

Infrastructure Canada

Report on Plans and Priorities (RPP)

2010-2011

The Honourable John Baird, P.C., M.P.
Minister of Transport, Infrastructure and Communities



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Minister's Message

As Canada's Minister of Transport and Infrastructure, I am pleased to present Infrastructure Canada's Report on Plans and Priorities for 2010-2011. The report outlines the department's commitment to provide financial support for public infrastructure that strengthens the country's economy and creates jobs as we move towards a promising and prosperous future.

In Canada's Economic Action Plan announced in Budget 2009, this government acknowledged the important role infrastructure holds in stimulating and re-building the Canadian economy. As part of the plan, the \$4 billion Infrastructure Stimulus Fund was established for construction-ready infrastructure projects, the Building Canada Fund-Communities Component was topped up, the Green Infrastructure Fund was created, and the Gas Tax Fund and our existing funds were accelerated to get projects started sooner than otherwise possible.

In the first year of the Economic Action Plan, extraordinary measures were taken to ensure that this new funding was committed to infrastructure projects that could be started during the 2009 and 2010 construction seasons. Projects across Canada are getting underway and jobs created as a result of the effective work of our partners – provinces, territories, municipalities, not-for-profit organizations, and the private sector.

Throughout the upcoming fiscal year, this department will maintain its efforts to support the economy from coast to coast to coast, working with partners to ensure their Economic Action Plan projects move forward and deliver results. At the same time, we will also continue to make key investments to improve Canada's infrastructure across the country through long-term funding programs such as the Gas Tax Fund. Through both targeted short-term investments and long-term stable funding, Infrastructure Canada is providing support for the backbone of the Canadian Economy. Our infrastructure investments will provide enduring benefits for Canadians.

I invite you to follow our progress as we move forward in implementing our infrastructure goals, at www.creatingjobs.gc.ca.



John Baird

The Honourable John Baird, P.C., M.P.
Minister of Transport, Infrastructure and Communities



Section I: Departmental Overview

I.1 Summary Information

I.1.1 Raison d'être

Strong, modern, world-class public infrastructure is a key factor in achieving the Government of Canada's priorities of a stronger economy, a cleaner environment and more prosperous, safer communities. Infrastructure Canada leads the Government of Canada's efforts in addressing the Canada's public infrastructure challenges

I.1.2 Responsibilities

I. Overview

Infrastructure Canada is responsible for federal efforts to enhance Canada's public infrastructure through strategic investments, key partnerships, sound policies and practical research. The department exists to help ensure that Canadians benefit from world-class public infrastructure by supporting infrastructure initiatives from coast to coast. As a focal point for infrastructure issues and programs, the department is also a centre of federal infrastructure expertise and key funding partner for cities, communities and regions across Canada.

Following the economic downturn, Infrastructure Canada also took a leading role in implementing Canada's Economic Action Plan. This is in addition to the department's responsibilities for Building Canada, the Government of Canada's \$33 billion infrastructure plan.

II. Programs

Infrastructure Canada delivers a broad range of infrastructure programs which provide a flexible and effective means of support to provincial, territorial, municipal and private-sector infrastructure projects. The department's funding activities may be broadly grouped as follows:

1. The \$33 billion Building Canada Plan (BCP) programs announced in Budget 2007;
2. The \$5.5 billion in programs delivered by the department under the rubric of the Economic Action Plan (EAP); and
3. A suite of several long-term programs currently winding down.



Together these three groups of programs allow Infrastructure Canada to meaningfully contribute to the realization of the Government of Canada's outcomes. Details of the department's programs, links to government-wide objectives, 2010-2011 planning highlights, as well as financial and human resources information, are set out below.

1) The Building Canada Plan (\$33 billion)

The Building Canada Plan announced in Budget 2007 represents the largest infrastructure investment by the federal government in over half a century. This seven-year \$33 billion initiative provides targeted investments to help ensure that Canada and Canadians benefit from cost-effective and modern infrastructure. The Building Canada Plan provides for stable, flexible and predictable funding to our partners allowing them to plan for the longer-term and address their ongoing infrastructure needs. The plan also recognizes the realities of supporting infrastructure in the North, allowing Northern-specific investments and permitting federal cost sharing of up to 75% for the majority of territorial funding initiatives.

