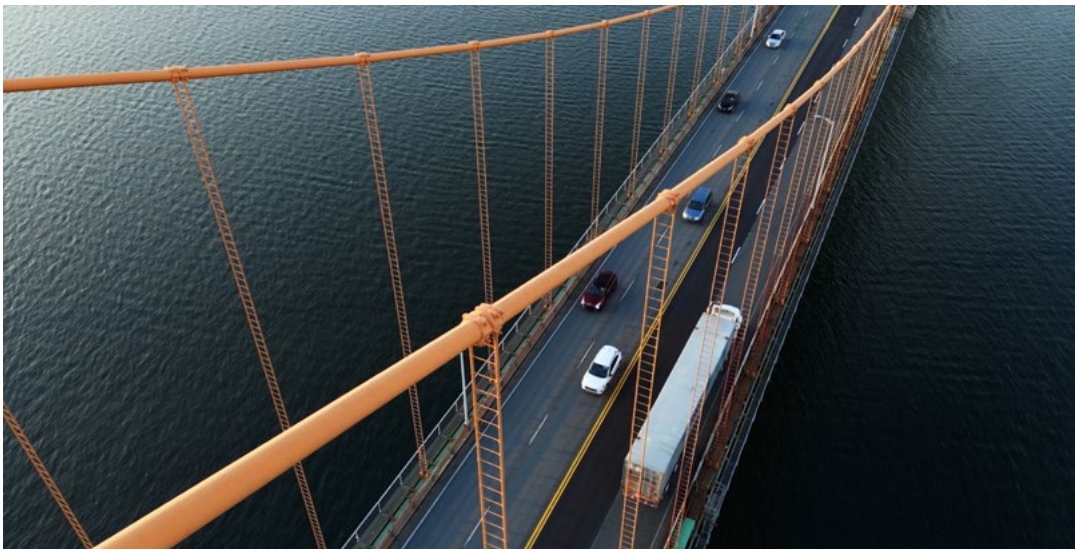
Arctic access offers one example of the value of developing infrastructure as a coordinated portfolio rather than as a collection of stand-alone projects. The proposed *Grays Bay Road and Port* would combine a roughly 230-kilometre all-season road with a deep-water Arctic port and an airfield, creating a new export route for copper, zinc, and other critical minerals in the western Kitikmeot region.[4]

Linked to the proposed *Arctic Economic and Security Corridor* through the Northwest Territories, it could also establish Nunavut's first all-season connection to the North American highway network. The port and airfield could support both civilian and military uses, improving access, logistics, surveillance, and the ability to sustain a more permanent Canadian presence in the Arctic.[5]

In this case, the same infrastructure that makes mineral projects more viable also strengthens northern communities, diversifies Canada's trade routes, and contributes to Arctic security and sovereignty—all top government priorities. No single mine, community, or government department can readily capture all these benefits on its own. An EPO could assemble the proponents, Indigenous partners, defence and transportation users, regulators, and funders around a common development case, ensuring that the road, port, airfield, and connecting corridor are assessed as an integrated strategic system.

Adopting this portfolio approach to early funding, and moving through key stages in parallel rather than sequentially, will allow Canada to take more swings (including some that inevitably don't connect), while still ensuring a return on capital for the portfolio over time.

Deloitte estimates that the $5 billion *Early Development Fund* would generate $22 billion in federal tax revenue over 10 years. This increased revenue stems from the increase in project activity, while some would come from faster decisions about which projects *not* to pursue.



# Fail faster (and then learn and bank the learning)

The EPO would lower the cost of failure by reaching reliable answers sooner. By moving through milestones in parallel rather than sequentially, and by assessing the conditions required to make a project viable as an integrated system, it could identify which missing pieces genuinely constrain progress and direct development capital toward resolving them.

Acting as an active development investor and steward of a portfolio of projects, the EPO would steer each project, or project pod, to the right exit point. That could mean financing from the Canada Infrastructure Bank or private investors, entry into the federal Major Projects process, transfer to another development body, or a clear decision not to proceed under current conditions.

The goal is not to guarantee that every project gets built. It is to make viable projects investable sooner, and to identify unviable ones before avoidable costs pile up. An early off-ramp would not automatically be treated as a failure. Where it prevents higher and less productive costs, it would be reported as development capital preserved, and lessons learned would benefit the wider portfolio.

Meanwhile, accountability would be tied to measurable development outcomes, including mobilizing private capital, resolving critical uncertainties, and avoiding unnecessary development expenditures.

Those early decisions are where much of the EPO's value lies. Every project stopped at the study stage, rather than after years of sequential development, frees capital for projects that can succeed. And every project derisked sooner reaches investors with fewer unknowns, which lowers its cost of capital. None of these savings are included in the economic benefits estimated below.

