

Infrastructure Canada

2007-2008

Report on Plans and Priorities (RPP)

Lawrence Cannon

**The Honourable Lawrence Cannon
Minister of Transport, Infrastructure and Communities**





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Section I: Overview

Minister's Message

As Canada's Minister of Transport, Infrastructure and Communities, I am pleased to present Infrastructure Canada's *2007-2008 Report on Plans and Priorities*, which outlines the organization's corporate direction for the next three fiscal years.

For the past year, Infrastructure Canada has been part of the Transport, Infrastructure and Communities (TIC) portfolio. The portfolio is discussed in greater detail on page 5 of this report.

On November 23rd, 2006, the Government of Canada presented *Advantage Canada*, a forward-looking plan, which reinforces its Budget 2006 commitment to infrastructure funding. That commitment will help fund the modern infrastructure Canada needs. Building on consultations held with the provinces and territories, municipalities and stakeholders during the summer and fall 2006, the Government is developing a comprehensive long-term infrastructure plan. The plan will incorporate the unprecedented \$16.5 billion funding for infrastructure, including \$6.6 billion of new funding, announced in Budget 2006.

Through the infrastructure plan, we will cooperate with partners to build a stronger economy, a cleaner environment and stronger communities for all Canadians. We know that modern, world-class infrastructure can help ensure the seamless flow of people, goods and services across our roads and bridges, and through our ports and gateways. The plan will support: improvements to the core national highway system; large-scale provincial, territorial and municipal projects, such as public transit and wastewater management; and small-scale municipal projects.



Lawrence Cannon



The Government is committed to exploring new and innovative approaches to fund public infrastructure, while at the same time maximizing benefits to Canadians. We can do this, in part, by engaging more private sector involvement in public infrastructure. To this end, the Government will establish a public-private partnership (P3) office and set aside funds to support select P3 projects.

I am proud to report on the plans and priorities of Infrastructure Canada. These plans demonstrate the commitment of Canada's new Government to a world-class infrastructure as part of *Advantage Canada*. Our infrastructure mission will also help achieve government priorities in the areas of environment and research and development. We are working in a spirit of cooperation with partners to ensure infrastructure investments work for Canadians.



The Honourable Lawrence Cannon, P.C., M.P.
Minister of Transport, Infrastructure and Communities



Management Representation Statement

I submit for tabling in Parliament, the *2007-2008 Report on Plans and Priorities* for Infrastructure Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007-2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on Infrastructure Canada's Strategic Outcome and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the RPP.

Signed: _____
Louis Ranger

Title: Deputy Head
Infrastructure and Communities



Summary Information

This *Report on Plans and Priorities* (RPP) presents concise information on Infrastructure Canada's plans and priorities and resources for fiscal year 2007-2008 that contribute to the achievement of its strategic outcome and expected results.

Raison d'être

The mission of Infrastructure Canada is to help build sustainable Canadian communities where Canadians benefit from world-class public infrastructure.

Canada needs to remain competitive and productive while sustaining and improving the quality of life of Canadians. World-class public infrastructure, including safe and reliable water systems and efficient transportation systems that allow goods and people to move freely, are critical to meeting these objectives. As a nation whose exports are so critical to economic growth and prosperity, Canada's infrastructure that provides gateways to foreign markets is particularly important.

The Government of Canada is committed to working in partnership with provinces, territories and municipalities to help them meet their infrastructure needs through predictable and reliable funding programs based on sound policies and programs. In doing so, the Government will maximize value for taxpayers' money by supporting infrastructure projects that adhere to best practices, by not funding cost overruns and by requiring all funding recipients to be accountable.



The Government recognizes that cities and communities require predictable, strategic, long-term funding, as well as innovative relationships and partnerships to reach their full potential for the benefit of all Canadians. Each city and community has unique needs and challenges.

In carrying out this government priority, Infrastructure Canada manages several funding programs, and continues to build the policies, knowledge and partnerships to support them. As well, Infrastructure Canada will continue to play a strong role in facilitating governments and others to work together to support strong, vibrant and sustainable cities and communities.

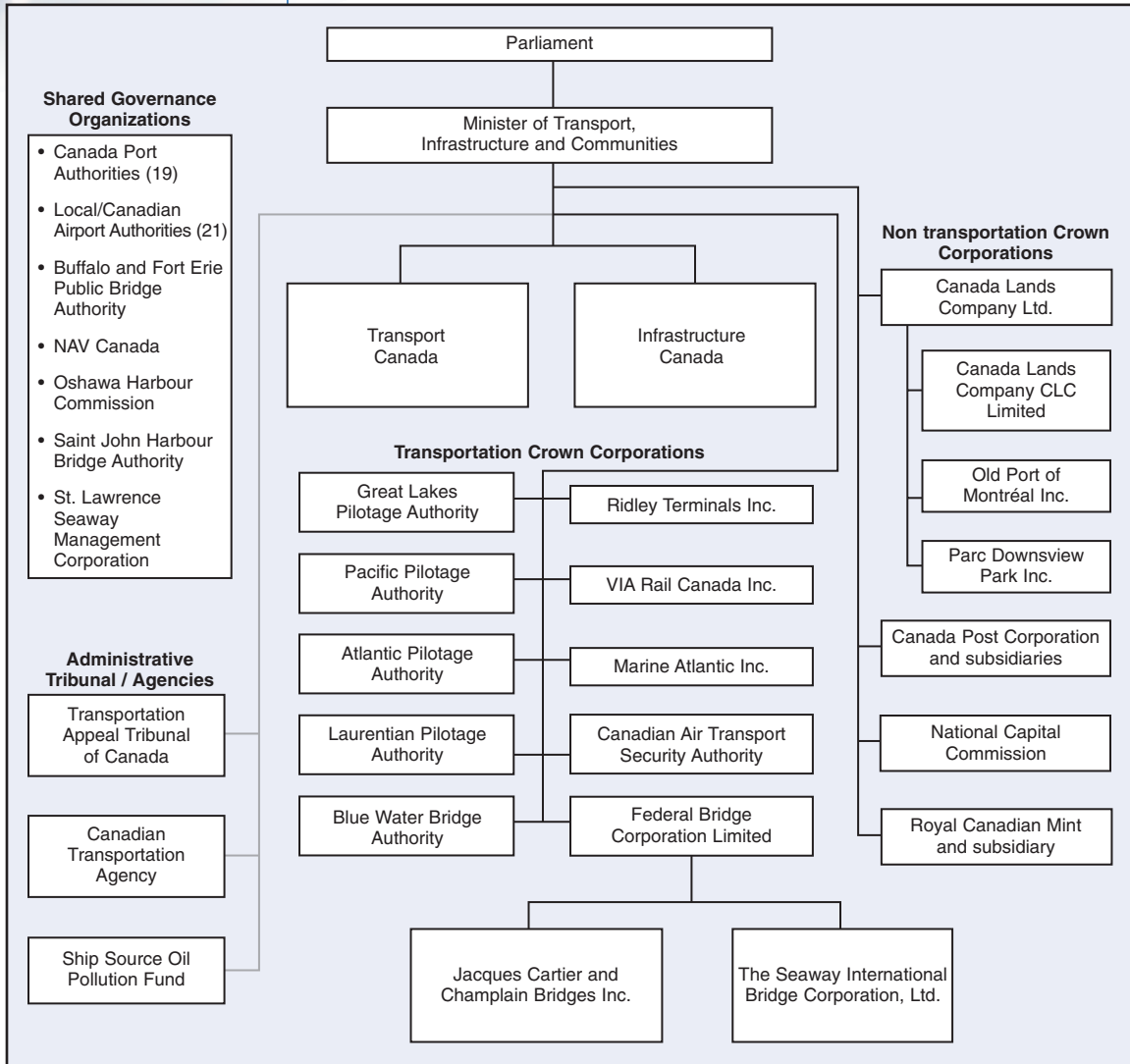
Background

Infrastructure Canada was established in 2002 to lead the Government of Canada's effort to address the infrastructure challenges of Canadian cities, communities and regions, through research, policies and funding programs. Since then, the organization has evolved to become a centre of expertise for infrastructure management and the federal focal point for cities and communities issues.

In February 2006, Infrastructure Canada and Transport Canada became part of a new portfolio, Transport, Infrastructure and Communities (TIC), which includes sixteen Crown corporations. The TIC portfolio responsibilities are displayed in the diagram on the following page. Transport Canada, the Canadian Transportation Agency and the Transportation Appeal Tribunal of Canada produce their own Reports on Plans and Priorities. The Crown corporations prepare their own annual corporate plans.



Figure 1: Transport, Infrastructure and Communities Portfolio



Since the creation of the portfolio, measures were taken to maximize synergies and increase the coordination of activities. As a result, in August 2006, the management of the Transport, Infrastructure and Communities portfolio became the responsibility of a single deputy minister. Following this decision, a joint committee of the two departments was formed to explore options regarding the design of new infrastructure programs resulting from the Budget 2006 announcements, and to put forward recommendations to the Minister. This committee is a key component for the coordination of portfolio activities and will continue to monitor programs over the next year. Other measures will be undertaken over the following year to ensure a knowledge management that supports even greater coordination.

The new portfolio addresses several of the challenges facing Canada, particularly the modernization of public infrastructure, and the sustainability of both the environment and economic growth. These challenges are priorities for the Government of Canada and will continue to guide the activities of the portfolio.

Budget 2006 committed \$16.5 billion in new and existing infrastructure funding, including \$6.6 billion in new infrastructure funding to support large and small community infrastructure, highways and transit, and borders and gateway infrastructure. The total for infrastructure funding also included \$1.3 billion of funding for public transit; the maintenance of the Gas Tax funding agreements worth \$5 billion over five years to support sustainable municipal infrastructure; and support for the Asia-Pacific Gateway and Corridor Initiative.