The Building Canada Plan, as administered¹ by Infrastructure Canada, consists of four programs, providing for a range of infrastructure support tools. These programs facilitate the funding of both national and local infrastructure priorities. The Gas Tax Fund (GTF), recently increased to \$2 billion dollars a year, provides municipalities and First Nations communities with reliable, predictable and multi-year funding to enable them to make capital investments in environmentally sustainable municipal infrastructure projects. Municipalities can pool, bank and borrow against this funding, providing significant additional financial flexibility.

GAS TAX FUND:

- \$4.8 billion flowed since 2005
- \$2 billion a year (2009-2010 to 2013-2014)

At the provincial and territorial level, flexible and predictable funding is provided under the Provincial Territorial Base Fund (PT-Base). In contrast to traditional per capita funding, this \$2.3 billion program provides a set amount of funding to each jurisdiction. As part of the Economic Action Plan, provinces and territories were given the opportunity to accelerate funding under this program. Where federal dollars can be matched, funding is being accelerated in support of infrastructure investments taking place in 2009-2010 and 2010-2011. Under this streamlined and flexible program, funding is matched by provinces (50% federal share) and territories (75% federal share) to maximize investment by all orders of government. Federal commitments of \$1.4 billion

1. The Government of Canada's 2007 Building Canada Plan includes programs administered by other federal departments (e.g. the Gateways and Borders Fund is the responsibility of Transport Canada). For the purposes of this report, Building Canada will refer to programs under the responsibility of Infrastructure Canada.



for infrastructure investments have already been made. This represents nearly \$3.4 billion in total infrastructure investments.

Commitments under the Building Canada Fund-Communities Component are equally impressive, with the entire \$1 billion in federal funding now committed to over 875 projects. This Building Canada fund provides funding to address the unique infrastructure pressures facing smaller communities, targeting investments exclusively to communities with populations of less than 100,000. Working in partnership with recipients the fund supports construction, renewal and enhancement of basic infrastructure needs such as potable water, wastewater treatment, local roads and other needs of small communities.

The largest of the four Building Canada Plan funds, the \$6.7 billion Building Canada Fund-Major Infrastructure Component, targets larger, strategic infrastructure projects at the national, regional, provincial and territorial levels. It increases overall investment in public infrastructure and contributes to broad federal objectives of economic growth, a cleaner environment, and strong and prosperous communities. Two-thirds of the funding is to be targeted to the national priority areas of water, wastewater, public transit, the core national highway system, and green energy. Funding under this program and the Communities Component were streamlined and accelerated under the Economic Action Plan. In addition, the Large Urban Centres Component of the Building Canada Fund provides funding for infrastructure projects in Quebec's nine big cities (Montreal, Quebec City, Laval, Gatineau, Longueuil, Sherbrooke, Lévis and Trois-Rivières) to assist in meeting their urgent infrastructure needs.

**Building Canada Fund-
Major Infrastructure Component:**

- 122 projects approved
- Worth over \$16 billion

2) Economic Action Plan (EAP) Funds (\$5.5 billion)

In early 2009 the federal government took decisive action in response to the deepest global recession since the 1930s. The government introduced a plan that was one of the most comprehensive in the industrialized world. It was a \$62 billion boost to create jobs, to support workers, to build consumer confidence and to get our economy moving once again.

Under the Economic Action Plan a number of federal departments are providing approximately \$16 billion over two years to modernize a broad range of infrastructure including our roads, bridges, public transit, parks and water treatment facilities, and to support home ownership, to help stimulate the housing sector and improve housing across Canada. These investments will help ensure that the country emerges from the economic downturn with a more modern and greener infrastructure.



In early 2009, the department took on the responsibility of delivering \$5.5 billion in new, short-term funding, primarily for construction-ready infrastructure projects that will be materially completed before March 31, 2011. As part of the Economic Action Plan funding was also be accelerated under some existing Building Canada Plan programs, including the Provincial-Territorial Base Fund, the Major Infrastructure Component and the Communities Component. The streamlining of approvals and acceleration of funding is another means to get more infrastructure projects started in the short-term.

In 2010-2011, as part of the second phase of the Economic Action Plan, Infrastructure Canada will focus on delivering the significant commitments made under its four EAP funds.