Taken together, these steps would create the kind of self-improving system that's essential to creating confidence—and the courage to keep building.

# Better upstream planning equals bigger downstream returns

Time is money. Speeding up early project development is akin to shaving a few seconds per kilometre off a runner's training pace, generating cumulative rewards that become much more obvious once the race begins.

Previous work by Deloitte is illustrative. A September 2026 report analyzing $255 billion in major energy projects found that accelerating approval timelines by eight years could bring $361 billion in real GDP forward into the 2028-2045 period, while supporting around 57,000 additional jobs per year on average.[6]

The same is true of the extent to which an EPO would get projects to FID faster. And once other synergies are factored in, such as moving projects forward in project pods, the economic benefits become more pronounced.

Deloitte identified projects within the federal government's Prospectus where we believe the EPO could improve outcomes. To qualify, projects had to meet four criteria:

1. **Be pre-FID:** Only those projects in traditionally FEL 0-3 stages would fall under the EPO's mandate. Projects already being built were not included.
2. **Require more than capital:** Projects that just need some funding are better served by the CIB and the market. The EPO only steps in when a non-financial lever is holding things up, or the technology is first-of-a-kind in Canada.
3. **Have national relevance:** A project must be nationally significant, or regionally significant if it's first-of-a-kind or part of a larger project pod.
4. **Offer credible revenue if derisked:** Offtake revenue, tolls, regulated rates, or procurement could realistically exist.

This resulted in a group of 57 projects. What these projects have in common is that money alone won't move them. Each is held back by something no single proponent can fix on its own:

- **A missing piece of shared infrastructure:** A mine that needs an all-season road, a port that needs a rail link, or an industrial site that needs transmission. No single project can carry that cost, but several together can.
- **A market that doesn't exist yet:** Projects such as sustainable aviation fuel, hydrogen exports, or critical minerals processing need a buyer before a lender will commit. That means aggregating demand, securing offtake, setting a price floor, or anchoring public procurement.
- **First-of-a-kind technology:** Projects that would be the first of their kind in Canada carry risks private capital won't take on alone, even when the long-term case is strong.
- **No natural developer:** Some of the most strategic ideas have no single proponent with the mandate or balance sheet to take them forward.
- **Building new partnerships:** Many need Indigenous equity and participation from the start, or alignment between federal and provincial governments, or with allies, before they can advance.

In some cases, the EPO would help by funding early development directly. In others, its role would be to bring together the buyers, partners, or policy decisions that make a project financeable. Even projects likely to proceed on their own still face non-capital constraints that the EPO could resolve sooner, helping them reach FID faster and at a lower cost of capital.

Deloitte then modelled what the EPO would contribute to the Canadian economy, using 54 of the 57 shortlisted projects. (Three that did not have enough cost information to value were removed.)

The EPO changes both how much investment moves and how quickly it moves. Without an EPO, we expect only about one-third of these projects would proceed, and few would reach investment before 2031. With an EPO, investment starts in 2027, and by 2030, two-thirds of the modelled portfolio is moving toward FID, three to four years sooner than otherwise. The amount of private investment reaching FID roughly triples across the 54 projects from about $65 billion to as much as $191 billion.

That investment translates into real gains for Canadians. Compared with the status quo, our modelling of the 54 projects shows:

- **$94 billion** in additional real GDP
- **40,700** jobs a year on average, over 10 years
- **$22 billion** in new federal government revenues

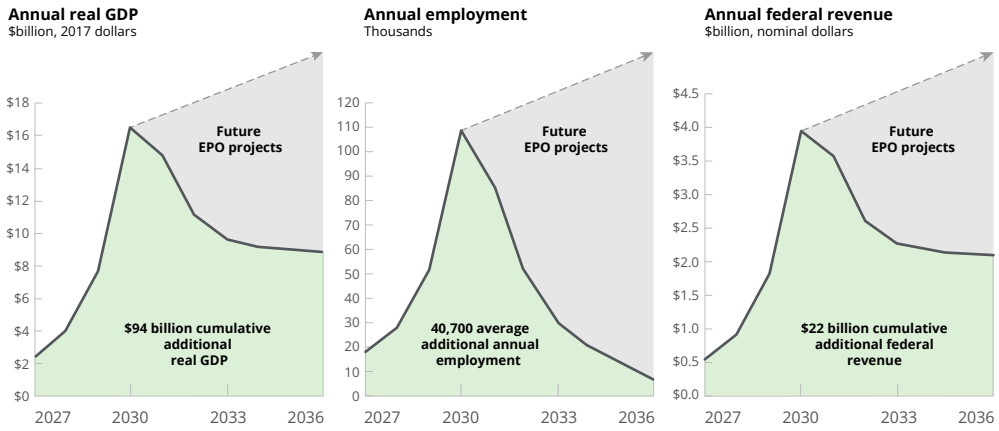
These figures are conservative. They count only projects in the Prospectus, which the government has already flagged as priorities, and for which cost estimates are largely known. They don't capture the development money saved by stopping weak projects early, or the value of the many projects outside the Prospectus that the EPO could also help. Applied to the full national pipeline, the contribution would be considerably larger.