The Transport, Infrastructure and Communities portfolio will continue its work, with provinces, territories, municipalities and other groups, to build capacity, increase the efficiencies of transportation systems, and to renew our public infrastructure, all of which are key to the growth of communities.



Strategic Outcome

In support of its mission, Infrastructure Canada has one Strategic Outcome:

Improving the sustainability of our cities and communities and Canada's local, regional and national public infrastructure to enhance the economic, social, cultural and environmental quality of life of Canadians.

This Strategic Outcome will be achieved by:

- Strategically investing and leveraging other investments in sustainable public infrastructure;
- Fostering effective and new, innovative types of partnerships;
- Providing federal leadership for infrastructure and cities and communities issues; and
- Advancing policies and building, connecting and sharing knowledge.

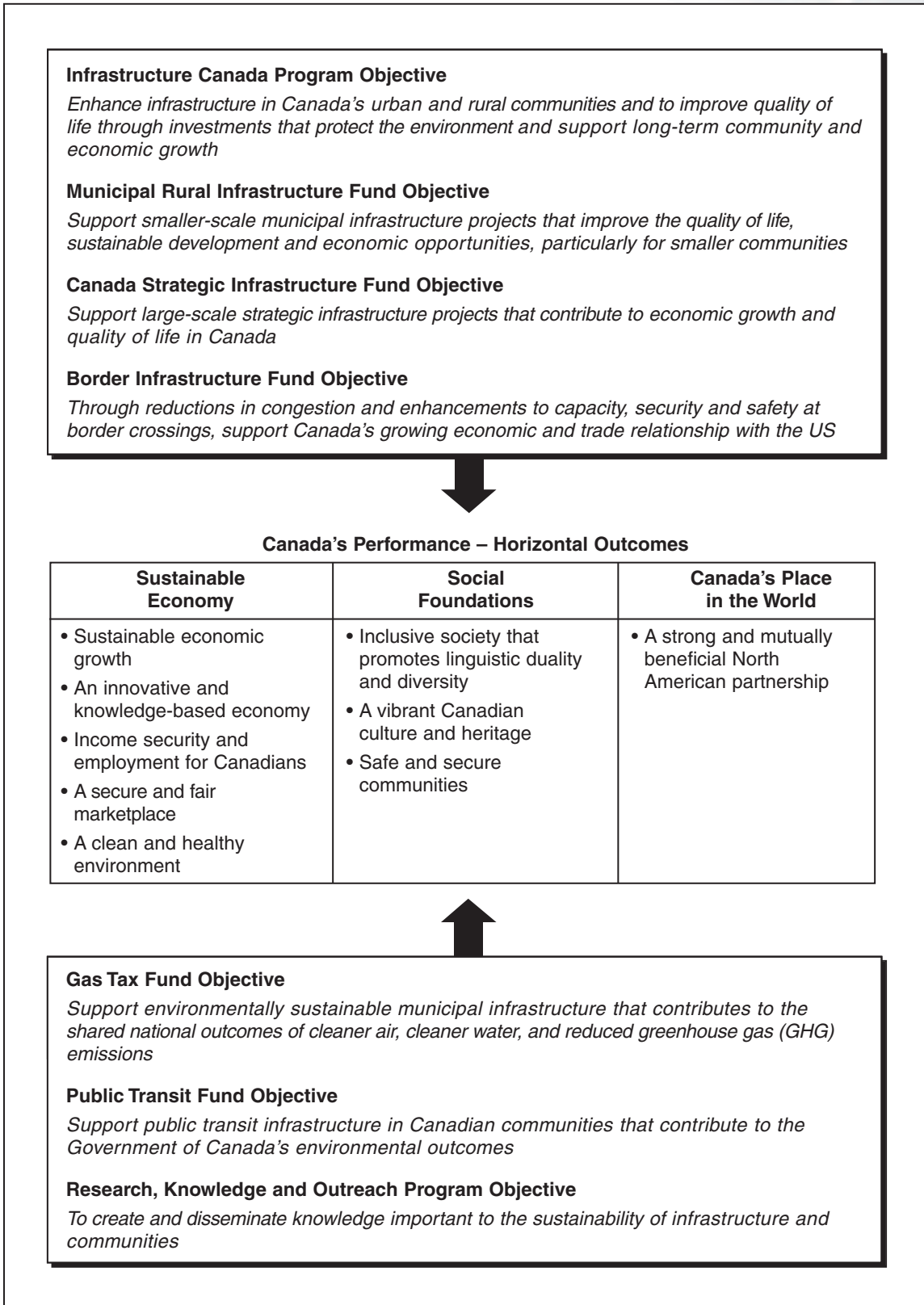
The Strategic Outcome is long-term and enduring in nature. It identifies the areas of influence of Infrastructure Canada, and demonstrates how the organization's efforts benefit Canadians.

Alignment with Government of Canada Outcomes

The Government of Canada's performance reporting framework consists of thirteen outcomes grouped under three policy themes: economic, social and international. Figure 2 illustrates how Infrastructure Canada's funding programs are linked to Canada's performance. (For more information on Government of Canada Outcomes, refer to http://www.tbs-sct.gc.ca/rma/krc/cp-rc-1-05_e.asp).



Figure 2: Infrastructure Canada’s Funding Programs and Links to Canada’s Performance



Resource Summary

Financial and human resources for the organization over the planning period are summarized in Tables 1 and 2.

**Table 1: Total Financial Resources,
2007-2008 to 2009-2010**

(Net Cost of Program in \$ thousands)

2007-2008	2008-2009	2009-2010
2,879,200	2,662,971	3,476,343

**Table 2: Total Human Resources,
2007-2008 to 2009-2010**

(Full Time Equivalents)

2007-2008	2008-2009	2009-2010
237	0 ¹	0 ¹

Table 3: Infrastructure Canada Priorities

Priority Name	Type
Delivering Approved Program Funding	Ongoing
Developing Policy, Knowledge, and Partnerships	Ongoing

Reporting Framework

Consistent with guidance provided by the Treasury Board of Canada Secretariat, this *2007-2008 Report on Plans and Priorities* and the accompanying financial tables are presented using the Government's Program Activity Architecture (PAA) Framework. The PAA structure, as it existed in 2006-2007, is being used by Infrastructure Canada to present information on its plans and priorities.

Under the PAA, Infrastructure Canada has three program activity areas:

- Infrastructure Investments;
- Policy, Knowledge and Partnership Development; and
- Departmental Administration.

¹ The operating budget for Infrastructure Canada was allocated from program funds and sunsets at the end of 2006-2007. The organization has found an interim solution for part of 2007-2008 and is working with central agencies on options for a long-term source of funds.



Section II provides details on departmental performance under the first two of these program activity areas. Background information on the third activity area, departmental administration, is presented in Section IV of the report, *Other Items of Interest*.

Plans and Priorities

Infrastructure Canada has established two priorities in support of its Strategic Outcome:

1. Deliver approved program funding; and
2. Develop policy, knowledge and partnerships.

These priorities remain unchanged from last year's RPP.

Table 4: Program Activities by Strategic Outcome

(in \$ thousands)

	Expected Results	Planned Spending			Contributes to the following priority
		2007-2008	2008-2009	2009-2010	
Strategic Outcome: Improving the sustainability of our cities and communities and Canada's local, regional and national public infrastructure to enhance the economic, social, cultural and environmental quality of life of Canadians.					
Program Activity #1: Infrastructure Investments	Maximize economic, social, cultural and environmental benefits for Canadians through investments in public infrastructure in a coordinated manner with provincial, territorial and municipal governments, and First Nations	\$2,861,043	\$2,657,539	\$3,476,343	Priority #1
Program Activity #2: Policy, Knowledge and Partnership Development	Develop policies to address existing and emerging challenges and opportunities that are based on research and input from strong partnerships	\$18,157	\$5,432	\$0	Priority #2

Note: Program Activity #2 consists of the Research, Knowledge and Outreach Program. Since this program sunsets in 2008-2009, there is no planned spending in 2009-2010.



Priority 1: Deliver Approved Program Funding

Infrastructure Canada manages and levers investments in public infrastructure to improve the state of Canada's public infrastructure and, in turn, enhance the economic, social, cultural and environmental quality of life of Canadians. To achieve this goal, Infrastructure Canada will continue to work in a coordinated manner with federal departments and regional development agencies, provincial, territorial and municipal governments, and First Nations.

In its Economic and Fiscal Update, *Advantage Canada*, released on November 23, 2006, the Government of Canada outlined three priorities: investing in R&D; the environment; and infrastructure (for more information on *Advantage Canada*, refer to http://www.fin.gc.ca/budtoce/2006/ec06_e.html). High-quality, modern public infrastructure is essential to Canada's long-term prosperity. Budget 2006 committed to infrastructure funding to help the provinces, territories and municipalities meet their infrastructure needs. In short, infrastructure matters. Its financing, construction and maintenance are important areas where the Government can and must play a leadership role. Infrastructure that provides gateways to foreign markets is especially important to Canada since exports are critical to its economic growth and prosperity.

Advantage Canada outlined the Government of Canada's intention to develop a comprehensive plan for infrastructure. This plan will feature:

- Long-term, predictable funding;
- A fair and transparent provincial allocation to support: improvements to the core national highway system; large-scale provincial, territorial and municipal projects, such as public transit and wastewater management; and, small-scale municipal projects; and
- Separate national infrastructure funds, accessible on a merit basis, to support public-private partnership (P3) projects and gateways and border crossings, particularly projects that are consistent with a new national gateway and trade corridor policy.



The infrastructure plan will build on Budget 2006, which committed funding of \$16.5 billion for infrastructure, including:

- New program funding of \$6.6 billion to support large and small community infrastructure, highways, and borders and gateway infrastructure;
- \$1.3 billion in funding for public transit;
- \$591 million for the Asia-Pacific Gateway and Corridor Initiative; and
- \$5 billion over 5 years in Gas Tax funding (which started in 2005-2006); and
- 100 per cent GST rebate providing predictable funding to municipalities.