Infrastructure Canada's Economic Action Plan Funds:

- Building Canada Fund-Communities Component Top-Up (\$500 million)
- Infrastructure Stimulus Fund (\$4 billion)
- Green Infrastructure Fund (\$1 billion)
- National Recreations Trails Fund (\$25 million)

The four EAP funds continue the department's support of world-class infrastructure for the benefit of Canadians, with the additional benefit of providing a short-term boost to the Canadian economy. The Communities Component Fund Top-Up of \$500 million dollars provides additional support for infrastructure projects in communities with populations of less than 100,000. Funding has been fully committed to support over 530 projects with a total value of \$1.5 billion.

The Infrastructure Stimulus Fund supports provincial, territorial and municipal infrastructure projects, as well as projects submitted by not-for-profit and for-profit entities. Funding has been approved for close to 4,000 projects under the following eligible investment categories: Water, wastewater, public transit, solid waste management, highways, roads, culture, community centers and services, temporary shelter infrastructure, parks and trails, and rail and port infrastructure. The total value of these projects is approximately \$10 billion.

The Green Infrastructure Fund is a five-year fund which supports infrastructure projects that promote cleaner air, reduced greenhouse gas emissions and cleaner water. Over \$500 million has been approved for 15 projects, representing a total project value of about \$1.4 billion.

The smallest of the department's EAP funds is the National Recreational Trails Fund which provided \$25 million in 2009-2010



to the National Trails Coalition to create, upgrade, and sustain non-motorized, snowmobile and all-terrain-vehicle trails throughout Canada. The government's contribution to over 480 projects is being matched by the Coalition and its partners, leading to job creation and short-term economic activity in rural communities, and creating a lasting legacy of trail infrastructure that will benefit Canadians for many years to come.

3) Other Programs

During the 2010-2011 planning period Infrastructure Canada will also manage a number of infrastructure programs launched prior to the 2007 Building Canada Plan. These programs have been effectively fully committed for some time and are in the process of winding down. Specifically, these programs include: The Canada Strategic Infrastructure Fund, Border Infrastructure Fund, Municipal Rural Infrastructure Fund and the Infrastructure Canada Program, for which there is no planned spending in 2010-2011. For the first three funds, in total, the planned expenditures in 2010-2011 are approximately \$700 million. Program highlights are as follows:

- **Canada Strategic Infrastructure Fund (\$4.9 Billion):** This program supports construction, renewal and enhancement to projects in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians. Under this program 75 projects have been approved with a total project value of \$14 billion.
- **Border Infrastructure Fund (\$675 Million):** This program, established in 2002, invests in physical infrastructure, intelligence transportation system infrastructure, and improved analytical capacity at the largest surface border crossings between Canada and the United States, as well as several other crossing points in Canada. The government has approved 10 projects with a total project value of \$1.7 billion.
- **Municipal Rural Infrastructure Fund (\$1.1 Billion):** This fund invests in small-scale municipal infrastructure projects designed to promote and improve quality of life in both urban and rural communities where population is less than 250,000. This 2004 program funds projects which help to promote sustainable economic growth, innovation and healthy communities. Approximately 2,000 projects worth \$3.6 billion have been approved under this program.
- **Infrastructure Canada Program (\$2.05 Billion):** This program is designed 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. Since 2000, funding has been approved for over 3,700 projects.



In addition to more traditional support for infrastructure programs, Infrastructure Canada also plays a role in promoting and sharing research and studies with other levels of government and stakeholders. This helps to support a more informed infrastructure policy development environment and improves infrastructure knowledge and practices at all levels of government.

Federal Delivery Partners

As the lead federal department responsible for infrastructure policy development and program delivery, Infrastructure Canada collaborates with other federal departments and agencies to promote an integrated approach for the delivery of infrastructure programs. The Federal Delivery Partners (FDPs) are: Transport Canada, Indian and Northern Affairs Canada (INAC), Industry Canada, Western Economic Diversification, Canada Economic Development for Quebec Regions, and the Atlantic Canada Opportunities Agency (ACOA).

1.1.3 Strategic Outcomes and Program Activity Architecture (PAA)

In accordance with Treasury Board's Management, Resources and Results Structures Policy Infrastructure Canada's Program Activity Architecture (PAA) provides a framework for all facets of departmental activities. It serves to organize resource allocation (both human and financial) against departmental activities and expected outcomes. It also provides a meaningful way to link activities at the departmental level to broader Government of Canada Outcomes.