Helping more projects become investable faster and cheaper creates a virtuous cycle in which additional investment is unlocked, confidence swells, and everything becomes a little bit easier the next time around. The EPO is key to that process.

With an EPO, investment starts in 2027, and by 2030, two-thirds of the modelled portfolio is moving toward FID three to four years sooner than otherwise.

FIGURE 2
**The EPO delivers larger economic impacts faster**

Incremental impact relative to status quo




*Based on Deloitte Canada's economic modelling of 54 projects.*



# Not another agency?

The prospect of adding yet another government body to the infrastructure landscape may recall the old joke about how many people it takes to change a light bulb.

But the EPO would consolidate and streamline early-stage development, complementing, rather than competing with, the MPO and CIB.

That said, because the CIB already has project finance capabilities, lifecycle expertise, and investment systems, Deloitte believes it would be the logical place to house the EPO.

Regardless of where it sits, the EPO would strengthen Canada's infrastructure capabilities, building on the creation of the MPO and proposed changes to the *Building Canada Act*.[7]

It should also be noted that while the EPO would be designed to minimize overlap, it would still liaise with other agencies as needed. If preliminary EPO work suggested that a complex regulatory issue could be a major obstacle, for example, it might consult with the MPO to receive guidance as to how the MPO has previously dealt with similar challenges.

# The EPO finish line (and the start of the race)

We began by defining the mandate of the EPO as unsticking and advancing early infrastructure ideas, derisking them, and steering them to the point at which they're effectively shovel-ready.

In practical terms, that means projects would arrive at the EPO "finish line" with a standardized feasibility package, providing project owners, including investors, with everything they need to make a decision.

### Project feasibility package

- **A commercial feasibility recommendation** with a term sheet or heads of terms agreed in principle between the key stakeholders.
- **A funding and financing plan** showing how the project will be paid for (e.g., user fees, government contributions), how it will attract private capital, and repayment terms/scenarios.
- **A financial model** that backs up the plan, including returns, funding gaps, and sensitivities.
- **Design and engineering work** that's sized to the project and sufficient enough to support the estimate (but going no further at this stage).
- **A cost estimate** reliable enough on which to base the next investment decision and, in certain cases, the final investment decision.
- **A market study** including soundings with investors, lenders, and contractors, and potentially stakeholder consultations.
- **A benefits case** including the social, economic, and environmental benefits of the project, as well as the accountability-linked outcomes it is expected to deliver.
- **An execution and implementation plan** covering the construction delivery approach, schedule, key risks, and next steps.

At this point, the project might shift under the umbrella of the MPO, or be designated a project of national interest, or it might go straight to a private investor. Regardless, it would be well positioned for public or private investment underwriting.

# The courage to start



A lot has changed since the Canadian Pacific Railway's "iron spine" connected Canada's east and west coasts in the 19th century, much of it for the better. Although undeniably transformative, that national project was largely built by migrant labourers using brute force in often perilous conditions, and was approved without meaningful Indigenous consultation or environmental review.

But while we've made improvements on many fronts (and have more room to go on others), our current approach to derisking projects early in the process is too long and convoluted.

Canada can no longer afford to squander years before getting the first shovel in the ground on infrastructure that is crucial to creating new trade corridors, critical mineral supplies, and robust energy grids. The middle powers that flourish in the future will be those able to leverage national infrastructure to optimize trade and foster economic security and prosperity at home.

It's time to be courageous. The world is changing rapidly and there is no more time to waste.

The first step is getting more investable projects to the starting line without sacrificing standards around consultation, environmental review, engineering, or labour. By creating a centralized Early Projects Office, Canada can do just that, significantly derisking projects that have the potential to supercharge growth.

Coupled with steps to secure long-term voter support for infrastructure development (the subject of the next paper in this series), and improvements already underway to fast-track other parts of the building process, the country can create a virtuous cycle that ensures Canada maintains the courage to build for generations to come.

To return to the marathon metaphor, we will also have multiple runners in the race. And finally, they'll be well-placed to finish—and finish strong.

# Endnotes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