

# How Funding Actually Works

## Stacking federal, provincial, and impact capital

Successful projects rarely rely on a single funding source. They layer multiple sources together, each playing a specific role at a specific stage. What you secure first shapes what becomes available next. Getting the sequence wrong is one of the most common reasons projects stall.

### FUNDING TYPES

## Understanding what is available

Type	What it is	What it expects	Common sources
<b>Federal grants</b>	Non-repayable Government of Canada funding	Detailed proposals, reporting, federal alignment	CIRNAC, NRCan, ISED, Infrastructure Canada
<b>Provincial grants</b>	Non-repayable provincial funding	Provincial alignment, co-funding often expected	Provincial energy and economic development ministries
<b>Impact investment</b>	Capital seeking return alongside social/environmental outcomes	Financial model, impact metrics, governance structure	Indigenous-focused funds, CDFIs, development finance institutions
<b>Equity partnerships</b>	Ownership stakes in joint ventures	Capital contribution, governance participation	Energy developers, infrastructure companies
<b>Loan financing</b>	Repayable capital, often at reduced rates	Revenue projections, repayment schedule	FNFA, BDC, NACCA members, credit unions
<b>Carbon/environmental credits</b>	Revenue from offsets, RECs, or biodiversity credits	Verified methodologies, third-party certification	Carbon registries, voluntary and compliance markets

### Grants vs. investment

Grants do not require repayment or giving up ownership. Investment involves repayment or shared ownership. A strong strategy uses grants to de-risk early, making the project more attractive to investors later.

## STACKING AND SEQUENCING

### How funding layers together

The most common mistake is applying for construction funding before planning work is complete. Funders at every stage want to see the previous stage was done well.

Phase	Primary funding	Supporting funding	What to have ready
Early planning	Federal capacity grants	Internal resources, small provincial grants	Community plan or resolution, project concept, engagement plan
Feasibility	Federal programs (NRCan, ISED), provincial	Impact investment for studies, in-kind support	Project scope, community support documentation, cost estimates
Design and readiness	Provincial capital, federal infrastructure	Impact investment, loan pre-approval	Completed feasibility, governance structure, financial model
Construction	Equity capital, loans, construction grants	Carbon credit pre-sales, community bonds	Permits, signed contracts, construction schedule
Operations	Project revenue, carbon/environmental credits	Reinvestment, expansion grants	Operating agreements, financial reporting, benefit tracking

## COMMON MISTAKES

### Where funding strategies go wrong

#### Applying for capital funding without completed feasibility work

Major funders want properly scoped projects with community support and realistic financial models. Skipping feasibility to save time almost always costs more time.

#### Treating each application as independent

Funders talk to each other. A coordinated strategy where each application references the others signals a well-managed, serious project.

#### Assuming grants will cover everything

Most large projects require a blend of grants, investment, and revenue. Planning for this from the start is more realistic and often more attractive to funders.

#### Not budgeting for the application process

Strong applications take real time and resources. Some Nations use early capacity funding specifically to support proposal development for larger programs.

#### Missing the governance-fundability connection

Investors and government programs want clear governance, transparent financial management, and defined decision-making. Strengthening governance directly improves fundability.

## PRACTICAL STEPS

# Building your funding strategy

### 1. Start with your project, not the funding

Define what you are building, why it matters, and what stage you are at.

### 2. Map what you already have

Existing studies, plans, resolutions, partnerships, and staff capacity are all assets funders want to see.

### 3. Pursue the next funding you need, not the biggest

Planning-stage funding produces the feasibility work that unlocks larger capital.

### 4. Build relationships with funders early

Pre-application conversations save weeks of work and can redirect you to better-fitting programs.

### 5. Document everything as you go

Every study, engagement session, and council decision is evidence of readiness for future applications.

#### **Working with Unify Partners**

We help Nations develop funding strategies grounded in community priorities. If you are figuring out which funding to pursue first or how to coordinate across applications, reach out at [unifypartners.ca](https://unifypartners.ca).