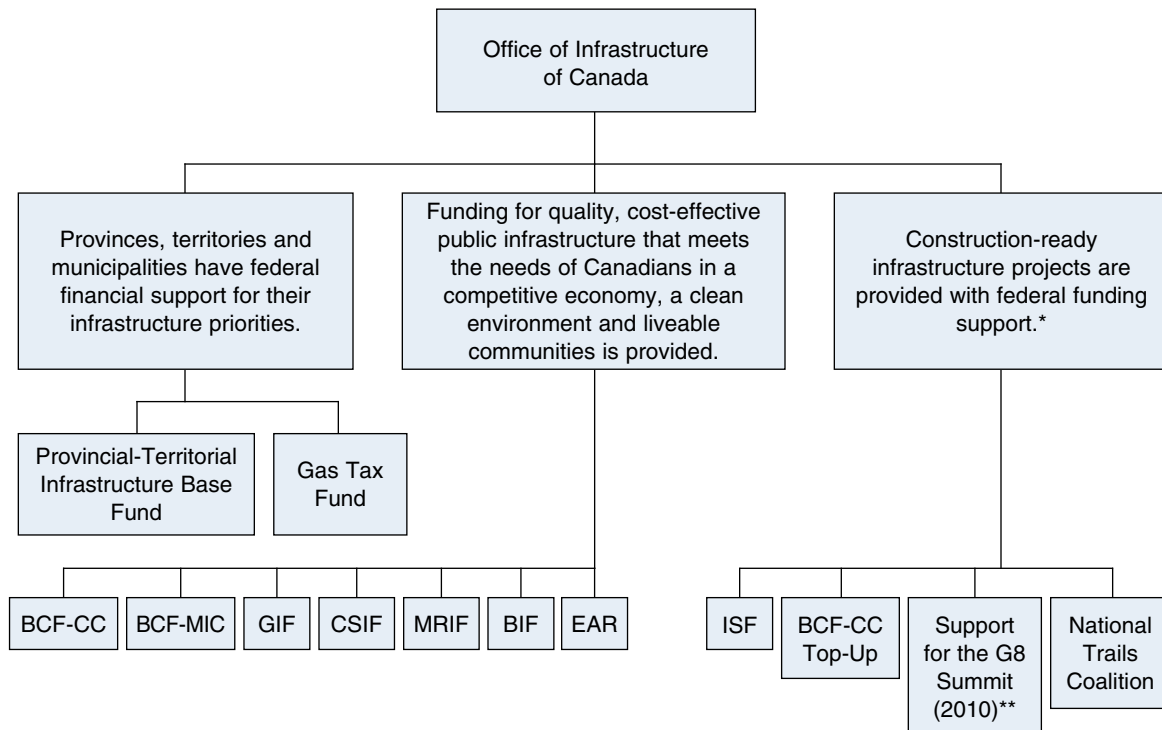
In late 2009, Infrastructure Canada's Strategic Outcomes and Program Activity Architecture (PAA) structure were amended to better reflect all of its activities, including new responsibilities resulting from Canada's Economic Action Plan. The new PAA structure is set out in graphic form in Figure 1, and the new strategic outcomes are as follows:

- 1) *Provinces, territories and municipalities have federal financial support for their infrastructure priorities;*
- 2) *Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided; and*
- 3) *Construction-ready infrastructure projects are provided with federal funding support.*



The strategic outcomes delineate the three major activity areas of the department. They not only speak to the long-term benefits which our infrastructure investments contribute to under such programs as the Building Canada Plan, but they also highlight the department's more temporary activities such as the significant funding being provided under the Economic Action Plan.

Figure 1: Program Activity Architecture (PAA)



* This is a temporary strategic outcome to accommodate short-term measures including the Economic Action Plan initiatives assigned to Infrastructure Canada. Funding in support of the G8 Summit and for the National Trails Coalition was provided in 2009-2010.

** These funds are not part of the Economic Action Plan.

Acronyms

- BCF-CC (Building Canada Fund-Communities Component)
- BCF-MIC (Building Canada Fund-Major Infrastructure Component)
- GIF (Green Infrastructure Fund)
- CSIF (Canada Strategic Infrastructure Fund)
- MRIF (Municipal Rural Infrastructure Fund)
- BIF (Border Infrastructure Fund)
- EAR (Economic Analysis and Research)
- ISF (Infrastructure Stimulus Fund)
- BCF-CC Top-Up (Building Canada Fund-Communities Component Top-Up)



1.1.4 Program Activity Architecture Crosswalk

Until 2009-2010, Infrastructure Canada had one strategic outcome “Quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a clean environment and liveable communities”, and four program activities, which were:

- Targeted Provincial Project-Based Infrastructure Funding;
- Provincial-Territorial Infrastructure Base Fund;
- Gas Tax Fund; and
- Knowledge and Research.

