



Capacity Grant Program Guidelines

1. Introduction

The Alberta Indigenous Opportunities Corporation (AIOC) was established by the [*Alberta Indigenous Opportunities Corporation Act*](#) to facilitate investment by Indigenous nations and groups in natural resource (energy, mining, and forestry), agriculture, telecommunications, healthcare, technology, tourism and transportation projects and related infrastructure.

Under Section 2 of the *Act's* regulation, AIOC may, in carrying out its mandate, issue funds for capacity-building to support Indigenous nations and groups that are interested in investing in applicable projects. Further, as per the legislation, AIOC may not make a grant to provide funds to purchase or invest in a project or related infrastructure.

The intent is for Indigenous nations and groups to use capacity-building grants to access third-party advice and expertise relevant to the assessment, development and final investment of a potential project, as well as to build capacity to manage their interests in a specific project.

All capacity grant requests (fulfilled and unfulfilled) will be reported to AIOC's Board quarterly. AIOC will also report on grants provided during the fiscal year (April – March) in its corresponding annual report.

2. Background

The challenges Indigenous nations and groups face in developing projects and related infrastructure are not limited to accessing capital. Capacity to develop or invest in projects varies widely across Indigenous nations and groups.

AIOC has a limited pool of discretionary funds available to assist Indigenous nations and groups in their efforts to participate in qualified projects. Capacity grant funding may be considered for projects under the following circumstances:

- Applicants have received a recommendation from AIOC to apply for a capacity grant during the Application preparation stage.
- Applicants have received approval of their Loan Guarantee and either choose, or are recommended by AIOC, to apply for a capacity grant to close the transaction.

The primary purpose of capacity grant funding is to assist applicants with the necessary financial resources to engage third-party services (e.g., financial, legal, accounting, environmental) to conduct project analysis and the due diligence necessary to advance a project and, if approved by AIOC, closing of the transaction. Consideration will also be given to funding initiatives to increase the internal capacity of applicants to manage their interests in a specific project.

