



**Written Submission for the Pre-Budget Consultations
in Advance of the 2026 Federal Budget**

**By: The Canadian Council for Public-Private Partnerships
(CCPPP)**

May 2026

LIST OF RECOMMENDATIONS

- 1. Increase Competition, Transparency, and Certainty Through a National Infrastructure Strategy and Project Pipeline**
Establish a clear, coordinated and publicly available national infrastructure strategy and project pipeline to demonstrate project bankability, improve market confidence, attract investment and enhance competition across infrastructure procurements.
- 2. Drive Efficiency and Leverage Best Practices Through a Centralized Infrastructure Delivery Hub**
Create a federal centre of excellence to consolidate expertise, standardize procurement practices, support programmatic delivery and improve outcomes across major infrastructure projects.
- 3. Develop a Federal Framework for the Strategic Use of Private Capital**
Define how and when private capital should be used across infrastructure sectors, aligning federal programs and policies to support lifecycle-based delivery models and long-term value for money and considering the needs of different investor types.
- 4. Engage Market Participants to Accelerate Priority Infrastructure Delivery**
Establish structured early engagement with industry to identify innovative delivery models and accelerate projects in priority areas such as housing, trade corridors, defense and climate-resilient infrastructure.
- 5. Amend section 18.2 of the *Income Tax Act* to revise the *Excessive Interest and Financing Expenses Limitation (EIFEL)* rules.**
Revise the *EIFEL* rules to protect existing Canadian public-private partnership projects, Canadian workers' pension funds and investors from negative retroactive impacts.

INTRODUCTION

On behalf of the Canadian Council for Public -Private Partnerships (CCPPP), we are pleased to provide this submission for the House of Commons Standing Committee on Finance's pre-budget consultations in advance of the 2026 Federal Budget.

EXECUTIVE SUMMARY

Canada faces a defining moment in infrastructure delivery. Meeting the country's economic, housing, climate and trade objectives will require unprecedented levels of investment, coordination and execution capacity. At the same time, fiscal constraints, supply chain challenges and increasing project complexity are limiting governments' ability to deliver infrastructure at the required pace and scale.

Public-private partnerships remain one of the most effective tools available to governments to deliver infrastructure on time, on budget and with strong lifecycle performance. Canada has built a globally recognized P3 market over the past three decades. It has delivered close to 300 projects across sectors, including transportation, healthcare, water and social infrastructure. As a result of the changing needs of Canadians and the evolving infrastructure sector, CCPPP is urging government to update and improve how infrastructure is planned, financed and delivered, especially since the urgent development of a wide variety of assets is critical to supporting economic growth, productivity and long-term fiscal sustainability.

Budget 2026 presents an opportunity to strengthen Canada's infrastructure ecosystem. This includes increasing market certainty and competition, leveraging private capital more effectively, driving innovation and efficiency in project delivery, and aligning infrastructure investments with national priorities such as housing, defence, trade and climate resilience. To achieve these objectives, CCPPP recommends four key actions.

I. NATIONAL STRATEGY AND PROJECT PIPELINE TRANSPARENCY

Canada's infrastructure ambition requires a coherent national strategy that: 1) provides clarity on how standalone projects work together; 2) ensures the bankability of infrastructure projects; and 3) publishes them within a transparent pipeline that provides the visibility required to attract private capital.

When projects are clearly positioned within a national framework, one that clearly articulates the value of a project as part of a broader system and network of projects, they become far more compelling and build confidence with the private sector. This confidence is particularly critical when it comes to attracting private capital.

A predictable and transparent infrastructure pipeline is essential to attracting investment, maintaining competition and ensuring value for money. Without this visibility, market participants face uncertainty. This reduces competition, increases costs and delays project delivery.

Ensuring the bankability of projects is equally critical. If a project is not bankable, private financing will likely not materialize. Bankability expands the pool of private sector proponents, increases competition and prevents further reliance on grant funding to accomplish the government's ambitious economic and trade agenda. Without clarity on project fundamentals — what demand a project serves, which markets it connects to and what enabling infrastructure supports it — even strategically important nation-building initiatives risk being difficult to finance and deliver.