As noted above, in late 2009 the department amended its Strategic Outcome and Program Activity Architecture (PAA) structure to better reflect all of its responsibilities, including new departmental programs under Canada’s Economic Action Plan. Infrastructure Canada’s PAA now includes:

- Activities which were previously under the Targeted Project-Based Infrastructure Funding program activity: The Building Canada Fund-Communities Component, Building Canada Fund-Major Infrastructure Component, Canada Strategic Infrastructure Fund, Municipal Rural Infrastructure Fund and the Border Infrastructure Fund. The former Targeted Project-Based Infrastructure Funding program activity has been dropped and these five funds have become program activities in their own right. (See Figure 1).
- Provincial-Territorial Infrastructure Base Fund (remains the same in the new PAA);
- Gas Tax Fund (remains the same in the new PAA); and
- Economic Analysis and Research (formerly Knowledge and Research program activity).

With respect to primary level of the PAA, changes made to the strategic outcomes are:

- 1) The PAA was expanded to reflect new short-term departmental responsibilities stemming from Canada’s Economic Action Plan (e.g. Infrastructure Stimulus Fund, Building Canada Fund-Communities Component Top-Up and National Trails Coalition), which together have the common strategic objective of ensuring that “Construction-ready infrastructure projects are provided with federal funding support.” As well, the G8 Fund is under this objective, but funding took place in 2009-2010.
- 2) The second strategic objective is that “Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided” captures key Building Canada Plan



contribution programs, as well as those programs which are currently winding down (i.e. Canada Strategic Infrastructure Fund, Municipal Rural Infrastructure Fund and Border Infrastructure Fund). Even though the Green Infrastructure Fund was announced in Budget 2009 as a five-year program, it is also included under the second objective.

- 3) The third strategic objective to ensure that “Provinces, territories and municipalities have federal financial support for their infrastructure priorities” was created, and is shared by two program activities: The Gas Tax Fund and the Provincial-Territorial Infrastructure Base Fund.

At the secondary level, there are 13 program activities which fall under the strategic objectives. The program activity level is the lowest operational level in the department’s PAA. As such, funding, human resources and performance indicators are organized against these 13 activities. Additionally, each program activity is linked to specific Government of Canada outcomes. Specific details of all program activities are provided in Section II of the RPP.

The Program Activity Architecture (PAA) and the Performance Measurement Framework (PMF)

A department’s Performance Measurement Framework is a formal structure which assigns performance indicators and targets to program activities. As the department’s PAA was significantly changed in the fall of 2009, a matching PMF has not yet been fully developed or approved. As such, this document’s performance indicators and targets may be subject to change in the coming months. The department is committed to developing a holistic and horizontal approach to performance measurement which will tell a meaningful story to Parliamentarians and Canadians alike.

I.2 Planning Summary

Infrastructure Canada’s accomplishments to date have had a very real impact on our country. Cities, towns and other regions across Canada have benefited from new investments in infrastructure, such as improved transit systems, water facilities, roads and highways, community centres and the like. These tangible investments have contributed to better communities and a stronger economy. While recognizing that much has been achieved, much remains to be done. In 2010-2011, Infrastructure Canada will focus on commitments made under Canada’s Economic Action Plan and will work with its partners who are responsible to ensure stimulus projects are substantially completed before March 31, 2011.



Infrastructure Canada works in partnership with municipal, provincial, territorial governments, along with the private sector, to fund infrastructure projects. Our project partners are responsible for the planning and construction of public infrastructure. As the majority of program funding is given out on a reimbursement basis, the rate of project funding will depend upon the pace of our partners' construction and billing. Infrastructure Canada will work closely with its partners to monitor projects, reimburse claims in a timely manner, and encourage project completion over the coming year.