During 2007-2008, Infrastructure Canada will continue to deliver a suite of existing infrastructure funds, each responding to distinct aspects of Canada's priority infrastructure needs.

- *Community-based Programs*: This group includes the Infrastructure Canada Program (ICP), and its 2005 successor, the Municipal Rural Infrastructure Fund (MRIF), which invest particularly in the public infrastructure of medium to smaller communities;
- *Large-Scale Strategic Programs*: Both the Canada Strategic Infrastructure Fund (CSIF) and the Border Infrastructure Fund (BIF) focus primarily on large-scale strategic investments of regional and national scale in support of key federal objectives such as trade, security, productivity and sustainable development;
- *The Gas Tax Fund (GTF)*: This program focuses on investments in environmentally sustainable municipal infrastructure that promote national objectives of cleaner air, cleaner water and reduced greenhouse gas emissions, as well as capacity building to support communities to undertake long-term planning; and
- *The Public Transit Fund (PTF)*: This initiative focuses on investments in public transit infrastructure in support of key federal objectives such as protecting the environment by encouraging cleaner air and lowering greenhouse gas emissions.

Infrastructure Canada has two multidisciplinary research funding programs that are complementary tools for enhancing implementation of this priority and helping to foster evidence-based policy and decision-making on infrastructure and communities issues: the Knowledge-building, Outreach and Awareness program, and the Peer Reviewed Research Studies program. These two funding programs support the goals of Infrastructure Canada's Research Strategy. (For more information, see: http://www.infrastructure.gc.ca/research-recherche/index_e.shtml).



In summary, to support its funding delivery efforts, in 2007-2008, Infrastructure Canada will:

- Working with its portfolio partner, Transport Canada, develop a comprehensive infrastructure plan to enhance Canada's infrastructure;
- Design and implement programs resulting from new funding announced in Budget 2006, develop program terms and conditions, and begin negotiating agreements;
- Design and implement an appropriate program to deliver GTF and MRIF to First Nations;
- Conclude agreements under the various existing funding programs with those jurisdictions that have not yet finalized agreements. These include PTF Agreements with Newfoundland and Labrador, and the Northwest Territories;
- Continue to deliver existing infrastructure program funding (ICP, CSIF, BIF, MRIF); and
- Continue to carry out sound administration of the GTF and PTF programs.

Priority 2: Developing Policy, Knowledge and Partnerships

Infrastructure Canada works to support the infrastructure needs of provinces, territories, cities and communities through the development of strategic policies based on sound knowledge and strong partnerships to address existing and emerging challenges and opportunities.

Key federal or shared responsibilities, such as security, emergency preparedness, immigration, environment, labour market, infrastructure and transportation play out primarily in major urban areas that generate about two-thirds of Canada's GDP. At the same time, rural and northern communities and regions, which are essential to Canada's economic and social objectives, face distinct challenges to their long-term sustainability.

The Government of Canada can complement its national measures with place-based approaches that respond to specific needs and assets of communities. As many of these issues are cross-jurisdictional, the Government of Canada will work to develop strengthened governance mechanisms for working in partnership with provincial and territorial governments, municipalities and municipal associations in ways that promote transparency, accountability and clarity of roles of all governments.



On behalf of the federal government, Infrastructure Canada works with its partners to identify and assess needs with respect to infrastructure, and cities and communities, and evaluates priorities and develops policy options. These activities require a high degree of collaboration with other federal departments and agencies, as well as with provinces, territories, municipalities, municipal associations, First Nations and the private sector.

Infrastructure Canada also seeks to build capacity and develop and share knowledge about infrastructure and cities and communities with its partners through research, communications and other partnership initiatives, both domestically and internationally.

In 2007-2008, Infrastructure Canada will continue to strengthen its capacity to develop strategic policies based on sound knowledge and strong partnerships. Specific planned initiatives include:

- As outlined in *Advantage Canada*, develop and implement a comprehensive plan for providing a long-term policy framework to support predictable and long-term infrastructure funding.
- Design infrastructure programs that enable provinces and territories as well as cities and communities to contribute to Canada's competitiveness, environmental and quality of life objectives.
- Develop a policy framework and terms and conditions for infrastructure funding and programs announced in Budget 2006.
- Strengthen collaboration with provinces, territories and municipalities through initiatives such as the Gas Tax Oversight Committees responsible for monitoring the overall strategic implementation of the GTF and PTF and the provincial/territorial Intergovernmental Consultation Network.
- Support the building of municipal capacity to plan for and achieve sustainability objectives.
- Manage the two components of the Research, Knowledge, and Outreach Program (the Knowledge-building, Outreach and Awareness program and the Peer Reviewed Research funding program) and monitor the progress of funded research.
- Strengthen the understanding of the workings of cities and municipalities through outreach and partnership development.



- Strengthen the understanding of infrastructure investments through research into three aspects of built works (financing, engineering innovation, and environmental and risk management).
- Maintain and enhance strong partnerships with regional development agencies and other partners for the delivery of current and upcoming programs and projects.
- Continue working with international bodies (e.g., Organisation for Economic Co-operation and Development (OECD), World Bank, UN-HABITAT, Commonwealth Local Government Forum (CLGF)) and other national governments on cities and communities related policy, research and performance indicators.

Operating Environment, Challenges and Opportunities

Infrastructure Canada is subject to a variety of external and internal influences, which are described below.

Upgrading Canada's Infrastructure: The Challenge

A vibrant economy, healthy environment, and strong communities are priorities for Canadians. These three priorities are interlinked, affecting one another through their actions and interactions, and all are supported through world-class infrastructure. As a result, ensuring the sufficiency and quality of Canada's public infrastructure is key to achieving our objectives in these areas.

Canadians need world-class infrastructure to compete in a global economy, relying on effective transportation routes, gateways and borders to efficiently move goods and people. The Government of Canada will support the necessary infrastructure to encourage international trade and encourage domestic economic development, ensuring that Canada can participate in world markets. As a result, the Government of Canada funds key infrastructure to develop a vibrant economy. Through its funds, Infrastructure Canada provides financial support for trade corridors that increase the productivity, economic efficiency, and safety of Canada's transportation system. For example, \$62.5 million was provided to upgrade the Trans-Canada Highway at Kicking Horse Canyon to a modern four-lane standard, improving an important trade link between British Columbia and the rest of Canada. As well, the Border Infrastructure Fund supports the ability of Canadians and Canadian companies to participate in export markets. Infrastructure Canada is also supporting the development of broadband infrastructure, increasing innovation potential and economic development opportunities by connecting Canadians.



In addition to a vibrant economy, a healthy environment is a key contributor to quality of life. Canadians want to drink clean water, return wastewater to water bodies as clean as it came in, and to improve air quality and reduce greenhouse gases. Canadians also want access to green spaces. No one order of government can provide for all these needs alone. The Public Transit Funds, along with Gas Tax funding and other infrastructure funds provide substantial resources to municipalities to support effective public transit systems.

Canadians also want infrastructure that supports strong cities and communities. Canadian cities are highly ranked in international comparisons of quality of life, which consider infrastructure along with other factors. For example, the Economist Intelligence Unit's 2005 *"Liveability Ranking"* rated Vancouver the highest ranked city of all 127 surveyed, and Calgary and Toronto were ranked in the top five. Public infrastructure, from roads and water, to recreation facilities and cultural centres, provides the foundation for quality of life in Canadian cities and communities. However, cities and communities continue to face many challenges in respect of infrastructure development and maintenance. Many of these relate to their ability to fund and finance infrastructure, in the face of many other competing pressures. Other challenges relate to ensuring that infrastructure is managed sustainably over the long-term and continues to meet the ongoing needs of our growing and changing cities and communities. Infrastructure Canada supports the development of strong communities through funding important municipal infrastructure like transit and urban redevelopment. Also, communities can use the Gas Tax Fund to support capacity building – developing skills and knowledge to plan for their communities in a sustainable manner – leading to Integrated Community Sustainability Plans that provide for a long-term vision of the community.

All orders of government must work together to address these challenges and harness the opportunities provided by these challenges. The Government of Canada needs to work closely and cooperatively with all orders of government, First Nations and the private and not-for-profit sectors, to ensure that efforts are complementary, responsive to local needs, and respectful of jurisdiction.



Expansion of Infrastructure Canada's Responsibilities

Infrastructure Canada was established in 2002. It has overseen the relatively rapid development and implementation of a suite of infrastructure funds. It has since evolved into an ongoing entity with growing responsibilities far beyond delivering investment programs. In 2004, it assumed responsibility for leading the cities and communities agenda, and became a federal focal point for infrastructure and communities issues. As discussed elsewhere in the RPP, Budget 2006 reaffirmed the importance of modern infrastructure for Canada's continued growth and prosperity and provided for additional funding for various infrastructure initiatives.

This evolution of Infrastructure Canada's responsibilities over the past several years has resulted in a period of continuous change in its organizational structure and scope, impacting demands for resources not anticipated at the time the organization was originally established. It has had to develop the capacity and operational infrastructure to support new and expanded programs and provide an increasingly higher level of discipline and rigour to the policy development, project selection, and program implementation processes.

Restoring Canada's Fiscal Balance: Commitments to Long-Term Funding Support for Infrastructure

Budget 2006 outlined several actions that the Government of Canada is taking to restore the fiscal balance, including substantial investment in infrastructure. In total, Budget 2006 referred to \$16.5 billion in federal support for provincial, territorial and municipal infrastructure. Budget 2006 also committed to consultations on a long-term funding framework for infrastructure.