Canada's P3 market has historically benefited from clear, sustained project pipelines at both the provincial and federal levels. However, increasing uncertainty around project timing, procurement approaches and long-term infrastructure plans reduces market confidence. Uncertainty also limits participation, particularly among new entrants and international investors.

Budget 2026 should support actions to publish and maintain a national infrastructure strategy and project pipeline. This includes federally led and federally supported projects, with clear timelines and procurement intentions. It should also work with provinces, territories, municipalities and Indigenous partners to improve visibility into subnational project pipelines. In addition, it should provide greater certainty on funding programs and approvals. This would reduce delays between project identification and procurement. Standardizing and streamlining pre-procurement processes would help accelerate project readiness.

Improved transparency will increase competition and reduce procurement costs. It will enable better workforce and supply chain planning, attract new domestic and international capital and strengthen Canada's reputation as a stable and investable infrastructure market.

RECOMMENDATION 1: Increase Competition, Transparency, and Certainty Through a National Coordinated Infrastructure Strategy and Project Pipeline

II. CENTRALIZED INFRASTRUCTURE DELIVERY HUB

Canada's success in the delivery of public-private partnerships has been supported by strong institutional capacity and knowledge-sharing. However, expertise remains fragmented across departments and jurisdictions.

Building on past recommendations to strengthen federal coordination, Budget 2026 should support actions to establish a centralized infrastructure delivery hub.

This centralized hub would mirror initiatives from other jurisdictions around the world, serving as a centre of excellence for project development and contract management by:

- Supporting major projects and P3 procurement,
- Consolidating expertise across departments such as Housing, Infrastructure and Communities Canada and Public Services and Procurement Canada,
- Developing and disseminating standardized tools, templates and best practices,
- Enhancing robust knowledge transfer capacity critical for project delivery, and
- Enabling the bundling and scaling of projects and facilitating data collection and performance benchmarking across projects.

RECOMMENDATION 2: Drive Efficiency and Leverage Best Practices Through a Centralized Infrastructure Delivery Hub

III. STRATEGIC USE OF PRIVATE CAPITAL

Private capital will be essential to meeting Canada's infrastructure needs, particularly in a constrained fiscal environment. However, private capital's role must be clearly defined and consistently applied. In the absence of a clear and consistent federal approach, the use of private capital varies significantly across sectors and programs. This lack of clarity creates uncertainty for investors. It limits participation and hinders scaling proven delivery models.

In addition, new federal financing entities, such as the proposed Canada Strong Fund, risk creating further uncertainty in an already complex financing landscape. When new initiatives, such as this, are introduced, clear coordination and a shared understanding of its role in relation to existing entities and the established financing community, should be shared with industry as soon as possible.

Further, a federal framework would provide clarity and predictability for market participants. It would also strengthen Canada's ability to attract long-term institutional investment into priority infrastructure. Budget 2026 should support actions to develop a national framework for attracting private capital investment in infrastructure.

This framework should:

- Define the role of private finance across economic sectors, including housing, trade corridors, energy and defense infrastructure,
- Establish clear criteria for when P3s or alternative financing models should be considered, including aligning federal funding programs to support lifecycle-based delivery models such as Design-Build-Finance-Maintain,
- Provide guidance on risk transfer, procurement models and performance outcomes, and

- Encourage institutional investment while understanding the role of small-to-medium sized Canadian financing firms, which can often assume more risk and take on more greenfield projects compared to top global funds or the 'Maple 8'.

This framework would provide clarity and predictability to market participants and enable governments to better leverage private expertise and capital. It would also ensure consistent, evidence-based decision-making and support long-term fiscal sustainability by optimizing lifecycle costs.

RECOMMENDATION 3: Develop a Federal Framework for the Strategic Use of Private Capital

IV. ACCELERATING PRIORITY INFRASTRUCTURE DELIVERY

Canada's most urgent infrastructure priorities - housing, trade-enabling infrastructure, defence and climate-resilient assets - require new approaches to delivery at scale. Early and structured engagement with market participants is critical. This engagement will help identify innovative solutions, improve project design and accelerate timelines.

