

RETHINKING CAPITAL: INDIGENOUS RECONCILIATION AND THE PATH TO MEANINGFUL ECONOMIC PARTICIPATION

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Canada is placing increasing emphasis on its sovereignty and economic development through the launch of the Major Projects Office, many projects which intersect directly with Indigenous peoples' lands, rights, and economic participation. Insights from Millani's recent Investor Sentiment Study point to a converging message: investors and capital allocators desire to support the long-term prosperity of Indigenous communities. During a recent webinar hosted by Millani, panelists explored current realities, opportunities emerging at this intersection, along with approaches and financial instruments that can help enable more meaningful, collaborative, and outcomes-driven partnerships.

Rethinking how capital flows to Indigenous projects

Despite this convergence of intent, capital has not followed at the scale that the opportunity demands. The central issue is not a lack of investor appetite or a shortage of projects. The constraint is related to the continued deployment of capital through tools designed for different realities: those of single incorporated entities, standardized tax structures, and a project structuring that does not account for the ways and means that Indigenous communities organize, hold land, or generate value. More than a century of operating under the Indian Act have left many communities without the free cash reserves needed to put equity into major projects, which means they require different methods of participation from the outset. For instance, mechanisms like flow-through shares assume a single taxable issuer and a narrow definition of eligible activities, a framework that does not translate to Indigenous-led development where value is created across portfolios of assets, relationships, and long-term stewardship activities. The tools available today were not built for this reality, and the gap between capital and Indigenous economic participation may persist until we innovate.

A reassessment of value is needed

"If you already have Indigenous people participating in a company's structure, but those contributions – governance, stewardship, and environmental protection, the very things that fall under ESG – are not captured in the markets, then the value isn't reaching the market either."

True Value Accounting offers a compelling frame for addressing this gap. It represents an integrated approach to valuation and reporting that supports holistic wealth, values biodiversity and natural assets, and recognizes the impact of social and cultural capital on human well-being, capturing the externalities that standard balance sheets ignore¹.

It was suggested that elements treated as liabilities on standard balance sheets carry real, monetizable value when viewed in full context. In one example shared by a participant, mineralized soils, typically dismissed as waste in conventional project accounting, were shown to hold significant potential for food security, at a time when Ontario alone faces \$11 billion food deficit. When projects are evaluated through an integrated lens that accounts for ecosystem value, land stewardship, and the knowledge systems of nations who have managed these territories for generations, the financial picture changes. As a concrete example, an Indigenous-led resource project involving 16 collaborating partners and supported by Natural Resources Canada, explored what development would look like under Indigenous leadership. In applying a true value accounting approach, the work surfaced \$1.2 billion in relational and ecosystem value over the life of a mine, value that captured both the integrity of interconnected natural systems and the human relationships embedded within them.

1. Global Indigenous Development Trust, [True Value Accounting and Decentralized Finance](#), December 2022.

Historically most government-backed tools only arrive once projects are well advanced, long after the critical decisions about land, community involvement, and cumulative impact have been made. Yet, projects with meaningful Indigenous ownership and governance tend to demonstrate stronger social license and more durable long-term outcomes. The point was made that it is not a question of whether this value exists. It is whether Canada's capital markets are prepared to recognize it.

Indigenous inclusion is a prerequisite for the Major Projects

Indigenous participation is increasingly a condition of viability for major projects, not only from a regulatory standpoint, but as a matter of investment risk and project delivery. The recognition of Indigenous rights and treaty relationships is, in itself, a market signal, one that is gaining traction beyond Canadian borders. At a recent investment forum in London, the message to international investors was consistent: Indigenous involvement and equity participation in projects creates the certainty that capital requires. When Indigenous communities take equity in a project, that participation can unlock access to federal and provincial loan guarantee programs, lowering the cost of servicing debt, and can generate the community buy-in that accelerates regulatory processes and determines whether projects get built at all. Early economic participation by Indigenous stakeholders, and well-resourced partnerships, are not nice-to-haves, they are now viewed as necessary.

The Government of Canada's Major Projects Office, including its Indigenous Advisory Council, is working to embed this principle at the federal level, where strong Indigenous participation is a defining criterion for designated projects. There is acknowledged tension: some Indigenous communities have expressed concern that certain legislative frameworks could compress the consultation process. Addressing this requires that Indigenous involvement be defined from the outset, meaningfully structured, and tied to concrete community benefits.

Beyond project-level partnerships, Indigenous communities also bring a form of market access that is difficult to replicate: in today's economic reconciliation environment, they hold unparalleled access to ministers and senior government officials, a strategic advantage that extends well beyond social license. Indigenous communities are also increasingly partnering with one another, pooling capacity and negotiating from a position of greater collective strength. Yet realizing the full potential of these partnerships will require capital market participants to better understand the Indigenous-led models, governance structures, and community priorities that shape them. The conditions for more equitable and durable partnerships are taking shape and the pace at which capital structures adapt to meet them will determine whether that potential is realized.

Reconciliation Action Plans: A growing investor expectation

Millani's December 2025 [Institutional Investor Sentiment Study](#) found a clear and consistent signal: institutional investors are increasingly looking to companies to have a formal Indigenous Reconciliation Action Plan, viewing these not as optics but as evidence of risk management. As one investor noted, when a company has a clear plan and defined commitments, projects appear more de-risked, consultation is demonstrable, and borrowing costs tend to come down.