During the summer of 2006, the Transport, Infrastructure and Communities portfolio held consultations with provincial and territorial governments, the municipal sector, and other key stakeholders on the development of a predictable, long-term funding and accountability framework for the Government's infrastructure investments. These consultations were part of a broader Government initiative to ensure widespread discussions on the issue of fiscal balance.

The results of these consultations, now available at http://www.fin.gc.ca/activty/consult/fiscbal_2e.html, will inform the development of the comprehensive infrastructure plan outlined in *Advantage Canada*.



The Importance of Public-Private Partnerships

Experience around the world has shown that properly designed public-private partnerships (P3s) can deliver public infrastructure more efficiently, i.e., lower cost, faster completion, and better of management of project risks. At the same time, appropriate public control can be preserved. Canada has been less active in pursuing P3s compared to other countries, such as the United Kingdom. Some provinces are implementing P3 projects and have already started to put in place the structures that will allow them to harness the opportunities provided by P3s in helping to renew public infrastructure and improving the delivery of related public services. For example, in recent years public agencies, such as *Partnerships British Columbia*, *Infrastructure Ontario* and *L'Agence des partenariats public-privé du Québec*, were set up to provide expert services to public bodies in evaluating the feasibility of P3 projects and to facilitate the negotiation, conclusion and management of partnership contracts. The federal government is now formulating measures to encourage their use in Canada.

To support these efforts, the federal government will establish a P3 office to facilitate the increased use of P3s in infrastructure projects across Canada.

Gaps in the Knowledge Base

On the research side, there are three important issues. First, important knowledge gaps exist regarding both infrastructure and its impacts on communities, including: the state of infrastructure in communities across Canada; the economic, social, cultural and environmental impacts of infrastructure at the community level; and, the kind of infrastructure Canada requires to meet its objectives in the 21st century.

Second, there is a need to foster a stronger, more multi-disciplinary community of researchers interested in infrastructure and communities issues and willing and able to generate policy-relevant research.

A third challenge concerns knowledge dissemination and transfer – how to ensure that those who need the available knowledge and data have access to it on a timely basis.



Challenges also arise with respect to improving public awareness and understanding of infrastructure and communities issues. In a survey published in March 2005, 91 per cent of Canadians rated modern infrastructure as very important or important in making a community “a desirable location in which to live or work”². However, research showed there was little desire among respondents for more compact communities, and a limited understanding of issues relating to urban sprawl. This snapshot of opinion from 2005 suggests there may be a difference between what Canadians say they value in terms of sustainable development and public infrastructure, and what they are willing to accept or do to achieve this value. While Canadians clearly view investment in infrastructure as a priority, they are sometimes unclear on what the term “infrastructure” encompasses, often equating it strictly with roads, rather than public transit, or water treatment, for example. Challenges remain in increasing the understanding of infrastructure issues among Canadians, generating awareness of the federal contribution to infrastructure in Canada, and in raising awareness of how sustainable development and infrastructure choices are linked.

² A Report to Infrastructure Canada, National Overview of Findings from a National Survey on the Quality of Life in Canadian Communities, prepared by The Strategic Counsel, March 2005, is available at: http://www.infrastructure.gc.ca/communities-collectivites/alt_formats/pdf/cities_survey_e.pdf.



Section II: Analysis of Program Activities by Strategic Outcome

The planning information presented in this section is organized by Infrastructure Canada's Program Activity Architecture (PAA) for 2007-2008, which consists of the following three Program Activity areas:

- **Infrastructure Investments** – Consists of all infrastructure programming delivered through transfer payments as well as the related program management and monitoring functions. The activity contributes to the construction, renewal and enhancement of public infrastructure in Canada and builds capacity for addressing infrastructure issues in partnership with others.
- **Policy, Knowledge and Partnership Development** – Consists of activities undertaken in policy development, knowledge, research and analysis, and partnership development. The Activity develops policies based on research and strong partnerships to address existing and emerging challenges and opportunities.
- **Departmental Administration** – Encompasses the Office of the Deputy Head, Corporate Services, Communications, and Legal Services. Section IV provides information on this Activity.

Infrastructure Investments

This Program Activity consists of three types of infrastructure programming delivered through transfer payments as well as the related program management and monitoring functions.

Table 5: Financial and Human Resource Requirements, Infrastructure Investments, 2007-2008 to 2009-2010

Financial Resources (in \$ thousands)

2007-2008	2008-2009	2009-2010
2,861,043	2,657,539	3,476,343

Human Resources (full-time equivalents)

2007-2008	2008-2009	2009-2010
144	0 ³	0 ³

³ The operating budget for Infrastructure Canada was allocated from program funds and sunsets at the end of 2006-2007. The organization has found an interim solution for part of 2007-2008 and is working with central agencies on options for a long-term source of funds.



The expected result of this Program Activity is to maximize economic, social, cultural and environmental benefits for Canadians through investments in public infrastructure in a coordinated manner with provincial, territorial and municipal governments, and First Nations.

Infrastructure Canada manages three types of programs, each tailored to distinct needs and requirements, providing investments in Canada's priority infrastructure needs. The three categories of programs are:

- 1) Community-based investments;
- 2) Large-scale strategic programs; and
- 3) Gas Tax and Public Transit funds.

The following pages provide a brief description of plans for Budget 2006 infrastructure commitments and of each existing investment program and the plans for 2007-2008.

Budget 2006 Infrastructure Funding and *Advantage Canada*

Budget 2006 provided \$16.5 billion for infrastructure including: \$6.6 billion in new infrastructure funding to support both small and larger scale municipal infrastructure projects in communities across Canada and improvements to land border crossings and highways; support for the Asia-Pacific Gateway and Corridor Initiative (\$591 million); new funding of \$900 million to complement \$400 million for public transit (\$1.3 billion total); and the maintenance of the Gas Tax funding agreements worth \$5 billion over five years to support sustainable municipal infrastructure.

Planned activities in this area will include working with portfolio partner Transport Canada to establish programs related to the \$6.6 billion of new funding announced in Budget 2006, including the development of program terms and conditions and the negotiation of agreements.



1. Community-based Investments

Community-based investments address community undertakings of a smaller scale. The two funds are the Infrastructure Canada Program and its 2003 successor, the Municipal Rural Infrastructure Fund. Both funds emphasize investments in municipal infrastructure that enhance environmental quality and quality of life.

i) Infrastructure Canada Program (ICP)

The \$2.05-billion ICP was created in 2000 to enhance infrastructure in Canada's urban and rural communities, and to improve quality of life through investments that protect the environment and support long-term community and economic growth.

As of March 31, 2006, all ICP funding has been committed to 3,879 projects across Canada. This program is scheduled to conclude March 31, 2009 (March 31, 2007 for the First Nations component).

The ICP's priority has been to support "green" municipal infrastructure, consistent with the federal government's sustainable development objective. A minimum of 50 per cent of federal expenditures are to be devoted to such projects as water and wastewater systems, solid waste management and recycling, and capital expenditures to retrofit or improve the energy efficiency of buildings and facilities owned by local governments. Other priorities include local transportation infrastructure, cultural and recreational facilities, rural and remote telecommunications and affordable housing.

Funding for the ICP was transferred to the five federal delivery partners responsible for program delivery: Western Economic Diversification Canada (for projects in the Western provinces); Industry Canada (for Ontario projects); Canada Economic Development – Quebec (for Quebec projects); Atlantic Canada Opportunities Agency (for projects in the Atlantic provinces); and, Indian and Northern Affairs Canada (for First Nations and the three territories). Detailed reporting on ICP expenditures is the responsibility of these organizations.



ii) Municipal Rural Infrastructure Fund (MRIF)

MRIF focuses on projects that support sustainable development and quality of life, with a minimum 50 per cent of its nation-wide expenditures devoted to projects addressing environmental quality objectives. The fund was allocated \$1 billion for smaller-scale municipal infrastructure projects designed to improve the quality of life and economic opportunities in smaller centres, including a component addressing the infrastructure needs of First Nations communities.

The fund is cost-shared, with the Government of Canada contributing, generally, one-third of a project's eligible costs. MRIF agreements have been signed with all provinces and territories. MRIF funds identified for First Nations communities in the provinces will be made available in 2007-2008.

Pending the full implementation of the Budget 2006 infrastructure plan and program funds, approval was given to provide an additional \$200 million to MRIF in late 2006. This reflects the Budget 2006 funding forecast and brings the total program funding to date to \$1.2 billion.

As part of its infrastructure programming activities, Infrastructure Canada also works to build capacity and foster knowledge acquisition on infrastructure and communities issues among municipalities and other partners. A Municipal Capacity Building component under MRIF seeks to encourage the use of integrated asset management by small-scale Canadian municipalities.

The major planned activities under the MRIF program for 2007-2008 are the following:

- Put into effect the allocation of an additional \$200 million in MRIF funding to specific projects;
- Implement program to deliver MRIF funds identified for First Nations communities in the provinces; and
- Continue with the sound administration of the MRIF program in cooperation with federal delivery partners.



Table 6: Allocation of Community-based Infrastructure Investments, by Jurisdiction

(Total Federal Funding Allocation (\$ millions))

Jurisdiction	ICP	MRIF ⁴
Western Economic Diversification Canada		
British Columbia ⁵	\$268.5	\$134.6
Alberta	171.0	107.1
Saskatchewan	56.7	45.5
Manitoba	60.9	49.3
Industry Canada/Ontario	680.7	362.1
Canada Economic Development/Quebec	515.5	234.8
Atlantic Canada Opportunities Agency		
New Brunswick	54.5	39.6
Nova Scotia	65.3	44.5
Prince Edward Island	12.8	21.7
Newfoundland & Labrador	51.3	33.5
Indian and Northern Affairs Canada		
Yukon	2.5	19.1
Northwest Territories	3.1	19.2
Nunavut	2.1	19.1
First Nations	31.1	29.9
Subtotal	1,976.0	1,160.0
<i>InfraGuide</i> ⁶	12.5	-
Federal Coordination	61.5	40.0
Total	2,050.0	1,200.0

⁴ Amounts include the \$200M allocation from Budget 2006.