Budget 2026 should support actions to establish formal mechanisms for early market engagement. This includes industry consultations and market sounding exercises. It should also identify and advance priority project streams where P3s and alternative delivery models can be scaled.

Supporting bundling and programmatic delivery models would increase efficiency and support participation. Encouraging community-building P3s that integrate housing, infrastructure and services into cohesive developments is also important. For example, bundling public lands and assets into scalable development programs could accelerate housing delivery and ensure long-term asset performance and maintenance.

Enhanced engagement will improve project design and bankability. It will reduce procurement risk and delays, unlock innovative financing and delivery approaches, and accelerate the delivery of critical infrastructure.

RECOMMENDATION 4: Engage Market Participants to Accelerate Priority Infrastructure Delivery

V. Addressing Retroactive Impacts of EIFEL Rules that Hinder Infrastructure Financing:

The CCPPP continues to advocate for an amendment to section 18.2 of the *Income Tax Act* to revise the *Excessive Interest and Financing Expenses Limitation (EIFEL)* rules to protect existing Canadian P3 projects, Canadian workers' pension funds and investors from negative retroactive impacts.

The amendments to the Income Tax Act enacted through Bill C-59 (*Fall Economic Statement Implementation Act, 2023*), which encompassed the Excessive Interest and Financing Expenses Limitation (EIFEL), raised significant concerns for the Canadian P3 industry, including negative impacts to Canadian pension funds and, therefore, their respective beneficiaries and investors in these infrastructure projects.

The CCPPP has previously submitted to the House of Commons' Standing Committee on Finance and the Minister of Finance, detailing specific, simple language changes that will protect the investments of Canadian pensioners and workers and continue to demonstrate that Canada is a competitive place in which to do business and invest.

The consequences of this legislation coming into effect without these revisions were immediate, compromising the financial security of everyday Canadian workers' investments and pensions. Unless fixed, these rules will continue to penalize Canadian pension funds and P3s that have delivered public infrastructure for decades. That risks chilling future investment and undermining Canada's credibility as an infrastructure market.

RECOMMENDATION 5: Amend section 18.2 of the *Income Tax Act* to revise the *Excessive Interest and Financing Expenses Limitation (EIFEL)* rules.

CONCLUSION

Budget 2026 presents a critical opportunity to strengthen Canada's infrastructure delivery system and unlock private capital to support economic growth. Canada's infrastructure challenge is significant and immediate action is required to address it.

By publishing a national strategy and strengthening pipeline transparency, building institutional capacity, clearly defining the role of private capital and engaging market participants, the Government of Canada can unlock new investment. It can accelerate delivery and improve outcomes for Canadians.

Public-private partnerships are not a one-size-fits-all solution, but they remain a critical tool in delivering complex infrastructure efficiently and sustainably. With the right policy framework in place, Canada can continue to lead globally in infrastructure delivery while meeting the needs of a growing and evolving economy. CCPPP and its members stand ready to work with the Government of Canada to advance these recommendations and support the delivery of nation-building infrastructure.

The CCPPP remains committed to sharing P3 procurement best practices and working collaboratively to modernize approaches, delivering critical infrastructure that fosters

competition, maximizes private capital and ensures proper risk transfer to protect taxpayers.

The CCPPP is keen to provide additional insights regarding coordinating the various infrastructure investments and opportunities across the federal government.

Sincerely,

Lisa Mitchell
President and CEO

ABOUT THE CANADIAN COUNCIL FOR PUBLIC-PRIVATE PARTNERSHIPS

Established in 1993, CCPPP is a national not-for-profit non-partisan, member-based organization with broad representation from across the public and private sectors. The CCPPP is a proponent of evidence-based public policy in support of P3s, facilitates the adoption of international best practices and educates stakeholders and the community on the economic and social benefits of public-private partnerships.