During the planning period, Infrastructure Canada will also continue its progress under the Building Canada Plan, including measures to accelerate existing programs. These efforts will also include assessing, recommending and funding infrastructure projects and plans over the medium-term. Additionally, the department will continue to deliver the Gas Tax Fund, and will work with its respective federal and provincial partners to fulfill its ongoing role in relation to the Canada Strategic Infrastructure Fund, the Municipal Rural Infrastructure Fund and the Infrastructure Canada Program.

In all of these efforts, Infrastructure Canada will maintain sound principles of risk management, financial stewardship, fairness and accountability, while ensuring that program funding is provided efficiently for sound infrastructure initiatives.

1.2.1 Financial and Human Resources

Infrastructure Canada's financial and human resources information over the planning period are summarized in Tables 1 and 2.

Table 1: Total Financial Resources (Net Cost of Programs in \$ thousands)

2010-2011	2011-2012	2012-2013
8,182,658	4,516,785	3,944,467

Table 2: Total Human Resources (Full-Time Equivalents – FTE)

2010-2011	2011-2012	2012-2013
428.0	To be confirmed	To be confirmed

It is important to note that Infrastructure Canada does not have an ongoing base-funding level for administration costs. To date, its operating requirements have been based on administrative costs of departmental programs and funded from specific major infrastructure programs. For 2011-2012 and future years, the department has not yet confirmed its operating budget requirements or approved FTE levels.



As highlighted throughout this document, Infrastructure Canada is responsible and accountable, in whole and in part, for 13 separate and distinct infrastructure programs, all linked directly to the three strategic outcomes of the department. As a smaller department, Infrastructure Canada's FTEs are not necessarily directly linked to a specific program and in fact, in most instances, Infrastructure Canada's analysts and officers work on multiple programs. This flexibility has allowed the department to re-allocate and use resources on more than one single funding program and has been one of its key success factors in moving quickly to develop, implement and manage the multiple new programs arising out of the Government of Canada's Economic Action Plan. Where applicable and appropriate, throughout the document FTEs and planned spending are aligned with specific programs. In reality, the FTEs are managed in a holistic fashion and aligned to reflect the stage of the funding program and other government priorities.

1.2.2 Program Activities by Strategic Outcome and Planned Spending

Table 3 summarizes the planned spending and strategic outcomes for each departmental program activity. Table 3 also outlines how Infrastructure Canada's planned outcomes are linked to and support Government of Canada outcome areas relating to overall government spending. (See footnote 3).

Table 3: Program Activities by Strategic Outcome

Strategic Outcome 1: Provinces, territories and municipalities have federal financial support for their infrastructure priorities.					
Performance Indicators		Targets			
Amount of funding provided for eligible categories of infrastructure investments.		Funding will flow expeditiously to program recipients in accordance with program authorities. ²			
Program Activity	Forecast Spending 2009–2010 (\$000)	Planned Spending			Alignment to Government of Canada Outcomes³
		2010–2011	2011–2012	2012–2013	
Provincial-Territorial Infrastructure Base Fund (PT Base)	848,016	590,526	326,675	136,949	Strong Economic Growth
Gas Tax Fund (GTF)	1,976,488	2,003,983	1,974,452	1,974,452	Strong Economic Growth
Total Planned Spending	3,648,634	2,594,509	2,301,127	2,111,401	
Strategic Outcome 2: Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a cleaner environment and liveable communities is provided.					
Performance Indicators		Targets			
Amount of funding provided for eligible categories of infrastructure investments.		Funding will flow expeditiously to program recipients in accordance with program authorities. ²			

² The Performance Measurement Framework for the new Program Activity Architecture will be completed during 2010-2011 with targets based on the financial support provided.

³ For description of the Government of Canada Outcomes, please access the Treasury Board Secretariat web site at: <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>.



Program Activity	Forecast Spending 2009–2010 (\$000)	Planned Spending			Alignment to Government of Canada Outcomes ⁴
		2010–2011	2011–2012	2012–2013	
Building Canada Fund- Communities Component (BCF-CC) ⁵	See footnote 5 below	265,064	279,375	275,635	Strong Economic Growth
Building Canada Fund- Major Infrastructure Component (BCF-MIC) ⁵	See footnote 5 below.	959,100	1,321,081	1,079,003	Strong Economic Growth
Green Infrastructure Fund (GIF)	13,666	388,183	200,000	200,000	Clean and Healthy Environment
Canada Strategic Infrastructure Fund (CSIF) ⁵	See footnote 5 below.	528,278	345,389	203,707	Strong Economic Growth
Municipal Rural Infrastructure Fund (MRIF) ⁵	See footnote 5 below.	123,657	7,263	0	Strong Economic Growth
Border Infrastructure Fund (BIF) ⁵	See footnote 5 below.	50,504	51,638	68,445	Strong Economic Growth
Economic Analysis and Research (EAR)	19,565	15,498	9,117	4,500	Innovative and Knowledge-Based Economy
Targeted Project-Based Funding (Old PAA)	2,060,762	0	0	0	Strong Economic Growth
Internal Services	26,907	29,092	1,796	1,776	
Total Planned Spending	2,120,900	2,359,376	2,215,659	1,833,066	