⁵ \$60 million of British Columbia's original allocation was transferred to the Canada Strategic Infrastructure Fund for the Canada Line project.

⁶ Additional funding has been provided for *InfraGuide* above the initial allocation from ICP. *InfraGuide* is intended to provide municipalities with an authoritative source of technical best practices for infrastructure planning, construction, maintenance and repair. For more information, please refer to <http://www.infraguide.ca>.



2. Large-Scale Strategic Programs

The second category of funding programs provides large-scale, strategic investments in support of key federal objectives of trade, security, productivity and sustainable development. The two funds under this category are the Canada Strategic Infrastructure Fund and the Border Infrastructure Fund.

i) Canada Strategic Infrastructure Fund (CSIF)

CSIF is directed to projects of major federal and regional significance in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians. These investments are made in cooperation with the provinces and territories, municipalities, and the private sector. Maximum federal funding is set at 50 per cent of total eligible project costs, except for broadband and northern infrastructure projects where funding can go up to a maximum of 75 per cent.

CSIF provided a \$200-million allocation for projects identified as national priority projects: the Red River Floodway project in Manitoba; transportation infrastructure improvements under the “Corridors for Canada” in the Northwest Territories; the National Satellite Initiative to provide broadband access to Northern and remote communities; and the twinning of the Trans-Canada Highway in Banff National Park in Alberta⁷.

Some of the recently announced CSIF projects include: public infrastructure at Mont Tremblant, Quebec; support for the creation of an innovative urban green space called the Evergreen at the Brick Works in Toronto, Ontario; upgrading the wastewater treatment facilities and collection systems in the City of Dawson and the Village of Carmack in Yukon; and, improved access to Fort McMurray by twinning a 146-km section of Highway 63.

CSIF’s delivery model is based on a partnership arrangement between Infrastructure Canada and other federal departments that have a direct mandate in a given field or departments and agencies that have a regional development mandate. In the

⁷ Details of these and other announced projects can be found at: http://www.infrastructure.gc.ca/ip-pi/index_e.shtml.



case of transport-related projects, Transport Canada provides the project lead. Interdepartmental Memoranda of Understanding are negotiated to clarify accountabilities. To date, Memoranda of Understanding have been developed with all jurisdictions, except for Canada Economic Development for Quebec Regions.

Budget 2006 provided an incremental top-up of \$300 million for CSIF projects in Ontario. The bulk of this project funding has now been committed to projects in Ontario.

Most CSIF funding has been committed, with the exceptions of Ontario, Newfoundland & Labrador, Nova Scotia and Yukon.

Planned activities under the CSIF for 2007-2008 include the following:

- Continue to work with the provinces and territories to determine the projects to receive the remaining uncommitted funds; seek Treasury Board approval for these projects; and develop the related contribution agreements;
- Complete a Memorandum of Understanding with Canada Economic Development for Quebec Regions; and
- Continue with the sound administration of the CSIF program.

ii) Border Infrastructure Fund (BIF)

The BIF was established in 2002 as a \$600-million fund to target the six largest surface border crossings between Canada and the United States, as well as several other crossings. It has provided funding for investments in physical infrastructure, intelligent transportation system infrastructure, and improved analytical capacity. The fund reflects the importance of Canada's border crossings, ports and highway approaches to economic growth, trade and security both nationally and internationally. Infrastructure Canada manages the BIF program in partnership with Transport Canada under the terms of a Memorandum of Understanding.

Most of the BIF funds have been committed.



3. Gas Tax and Public Transit Funds

The third type of infrastructure programming consists of agreements with provincial and territorial governments, municipal associations and the City of Toronto for investments in environmentally sustainable municipal infrastructure that benefit Canada's communities. This support represents \$5 billion in federal gas tax revenues, as well as \$400 million of federal contributions to public transit. The various agreements are available on Infrastructure Canada's website: www.infrastructure.gc.ca/communities-collectivites/index_e.shtml.

i) Gas Tax Fund

The Gas Tax Fund (GTF) is a five-year \$5-billion transfer payment program established in 2005-2006 to enable municipalities to make long-term financial investments in environmentally-sustainable infrastructure projects in such areas as transit, water and sewers, solid waste and community energy systems. The investments are intended to lead to the three environmental goals of the Gas Tax Fund: cleaner air, cleaner water and reduced greenhouse gas emissions.

The GTF is managed through agreements entered into by the Minister with each provincial/territorial government, the City of Toronto, in some cases a municipal association. Through these agreements, each order of government has responsibilities for the implementation of the Gas Tax Fund. Infrastructure Canada is responsible for the overall administration, coordination, communications, and national reporting and evaluation related to this initiative and for the federal/provincial/territorial negotiations. Provinces, territories, the Association of Municipalities of Ontario, the Union of British Columbia Municipalities and the City of Toronto are responsible for the management of the agreement within their jurisdictions. Local governments are responsible for determining project priorities, project implementation and project level reporting.



The Gas Tax Fund was also created to increase collaboration between orders of government on issues facing cities and communities. Each signed agreement calls for the establishment of an Oversight Committee to monitor the overall strategic implementation of the agreement and to examine broader issues facing cities and communities.

Eligible investments include capital expenditures for environmentally sustainable municipal infrastructure. Project categories are:

- Water;
- Wastewater;
- Solid waste;
- Public transit;
- Community energy systems; and
- Local roads and bridges.

Funding is also available for Capacity Building initiatives to enable communities to design and implement integrated community sustainability plans – integrated plans that outline how a community will achieve its long-term vision.

ii) Public Transit Fund

The Public Transit Fund (PTF) is a \$400-million transfer payment program, established in 2005-2006, designed to provide funding to improve public transit services to Canadians. The PTF offers the potential to reduce greenhouse gas emissions and smog in urban areas by improving services and offering Canadians greater flexibility in their transportation options.

The PTF was designed to build on the GTF agreements, and its terms and conditions mirror those of the latter. Like the GTF, PTF funding is governed by agreements that set out an allocation formula, delivery mechanism and a rigorous accountability regime that will enable the Minister to report to Parliament on how this funding is being spent.



The Government of Canada's role in the day-to-day delivery and administration of the fund is limited, but funding is governed by agreements that set out a rigorous accountability regime that will enable the Minister to report to Parliament on how this funding is being spent.

Eligible investments include capital expenditures for public transit infrastructure, defined as local infrastructure projects falling in one of the following categories:

- Rapid transit infrastructure;
- Rolling stock;
- Intelligent transport system;
- Related capital infrastructure;
- Active transportation infrastructure; and
- Para transit.

Examples of some of the announced GTF and PTF projects include: expansion of the Edmonton South Light Transit (LRT) system (\$108 million); purchase of an additional 225 new buses to modernize and expand transit services in the Greater Vancouver Regional District (\$307 million); and, funding for various municipal infrastructure priorities (including drinking water, sewage, and wastewater treatment) in the Montréal region (\$38 million). Information on these and other PTF and GTF projects is available at http://www.infrastructure.gc.ca/communities-collectivites/news-nouvelles/2006/index_e.shtml.

Planned activities under the GTF and PTF for 2007-2008 include the following:

- Continue with the sound administration of the two programs;
- Conclude agreements under the various existing funding programs with those jurisdictions that have not yet finalized agreements. These include PTF Agreements with Newfoundland and Labrador, and the Northwest Territories;
- Using Oversight Committees to monitor the strategic implementation of the GTF and PTF agreements, discuss issues regarding infrastructure coordination, and enhance the collaboration with provinces, territories and municipalities. In 2007-2008, Infrastructure Canada will focus its efforts on working with each jurisdiction on outcomes reporting as well as leading a multilateral process on national GTF reporting; and
- Flow funds to First Nations through a funding mechanism identified jointly with Indian and Northern Affairs Canada and the Assembly of First Nations.



Table 7: Allocation of Gas Tax Fund and Public Transit Fund Investments, by Jurisdiction

(Total Federal Funding Allocation (in \$ millions))

Jurisdiction	GTF	PTF
British Columbia	635.6	52.5
Alberta	476.9	40.1
Saskatchewan	147.7	12.5
Manitoba	167.3	14.7
Ontario	1,865.5	155.2
Quebec	1,151.0	94.4
New Brunswick	116.1	9.4
Nova Scotia	145.2	11.7
Prince Edward Island	37.5	1.7
Newfoundland & Labrador	82.3	6.5
Yukon	37.5	0.4
Northwest Territories	37.5	0.5
Nunavut	37.5	0.4
First Nations	62.5	0.0
Total	5,000.0	400.0



Policy, Knowledge and Partnership Development

This Program Activity consists of activities undertaken in policy development; knowledge, research and analysis; and partnership development. The outcomes of this Activity is the development of policies that are based on research and the input from strong partnerships to address infrastructure challenges and opportunities.

Table 8: Financial and Human Resource Requirements, Policy, Knowledge and Partnership Development, 2007-2008 to 2009-2010

Financial Resources (in \$ thousands)

2007-2008	2008-2009	2009-2010
18,157	5,432	0 ⁸

Human Resources (full-time equivalents)

2007-2008	2008-2009	2009-2010
93	0 ⁸	0 ⁸

Policy

The policy development activity requires a high degree of collaboration with other federal departments and agencies, as well as with provinces, territories, municipalities, municipal associations, First Nations, international organizations, and the private sector.

In the context of a rapidly changing global economy and society, the critical role of cities and communities in Canada's competitiveness and quality of life is increasingly recognized. They play the role of key trade gateways, attract and retain skilled labour and foreign investment, encourage research and innovation, build critical, sustainable infrastructure, ensure public safety, protect environmental quality, support social inclusion and cultural diversity, and deliver key municipal services.