This view was reinforced in the discussion. A reconciliation action plan was described as a company's map to risks and opportunities: without one, an organization has no framework for building meaningful partnerships and no metrics by which to hold itself accountable. Market infrastructure is also emerging to support investor visibility into these commitments. The TMX Group publishes searchable lists of issuers that are either [PAIR committed](#) or [PAIR certified](#), offering investors a signal of where companies stand on their reconciliation journey. For investors increasingly focused on measurable outcomes, a reconciliation action plan is no longer a leading practice, it is becoming a baseline expectation.

Flow-through shares: A powerful tool in need of redesign

There are multiple funding opportunities that have surfaced in the recent past, particularly through loan guarantees. At the federal level, programs like the Canadian Indigenous Loan Guarantee Program are beginning to play a bigger role, helping reduce barriers to capital. We've seen this in action in major transactions like the Enbridge West Coast pipeline, where a federal guarantee supported Indigenous ownership. Institutions like the Canada Infrastructure Bank are also stepping up through its Indigenous Equity Initiative which has been used for backing the financing for energy storage projects in Nova Scotia. And the Fonds Autochtone du Canada is helping communities take equity positions such as Innergex's recent partnership with the Mi'gmaq Nation in Québec.

It was discussed that flow-through shares remain one of the most distinctive instruments in the Canadian capital markets toolkit, but their current design creates a fundamental mismatch. The structure assumes a single listed, taxable issuer, a description that excludes most Indigenous-led entities, which often hold tax-exempt status and operate through multi-community or multi-project structures. It was suggested by one speaker that despite more than \$500 million flowing annually through charitable flow-through vehicles, the vast majority deployed in Indigenous territories, less than 1% reaches early-stage Indigenous participation, stewardship, or Indigenous charities.

This was identified as an emerging opportunity to address the gap by redesigning the flow-through mechanism to accommodate aggregated Indigenous portfolios, drawing on the pipeline and cash flow diversification that already exists within Indigenous-led coalitions and development corporations. Pilot work connecting flow-through structures with charitable giving mechanisms has shown early promise. Modernized instruments could take several forms: transferable tax credits, hybrid structures that preserve Indigenous ownership value while attracting external capital, or pooled investment vehicles diversified across communities, and stages of development. Models like the First Nations Major Projects Coalition, a national, First Nations-led organization that support Indigenous ownership and participation in major natural resource and infrastructure projects across Canada, already demonstrates that aggregated Indigenous-led pipelines exist and are operational. Updating the current flow-through share framework represents a concrete opportunity to scale solutions that are already being explored.

A shifting landscape: Positive signals and the work ahead

Canada has made meaningful strides forward in Indigenous economic development. The establishment of the Major Projects Office and its Indigenous Advisory Council, the development of federal and provincial loan guarantee programs, and the growing adoption of Indigenous Reconciliation Action Plans across the investment community all point to a market that is advancing.

With the view of directing capital towards Indigenous-led projects at scale, we are seeing Indigenous-led development corporations, multi-nation coalitions, and aggregation platforms doing the work of building diversified, governance-led pipelines. Capital market participants and policymakers, from banks and exchanges to asset managers, issuers, and government advisory bodies, are increasingly part of that effort.

What remains is closing the gap between that reality and the capital structures designed to serve it. We heard that progress can be made by working towards updated financial structures, a recalibrated approach to how value is measured and priced, genuine equity participation in major projects, and a redesigned flow-through framework that reflects the realities of how Indigenous communities organize and develop. Capital market participants, investors, issuers, and policymakers alike, have a concrete role to play in advancing these initiatives, and the decisions made today will shape the trajectory of Indigenous economic participation for years to come.



This paper reflects key insights from a recent webinar hosted by Millani and moderated by Milla Craig, President and CEO of Millani. The discussion brought together:

- Theresa Tait-Day, Hereditary Chief, Co-founding Member and Senior Advisor of the First Nations Major Projects Coalition
- JP Gladu, Founder and Principal of Mokwateh and Member of the Indigenous Advisory Council at the Major Projects Office of the Government of Canada
- Sonia Molodecky, Co-founder and President of the Global Indigenous Development Trust
- Steve Berna, Managing Director and Head of Indigenous Relations at National Bank of Canada
- Chris Birkett, President of TSX Listings, TMX Group

About Millani

Millani provides sustainable investing and corporate sustainability advisory services, including ESG integration and impact, to both investors and companies.

For the past 18 years, Millani has become the partner of choice for institutional investors and corporations alike. By providing advisory services on integrating material ESG issues into investment strategies and decision-making processes, Millani helps reduce risks, increase returns and create value. Millani also regularly develops leading thought leadership on investor and disclosure trends. The firm leverages this expertise and experience to help corporations, both public and private, create strategies, engage with stakeholders and strengthen their strategies and disclosures, supporting the organizations in their access to capital and optimization of market value.

Millani's success is founded on a bespoke, client-centric approach that focuses on material issues, practical implementation, and independent advice. Our extensive capital market experience and unparalleled expertise in ESG and sustainable finance, and its connection to value creation, position Millani at the nexus between investors and companies – making us unique in the Canadian market.

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