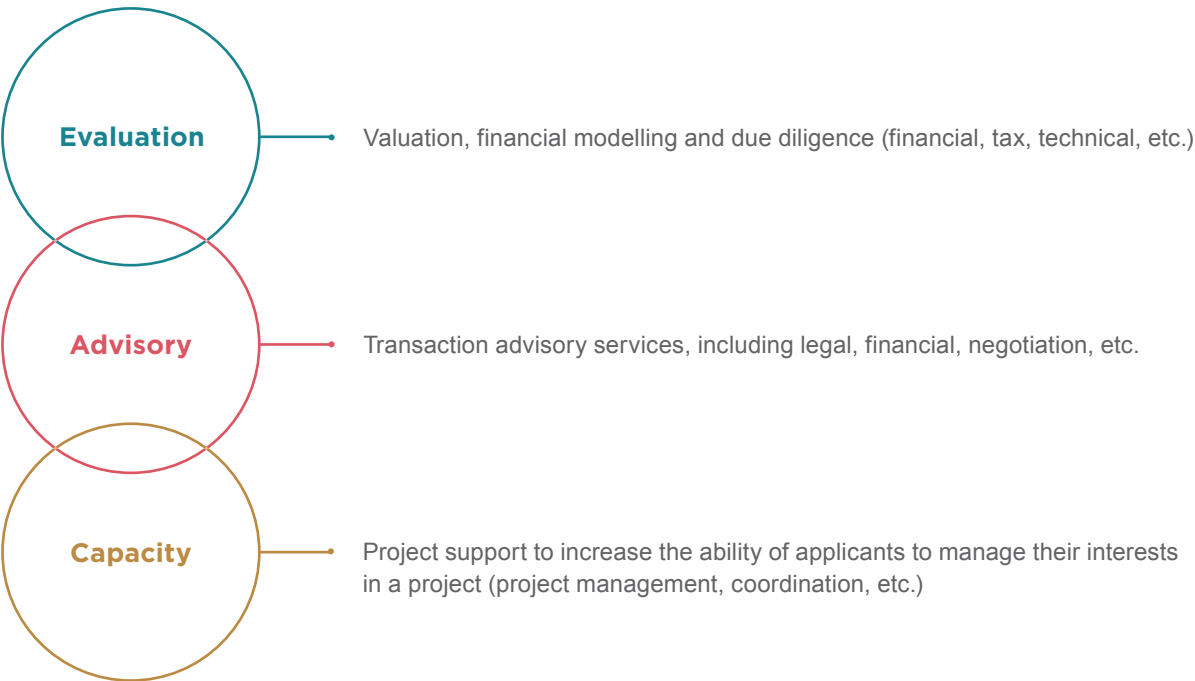
3. Capacity Grant Program Guidelines

3.1 Overview

The capacity grant program is designed to be closely aligned with AIOC’s Loan Guarantee Investment Program. Capacity grants will be primarily focused on advancing projects with a high likelihood of supporting AIOC’s Loan Guarantee mandate, as outlined in the Loan Guarantee Investment Program Guidelines.

Recognizing the internal resources and capacity to pursue investment projects vary across potential applicants, the capacity grant program will be as flexible as possible while reducing red tape for applicants. The capacity grant program is not intended for AIOC to provide advice or expertise but rather funding to access third-party expertise and services in relation to a specific project.

Project-specific capacity support will be provided across the following areas and may include:



The capacity grant program will support Indigenous nations and groups to:

- Conduct the due diligence necessary to evaluate projects during negotiation or financial close
- Access third-party advisory services (e.g., legal, accounting, engineering, financial) to properly assess and execute deals.
- Advance projects that have a high likelihood of being supported through AIOC’s financial mechanisms.

3.2 Funding Considerations

Capacity grant funding is limited to third-party, arms-length costs to be incurred by the applicant. AIOC's responsibility is limited to the extent of the specific amounts authorized by AIOC and applicable terms and conditions.

AIOC does not assume liability for any of the following:

- Costs incurred by applicants prior to the capacity grant's approval (unless specifically authorized by AIOC).
- Costs more than amounts authorized.
- Costs that do not comply with the terms and conditions of the capacity grant program.

Grants will be issued on a case-by-case basis, while considering, among other things, AIOC's available funding capacity under its budget, strategic outcomes and the breadth and depth of capacity support needed. To retain objectivity and ensure impartiality, capacity funding will be assessed in accordance with AIOC's Code of Conduct to prevent potential conflicts of interest from arising.

To ensure a reasonable level of oversight, decisions to provide funding must align with AIOC's mandate, and allocated funds will be monitored to ensure performance measures, targets and funding objectives are achieved. Issuing funding on a reimbursement basis minimizes administrative red tape and the reporting burden on Indigenous nations and groups.

Preference for funding will be given to applicants that are close to completing a project. This approach is intended to encourage applicants to bring forward potential investments that have line of sight to receiving the necessary financing to finalize the project. While preference for funding will be given to applicants whose projects are close to completion, at the discretion of AIOC other initiatives may be considered, that otherwise comply with this program and assist in building the business.

4. Capacity Grant Application Submission

4.1 How to Apply

Applications for capacity grants are available on AIOC's website. To apply, applicants may submit the Capacity Grant Application to applications@theaioc.com.

4.2 Information to Include

AIOC may request applicants submit the following information (not an exhaustive list and may be amended or expanded upon at AIOC's discretion) to inform its assessment of whether to provide capacity funding:

- Alignment with AIOC's mandate, proposed scope and itemized budget of third-party costs with milestones to be achieved at various levels of expenditures.
- The applicant's proposed basis for cost sharing of third-party costs.
- Names, qualifications and rates of proposed third-party service providers, if available, and copies of proposed service contracts.
- Comprehensive disclosure of all non-arms lengths' relationships or perceived conflicts among the applicant and any third-party service provider.
- Satisfactory assurances and evidence that capacity grant funding will be segregated from funds of the applicant and used only for the purposes approved by AIOC.