⁸ The operating budget for Infrastructure Canada was allocated from program funds and sunsets at the end of 2006-2007. The organization has found an interim solution for part of 2007-2008 and is working with central agencies on options for a long-term source of funds.



For all these reasons, the Government has an interest in supporting strong, healthy and sustainable cities and communities and making more effective use of intergovernmental relationships to advance core and shared responsibilities and interests. The policy framework for communities will focus on bringing greater clarity to government roles and responsibilities, enhancing intergovernmental collaboration, and integrating “place” and spatial considerations into the design and implementation of Government of Canada policies, programs and investments.

Infrastructure Canada maintains a policy function that: identifies and assesses needs with respect to infrastructure; evaluates priorities and funding pressures; and, develops policy options for Ministerial consideration.

The planned policy-related activities in 2007-2008 will include the following:

- As outlined in *Advantage Canada*, develop and implement a comprehensive plan for infrastructure, providing a long-term policy framework to support predictable and long-term infrastructure funding;
- Develop a policy framework and prepare program terms and conditions for Budget 2006 infrastructure funding;
- Continue identification and assessment of infrastructure pressures in collaboration with other federal departments;
- Provide support to the Government of Canada’s Private Public Partnership (P3) approach as outline in *Advantage Canada*; and
- Design infrastructure programs that enable provinces and territories as well as cities and communities to contribute to Canada’s competitiveness, environmental and quality of life objectives.



Knowledge

In supporting the development of strategic policies and strong partnerships, the Infrastructure Canada *Research Strategy* focuses on three objectives:

- *Knowledge Generation* – Building new knowledge that responds directly to priority gaps in the understanding of public infrastructure issues in Canadian communities that are key for policy purposes;
- *Community Building* – Fostering the development of a stronger, better-networked, multi-disciplinary community of researchers and other experts committed to meeting the needs of policy and decision makers; and
- *Knowledge Dissemination and Transfer* – Developing innovative, effective ways to share and communicate knowledge from national and international sources about infrastructure and communities to policy and decision makers, researchers, industry, non-governmental organizations, professional associations and the general public.

In support of the Research Strategy, which is designed to enhance research and knowledge on infrastructure, and cities and communities, a five-year, \$25-million funding initiative was initiated in fiscal year 2004-2005. The initiative currently consists of the Peer Reviewed Research Studies (PRRS) and Knowledge-building, Outreach and Awareness (KOA) programs. These programs have been designed to respond directly to several key gaps that must be filled in order to better position the Government of Canada to address current and future Canadian infrastructure pressures and city and community issues. (For more details on research funding programs, refer to http://www.infrastructure.gc.ca/research-recherche/index_e.shtml).



Under the PRRS, funding is awarded by Infrastructure Canada on the basis of merit, through a competitive peer review process executed by the Social Sciences and Humanities Research Council of Canada with assistance from the Natural Sciences and Engineering Research Council of Canada.

Infrastructure Canada's research priority groupings for fiscal year 2007-2008 are listed below.

- The state of infrastructure in cities and communities;
- Innovation;
- Policy design and implementation;
- Infrastructure impacts;
- Sustainability;
- Finance; and
- Governance.

Partnership Development

Infrastructure Canada will continue to work in partnership with the provinces and territories, municipalities, First Nations and stakeholders to develop and implement a vision for ensuring the economic, social, cultural and environmental sustainability of Canada's cities and communities. Infrastructure Canada is committed to working with partners at all levels to help ensure that communities have a stronger voice in decisions that affect them.

There are opportunities for more effective and innovative inter-governmental relationships to help address, together, the complex, interrelated challenges that can affect Canada's economic prosperity and quality of life. The implementation of Gas Tax Fund agreements has resulted in the creation of Oversight Committees that provide new opportunities for dialogue. Some agreements include a commitment for future collaboration via trilateral agreements to better co-ordinate existing federal, provincial and municipal policies, programs and investments in key urban centres.



In 2007-2008, Infrastructure Canada will continue to strengthen its capacity to develop strategic policies based on sound knowledge and strong partnerships. Specific planned initiatives will include:

- Strengthen collaboration with provinces, territories and municipalities through such initiatives as trilateral tables and the Gas Tax Oversight Committees responsible for monitoring the overall strategic implementation of GTF and PTF.
- Support the building of municipal capacity to plan for and achieve sustainability objectives, including sustainable infrastructure.
- Maintain and enhance strong partnerships with regional development agencies and other partners for the delivery of programs and projects.
- Continue to work with international bodies (e.g., Organisation for Economic Co-operation and Development (OECD), World Bank, UN-HABITAT) on cities and communities related issues and performance indicators.

Performance Measurement and Evaluation

This section outlines the approach taken by Infrastructure Canada to monitor the performance of two Program Activities and to measure and report on the results achieved.

Infrastructure Investments

Infrastructure Canada has identified a set of key indicators against which to report, on an ongoing basis, the performance of its various infrastructure funding programs (Table 9).

In 2007-2008, Infrastructure Canada will develop a horizontal approach for reporting that encompasses all infrastructure programs under its responsibility.

Measuring the outcomes of funding programs requires the conduct of periodic evaluation studies. Results-Based Management and Accountability Frameworks (RMAFs) and Risk-Based Audit Frameworks (RBAFs) have now been developed for all programs. These frameworks define expected results for each program and appropriate measurement indicators. They help ensure effective management decision-making and demonstrate clear accountability in the program areas.



In 2006-2007, Infrastructure Canada began a mid-term evaluation of the Municipal Rural Infrastructure Fund, which will be completed in 2007-2008. On the basis of this evaluation, the program RMAF and RBAF will be updated to ensure that they maintain focus on measuring and reporting on outcomes throughout the lifecycle of the programs.

The Infrastructure Canada Program (ICP), an older program nearing completion, operates under a Federal Governance and Accountability Framework that identifies roles and responsibilities. In collaboration with its ICP delivery partners, Infrastructure Canada developed an integrated RMAF-RBAF for the ICP extension, and completed the ICP Mid-term Evaluation. The results of these two processes indicated the need to be diligent to ensure program completion by the extended deadline of March 31, 2009, and the importance of working on a method to report outcome measures and of the ability to calculate cost effectiveness.

Infrastructure Canada will negotiate with each jurisdiction on the core performance measures to be used for the various investment areas of the Gas Tax Fund (GTF). As well, Infrastructure Canada is consulting with other government departments, academia and key associations to share information and expertise on relevant performance measures for infrastructure investment. The Gas Tax Fund and Public Transit Fund are outcomes-based programs designed to provide flexibility to municipalities to fund their local infrastructure priorities that meet national outcomes of cleaner air, cleaner water and reduced GHG emissions. Municipalities, provinces and territories, and INFC share responsibility for reporting on the results of these investments.

In 2006-2007, an Advisory Committee with representation from GTF signatories began to study performance measures suitable for national reporting. An internal evaluation of the GTF program was initiated in 2006-2007 to assess the implementation of the initiative and to ensure proper management systems.

Mid-term evaluations for CSIF and BIF will assess and determine results achieved to date. The evaluations will be performed in 2007-2008, and 2008-2009 respectively.

Further information on Infrastructure Canada's evaluation plan is provided in the Supplementary Tables section of this RPP (Table 17).



**Table 9: Performance Indicators
for Infrastructure Programs**

Output indicators

- Number of project announcements
- Number of signed agreements
- Number of MOUs with other government departments and partners for delivery
- Number of projects approved

Intermediate results indicators

- Negotiation and completion of agreements and projects in an expeditious fashion
- Collaborative support of other government departments, provinces, territories and key partners
- Resources levered from partners
- Effective program management and oversight of agreements (e.g., risk management, monitoring and reporting, e-management)

Ultimate results indicators

- Safe, reliable transportation
- Sustainable economic development
- Sustainable use and quality of water, and efficient wastewater treatment
- Safe and efficient borders
- Improved innovation and delivery of public services via connectivity
- Efficient and sustainable energy systems
- Improved capacity for integrated community sustainability planning
- New collaborative mechanisms



Policy, Knowledge and Partnerships

Infrastructure Canada's policy, knowledge and partnership activities contribute to the Strategic Outcome by ensuring that Canada's infrastructure investment decisions and activities are supported by rigorous, integrated knowledge and analysis and with the understanding and collaboration of provinces, territories, municipalities, First Nations and other partners.

A Results-Based Management and Accountability Framework (RMAF) and a Risk-Based Audit Framework (RBAF) have been developed for the Research-building, Outreach and Awareness program and for the Peer Reviewed Research Studies program. These frameworks define expected results for each program, identify performance indicators, help ensure effective management decision-making, and demonstrate clear accountability in the program areas.

Further work is planned for performance measurement in the policy, knowledge and partnership activities. Infrastructure Canada will also be building on the networks and collaborative efforts with other federal departments to share knowledge and build on existing expertise, networks and common interests such as performance measurement.

Over the next two years, work will also continue with the World Bank on an international project that includes Canada's three largest cities to develop and test city performance indicators. It is planned that the results of the World Bank study will be shared at the next World Urban Forum in Nanjing in 2008.





Section III: Supplementary Information

Organizational Information

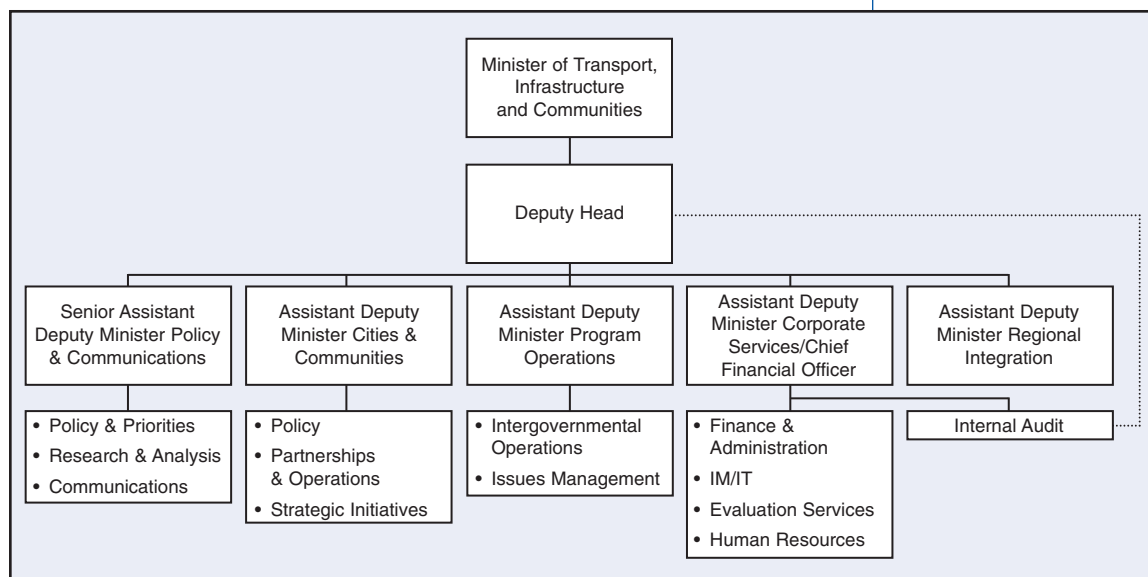
The Honourable Lawrence Cannon is the Minister responsible for the Transport, Infrastructure and Communities portfolio⁹.

Infrastructure Canada is headed by a Deputy Head, Louis Ranger, who reports to the Minister. The Deputy Head is supported by five Assistant Deputy Ministers:

- A/Senior Assistant Deputy Minister, Policy and Communication: John Forster.
- Assistant Deputy Minister, Cities and Communities: Yazmine Laroche.
- Assistant Deputy Minister, Program Operations: Carol Beal.
- Assistant Deputy Minister, Corporate Services/Chief Financial Officer: David Cluff.
- Assistant Deputy Minister, Regional Integration: Gary Webster.

Infrastructure Canada's organizational structure is presented in Figure 3.

Figure 3: Infrastructure Canada Organization Chart



⁹ On February 6, 2006, Infrastructure Canada became part of the Transport, Infrastructure, and Communities Portfolio under the responsibility of the Minister of Transport, Infrastructure, and Communities.



Departmental Partners

Infrastructure Canada collaborates with other federal departments and agencies in the delivery of infrastructure programs. For example, the organization works closely with Indian and Northern Affairs Canada in respect to projects in the territories and those that involve First Nations in the provinces. It also works closely with Western Economic Diversification Canada, Industry Canada, Canada Economic Development for Quebec Regions, the Atlantic Canada Opportunities Agency, and Transport Canada. Other major federal partners include Environment Canada, Canada Mortgage and Housing, and Public Works and Government Services Canada. These departments and agencies share their knowledge of local needs and priorities, as well as their technical expertise, resources and governance structures and are critical to the organization's ability to fulfill its mandate. For transport-related CSIF and BIF projects, Transport Canada provides the federal lead role while Infrastructure Canada provides a supportive role.

In addition to federal partners, Infrastructure Canada collaborates with provincial, territorial and municipal governments and associations, as well as universities, research institutes, civil society organizations, the private sector and other experts. This collaboration is intended to:

- Better manage partnership-funded public infrastructure projects;
- Generate new, horizontal insights into infrastructure and place-based issues;
- Develop a stronger, more multi-disciplinary research community that can provide support for policy and decision makers in the multiple sectors involved in addressing Canada's infrastructure needs; and
- Disseminate and communicate knowledge about infrastructure to key partners.



Supplementary Tables

Table 10: Departmental Planned Spending and Full-Time Equivalents

(\$ thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Infrastructure Investments	1,808,681	2,000,322	1,513,130	2,170,669
Policy, Knowledge and Partnership Development	15,446	17,375	4,970	-
Crown Corporations Portfolio Management	20,497	-	-	-
Budgetary Main Estimates	1,844,624	2,017,697	1,518,100	2,170,669
Crown Corporations Portfolio Management	2,492	-	-	-
Non-budgetary Main Estimates	2,492	-	-	-
Total Main Estimates	1,847,116	2,017,697	1,518,100	2,170,669
<i>Adjustments:</i>				
Budget 2006				
Canada Strategic Infrastructure Fund	-	181,000	429,000	570,000
Municipal Rural Infrastructure Fund	-	463,766	495,487	559,748
Procurement Savings				
Infrastructure Investments	(100)	-	-	-
Supplementary Estimates				
Canada Strategic Infrastructure Fund	216,345	194,310	196,392	144,573
Border Infrastructure Fund	23,273	(141)	(149)	(152)
Municipal Rural Infrastructure Fund	16,278	10,444	10,444	5,222
Federal Gas Tax Fund	18,072	10,007	12,510	25,020
Public Transit Fund	19,112	-	-	-
Research Knowledge and Outreach	247	-	-	-
Infrastructure Canada Program transfer from Indian Affairs and Northern Development	709	-	-	-
Contribution to the Harbourfront Centre	4,000	-	-	-
Internal reallocation of resources to address incremental costs due to program growth	3,000	-	-	-
Transfer to Transport Canada the Crown Corporations Secretariat and the Old Port of Montreal Corporation Inc. (Approved February 6, 2006)	(22,517)	-	-	-
Other				
Internal Audit TB Vote 10	5	113	-	-
Employee Benefit Plan (EBP)	(191)	-	-	-
<i>Total Adjustments</i>	278,229	859,499	1,143,687	1,304,411
Net Planned Spending	2,125,350	2,877,196	2,661,787	3,475,080
Plus: Cost of services received without charge	1,771	2,004	1,184	1,263
Total Departmental Spending	2,127,121	2,879,200	2,662,971	3,476,343
Full Time Equivalents	220	237	-	-



Table 11: Departmental Links to Government of Canada Outcome Areas

2007-2008					
Budgetary					Total Planned Spending
(\$ thousands)	Operating	Contributions and Other Transfer Payments	Total Main Estimates	Adjustments (planned spending not in Main Estimates)	
Strategic Outcomes: <i>Improving the sustainability of our cities and communities and Canada's local, regional and national public infrastructure to enhance the economic, social, cultural and environmental quality of life of Canadians.</i>					
Infrastructure Investments	18,055	1,982,267	2,000,322	859,499	2,859,821
Policy, Knowledge and Partnership Development	11,625	5,750	17,375	0	17,375
Total	29,680	1,988,017	2,017,697	859,499	2,877,196

The Program Activity "Infrastructure Investments" contributes to the achievement of the Government of Canada's "Strong Economic Growth" outcome area.

The Program Activity "Policy, Knowledge and Partnership Development" contributes to the achievement of the Government of Canada's "An Innovative and Knowledge-based Economy" outcome area.

Table 12: Voted and Statutory Items Listed in Main Estimates

(\$ thousands)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2007-2008 Main Estimates	2006-2007 Main Estimates
50	Operating expenditures	27,362	37,103
55	Contributions	1,988,017	1,787,169
(S)	Contributions to employee benefit plans	2,318	1,552
	Appropriations not required		
-	Operating Funding for the Old Port of Montréal Corporation Inc.	-	18,800
	Total budgetary	2,017,697	1,844,624
	Non-budgetary appropriations not required		
-	Investment in contributed surplus of Parc Downsview Park Inc. for the purpose of allowing the completion of the transfer of lands from National Defence to Parc Downsview Park Inc.	-	2,492
-	To establish a borrowing authority of up to \$100,000,000 for Parc Downsview Park Inc.	-	-
	Total non-budgetary	-	2,492
	Total Department	2,017,697	1,847,116

Note: Infrastructure Canada's budget for contributions has increased significantly from 2006-2007 to 2007-2008. This is due primarily to increases in the Municipal Rural Infrastructure Fund for cash flow requirements and authorized increases in the annual budget of the Gas Tax Fund.



Table 13: Services Received Without Charge

(\$ thousands)	2007-2008
Accommodation provided by PWGSC	1,127
Contributions covering employer's share of employees' insurance premiums and expenditures paid by TBS	877
Total 2007-2008 Services received without charge	2,004

Table 14: Details on Project Spending

In 2006-2007, Infrastructure Canada received approval for the Shared Information Management System (SIMSI) enhancement project to support the continued effective management and delivery of Infrastructure Canada's full suite of infrastructure programs.

Supplementary information on Project Spending can be found at http://www.tbs-sct.gc.ca/rpp/0708/info/info_e.asp.

Table 15: Details on Transfer Payments Programs

Infrastructure Canada managed the following transfer payment programs in excess of \$5 million for the reporting year:

- Contributions under the Canada Strategic Infrastructure Fund;
- Contributions under the Border Infrastructure Fund;
- Contributions under the Municipal Rural Infrastructure Fund;
- Transfer Payments under the Gas Tax Fund; and
- Contributions under the Research, Knowledge, and Outreach Program (includes the Peer Review Research Studies and the Knowledge-building, Outreach and Awareness programs).

Further information on the above-mentioned transfer payment programs can be found at: http://www.tbs-sct.gc.ca/rpp/0708/info/info_e.asp.

Table 16: Reporting on Horizontal Initiatives

The objective of reporting on horizontal initiatives is to provide Parliamentarians, the public and government with an overall picture of public expenditures, plans, priorities and achievements for all major horizontal initiatives.

A horizontal initiative is an initiative in which partners, from two or more organizations have agreed under a formal funding agreement to work towards the achievement of shared outcomes. Infrastructure Canada has the lead for the following four horizontal initiatives: CSIF, BIF, ICP and MRIF.

Supplementary information on each of the Horizontal Initiatives led by Infrastructure Canada can be found at http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp.