4.3 Application Approval

If, in its discretion, AIOC approves the application, it will do so in written form including terms and conditions associated with the approval required to be met to the satisfaction of AIOC. Among other things, the written approval will set out the value of the capacity grant and essential terms surrounding it including approved scopes of work, mandatory updates, and project timeline.

AIOC's financial support is discretionary. Any decision to provide a capacity grant will be at the sole and absolute discretion of AIOC.

4.4 Capacity Grant Agreement

The form of the capacity grant agreement will be in form and substance satisfactory to AIOC.

5. Conflict of Interest Policy

All applicants to AIOC have a right to know the corporation is managed with integrity and impartiality. It is this obligation that demands there not be an actual or perceived conflict of interest between the private interests of AIOC's Board of Directors, AIOC's employees and their respective duties to the public. All Directors and employees are subject to AIOC's Code of Conduct.

Directors and employees are required to disclose in writing to the appropriate official administering the Code of Conduct for their role any situation that may pose a conflict of interest, in fact or in appearance, between their duties and their personal interests and/or relationships. Directors and employees must disclose the conflict, real or perceived, as soon as they become aware of any business transaction AIOC proposes to enter in which the Director or employee, or a relative of the Director or employee, may have an interest.

6. Access to Information Act (ATIA)

The *Access to Information Act* (ATIA Act) applies to any information provided to AIOC. This information may be subject to disclosure pursuant to the ATIA Act in response to an access to information request.

Information collected by AIOC is collected in accordance with the ATIA Act for administering, assessing, evaluating and promoting its programs, and to use in research and statistical analysis. Use and disclosure of personal information is limited by the privacy protection provisions in the ATIA Act. Questions concerning the collection and use of this information should be directed to AIOC at theaioc.com/contact.

7. Questions

Refer to the **Frequently Asked Questions** below for answers to common inquiries about the capacity grant program. If you would like more information about the program, please contact us through the AIOC website.

7.1 Frequently Asked Questions

Q: Can I use a capacity grant to offset costs for preparing Requests for Proposals (RFPs) and contracts for third-party services? Or will AIOC help me, as the applicant, to prepare RFPs and contracts?

A: Applicants can apply capacity grants for advisory services including proposal and contract preparation during the assessment and closing of a transaction. AIOC does not provide advice or services to applicants and, as such, would not advise on or prepare proposals or contracts for applicants to engage third parties.

Q: Can a capacity grant cover expenses related to the services provided by more than one third-party provider?

A: Yes. A capacity grant may apply to the services provided by multiple third parties.

Q: What if a third-party service provider has confidentiality concerns with their proposal response, contract and/or deliverables being released to AIOC?

A: All information submitted to an applicant that is applying for or has been awarded a capacity grant and, in turn, provided to AIOC is collected according to the *Access to Information Act (ATIA Act)* and will be subject to the privacy protection provisions under the *ATIA Act*.

Q: Does a capacity grant have a cap or upper limit?

A: The amount of a capacity grant is determined by and awarded at the discretion of AIOC up to the maximum amount allocated by Alberta Treasury Board and Finance.

Q: What is the timeframe for AIOC to evaluate and approve a capacity grant application?

A: AIOC's target is a response within 15 to 60 days (about 2 months) of receipt of the application.

Q: Can the award of a capacity grant expire? Is there a time limit between AIOC awarding a grant and reimbursement?

A: Yes, a capacity grant can expire. The time limit is established by the Grant Agreement and at the decision of AIOC.

Q: Can I apply for a capacity grant to offset costs from third-party providers for services already delivered as part of my application?

A: No. Capacity grants cannot be used to recoup costs incurred prior to the grant's approval unless specifically authorized by AIOC.

Q: What if my Investment Proposal is rejected? Do I have to pay back my capacity grant?

A: No. Once paid, grants do not need to be paid back.

Q: Can a capacity grant application be partially approved?

A: Yes. AIOC evaluates each element of a capacity grant application and will only approve elements eligible under these guidelines. If elements of a capacity grant application do not qualify for support, those will be removed from the grant, however, they will not affect consideration of other costs.