Table 17: Internal Audits and Evaluations

Infrastructure Canada's three-year plans for internal audit and evaluation are summarized in the table below. A new Treasury Board audit policy with a three year phased implementation came into effect on April 1, 2006, and a new evaluation policy is expected in April 2007. Based on these new policies, Infrastructure Canada will review its roles, responsibilities, planned activities, and resource requirements for audit and evaluation.

Name of Internal Audit/Evaluation	Audit Type/ Evaluation Type	Status as of Jan. 1, 2007	Expected Completion Date
Assurance audit of the contribution management control framework put in place for BIF	Transfer Payment	In-progress	May 2007
Assurance audit of contribution management control framework put in place for CSIF	Transfer Payment	In-progress	May 2007
Assurance audit of Human Resource management control framework	HR- Staffing and classification	Planned January 2007	May 2007
Assurance audit of contribution management control framework put in place for MRIF	Transfer Payment	Planned September 2007	March 2008
Assurance audit of the GTF Management Control Framework	Other Transfer Payment	Planned January 2008	June 2008
Assurance audit of the PTF Management Control Framework	Other Transfer Payment	Planned January 2008	June 2008
Assurance audit of selected components of the INFC Financial Management and Accountability Framework	Finance	Planned September 2007	March 2008
Assurance audit of the Infrastructure Policy Framework and strategic policy capacity	Policy	Planned September 2008	March 2009
Assurance audit of the Contribution Management Control Framework of the Research, Knowledge and Outreach (RKO) Program	Transfer Payment	Planned November 2008	April 2009
Assurance audit of contracting and procurement	Contracting and Procurement	Planned June 2008	November 2008
Formative evaluation of MRIF	Transfer Payment	In Progress	September 2007
Formative evaluation of GTF	Transfer Payment	In Progress	September 2007
Formative evaluation of CSIF	Transfer Payment	Planned	March 2008
Summative evaluation of ICP First Nations ¹⁰	Transfer Payment	Planned	March 2008
Formative evaluation of BIF	Transfer Payment	Planned	March 2008
Summative evaluation of GTF and PTF	Transfer Payment	Planned	March 2009
Summative evaluation of ICP ¹⁰	Transfer Payment	Planned	March 2009
Formal evaluations of all infrastructure programs under INFC responsibility: ICP, MRIF, CSIF, BIF, GTF and PTF	Transfer Payment	Planned	December 2009
Summative evaluation of Research Knowledge and Outreach initiative	Research	Planned	March 2010

¹⁰ Results of the ICP mid-term evaluation are available at http://www.infrastructure.gc.ca/pd-dp/eval/me_icp_2006_e.shtml.



Section IV: Other Items of Interest

Departmental Administration

Infrastructure Canada's third Program Activity is Departmental Administration, which promotes excellence in program and corporate management in support of Infrastructure Canada's priorities. Departmental Administration consists of:

- The Office of the Deputy Head;
- Communications;
- Corporate Services; and
- Legal Services.

The Corporate Services sub-activity is further divided into: Information management/information technology; Finance; Administration; Human Resources; Corporate Planning and Reporting; Internal Audit; and, Evaluation.

The Minister, supported by the Deputy Head, is responsible for ensuring that Government priorities are pursued through the Infrastructure and Communities Portfolio.

Infrastructure Canada is well-positioned to support the Government of Canada's vision for sustainable communities. Success requires all parts of the organization to recognize the complementary roles they play within the Portfolio, and their respective roles in supporting the Minister in his responsibilities toward Parliament and Canadians.

Effective portfolio management is imperative to maintain an organization that is properly positioned not only to deliver on the organization's priorities, but also to help the Government achieve its overall strategic objectives.



Management Initiatives

Following the completion of the latest Management Accountability Framework (MAF) assessment with Treasury Board Secretariat, Infrastructure Canada continues to pursue several enhancements to various modern management practices within the overall MAF. This is consistent with its vision to deliver, under prudent stewardship, quality programs that generate results for Canadians.

Infrastructure Canada continues to respect Government of Canada administrative policies pertaining to proactive disclosure, public opinion research, communications, etc.

Chief Financial Officer

A key step in strengthening modern management practices within Infrastructure Canada was the establishment of the position of Chief Financial Officer (CFO). The move responds to a recommendation of a major independent review of Infrastructure Canada's program operations conducted in early 2005 that Infrastructure Canada's financial and auditing functions be strengthened. The CFO leads comptrollership activities in areas such as risk management and control, performance and financial accounting and reporting, and financial policy framework and standards. The CFO, as in all departments, maintains an ongoing working relationship with the Comptroller General.

Human Resources Strategy

Infrastructure Canada respects and supports the career aspirations of its employees, seeks their opinions, and celebrates their achievements. The success of the organization depends on a dedicated, well-trained and diverse workforce, and our human resources strategy will focus on the following five key areas to ensure we have the right people to deliver our programs and serve our clients.

i) Modernization and Public Service Renewal

The *Public Service Modernization Act* (PSMA) is the key to building the renewal of the federal public service. Now that the legislation is fully implemented, the emphasis will be on ensuring that the appropriate management infrastructure is in place to take full advantage of the flexibilities offered by the Act and the associated administrative reforms. Policy development, learning activities, implementing and sharing best practices, communications, and monitoring will be central elements. By concentrating on those areas, the Infrastructure Canada will



fulfil its responsibilities related to: clarifying roles, responsibilities and accountabilities; creating a culture of teamwork; striving for excellence; building leadership capacity; and, improving our ability to think about and plan for Canada's future.

ii) Building the Workforce

Infrastructure Canada will continue to seek out and hire people with the right knowledge, competencies and skills needed to accomplish its work. Particular emphasis will be placed on succession planning, staff retention, and recognition and awards. More efficient staffing processes will be developed to ensure employees are recruited when they are required.

iii) Learning

Efforts will continue to ensure that Infrastructure Canada fulfils its responsibilities related to required training for new public servants, first-time supervisors and managers, existing managers, and certain functional specialists. The organization's continuous learning policy will be linked with succession planning, key leadership competencies and operational needs. A corporate learning strategy will ensure that individual learning plans have a corporate focus.

iv) Representation

Infrastructure Canada has excellent capacity to communicate with the public and with employees in both official languages, and it will do its utmost to maintain that capacity, taking into account issues related to succession planning, to recruitment from outside the federal public service and to Employment Equity. The organization is committed to providing equal opportunities for employment to the four designated EE groups, so, to that end, it will conduct a staff self-identification campaign early in 2007-2008. Measures to address any gaps identified will then be developed.

v) Values and Ethics

The passage of the *Federal Accountability Act* has created an even greater emphasis on public service values and ethics, and on the need to maintain and enhance Canadians' confidence in federal institutions. Infrastructure Canada will put in place measures to ensure that it meets the spirit and intent of the new legislation.



Information Management/ Information Technology Strategy

Infrastructure Canada is committed to using information technology and information management products and services strategically to support its priorities. The Shared Information Management System for Infrastructure (SIMSI) is a secure, user-friendly, bilingual, Web-based information management system that allows users to register projects online, monitor project status and access benefits and payment information.

The main planned activities for 2007-2008 related to SIMSI include the following:

- Managing project files for all infrastructure programs;
- Developing a horizontal reporting approach that encompasses investment results; and
- Leveraging SIMSI project data for broader purposes (research community, public interest).

Other planned activities that engage the collaboration of various stakeholders include:

- Data collection, analysis and dissemination in support of multi-jurisdictional infrastructure planning;
- Providing collaborative technologies for infrastructure program governance bodies and stakeholder organizations; and
- Extending client service to encompass partners and stakeholders.

Also, to ensure alignment with federal accountability requirements, the IM/IT unit will focus on participating in Treasury Board policy and guideline renewal and implementing a robust information management program.



Communications

The communications function of Infrastructure Canada informs Canadians about funding and projects that support their communities through the range of the federal infrastructure investment programs. The organization also communicates about its role in cities issues and about its research program. Communications activities are coordinated and delivered with its portfolio partner – Transport Canada, regional development agencies, other federal partners, and with provincial, territorial and municipal partners.

The communications function also includes proactive media relations strategy to support ministerial and organizational announcements and events. The function develops consistent communications approaches and products to increase awareness and understanding by Canadians of the federal role/involvement in infrastructure. With the recent commitments by the Government to additional infrastructure investments, it is anticipated that Infrastructure Canada will see an increase in the number of announcements. As well, the directorate manages the on-line and phone query lines.

Budget 2006 committed to an unprecedented level of infrastructure funding that was reinforced in the November 2006 Economic and Fiscal Update, *Advantage Canada*. The Minister of Transport, Infrastructure and Communities has consulted over the summer months with provinces, territories, municipalities and stakeholders. These consultations will inform the development of the comprehensive infrastructure plan outlined in *Advantage Canada*. To support the infrastructure plan, the Communications Directorate will develop a brand, including a look for the new infrastructure programs, which will be incorporated into the Infrastructure Canada and partner corporate identity programs as appropriate.

The communications function undertakes outreach activities by participating in various conferences and forums to help raise awareness of federal infrastructure programs, cities and communities initiatives, and associated research efforts. For example, Infrastructure Canada will look to participating in municipal conferences, such as the Federation of Canadian Municipalities 70th Annual Conference and Municipal Expo in Calgary in June 2007.



The Communications Directorate conducts media monitoring analysis to track current and emerging public issues and trends reported by the media as they relate to Infrastructure Canada's policies, programs, services and initiatives. The Directorate also uses public environment research to help ensure that the views of Canadians contribute to formulating policy and programs approaches. Infrastructure Canada is currently planning to conduct a comprehensive nationwide public opinion research on Canadians' thoughts and attitudes towards a variety of community related issues, which will be conducted in 2007-2008. The research will help feed into fund renewal policy development and related communications strategy.

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