Strategic Outcome 3: Construction-ready infrastructure projects are provided with federal funding support.

Performance Indicators	Targets
Amount of funding authority provided for eligible construction-ready infrastructure investments.	All funds are committed, project contribution agreements are signed, claims are received, reviewed and approved, funds are paid out and projects are completed. ⁶

Program Activity	Forecast Spending 2009–2010 (\$000)	Planned Spending			Alignment to Government of Canada Outcomes ⁷
		2010–2011	2011–2012	2012–2013	
Infrastructure Stimulus Fund (ISF)	1,136,832	2,866,060	0	0	Strong Economic Growth
Building Canada Fund- Communities Component (BCF-CC) Top-Up	114,755	387,557	0	0	Strong Economic Growth
Support for the G8 Summit (2010)	50,000	0	0	0	Strong Economic Growth
National Trails Coalition	25,000	0	0	0	Strong Economic Growth
Total Planned Spending	1,326,587	3,253,617	0	0	

⁴ For description of the Government of Canada Outcomes, please access the Treasury Board Secretariat web site at http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/mrrsp-psgrr/wgf-cp-eng.asp.

⁵ These programs became new program activities in November 2009. Previously, their forecast spending was under the former Targeted Project-Based Infrastructure Funding Program Activity, which had a total for 2009-2010 of \$2,060,762,000.

⁶ The Performance Measurement Framework for the new Program Activity Architecture will be completed during 2010-2011 with targets based on the financial support provided.

⁷ For description of the Government of Canada Outcomes, please access the Treasury Board Secretariat web site at: <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>.



1.3 Contribution of Priorities to Strategic Outcomes

Infrastructure Canada's priorities for 2010-2011 include two operational priorities and three management priorities that are either ongoing or previous commitments:

Operational Priorities

- » Effective and efficient stewardship of program expenditures
- » Expedite investments in provincial, territorial and municipal infrastructure projects

Management Priorities

- » Respond to opportunities for improvement identified in Management Accountability Assessments
- » Support Public Service Renewal and improve People Management
- » Development of a Performance Management Framework to support the department's new Program Activity Architecture (PAA)

For 2010-2011, Infrastructure Canada has added one new management priority – Enhance departmental capacity for financial monitoring and analysis. This priority reflects both initiatives related to Canada's Economic Action Plan programs announced in Budget 2009, as well as previous initiatives.

Table 4: Contribution of Priorities to Strategic Outcomes

Operational Priorities	Type ⁸	Links to Strategic Outcome(s)	Description
Priority 1: Effective and efficient stewardship and monitoring of program expenditures.	Previously committed to.	Strategic Outcomes 1, 2 and 3.	Ensure that program management control frameworks, documentation, monitoring and reporting tools, and internal audit regimes are in place and working effectively to ensure sound stewardship of all program expenditures.
Priority 2: Expedite investments in provincial, territorial and municipal infrastructure projects.	Previously committed to.	Strategic Outcomes 1, 2 and 3.	Continue to implement measures aimed at reducing duplication, streamlining federal processes, fast tracking project approvals and accelerating funding under the Building Canada Plan and the new infrastructure funds announced in Budget 2009, in partnership with provincial, territorial and municipal governments.

⁸ Type is defined as follows: **previously committed to**—committed to in the first or second fiscal year prior to the subject year of the report; **ongoing**—committed to at least three fiscal years prior to the subject year of the report; and **new**—newly committed to in the reporting year of the RPP or DPR.



Management Priorities	Type ^a	Links to Strategic Outcome(s)	Description
1. Respond to opportunities for improvement identified in the Management Accountability Framework (MAF) assessments.	Ongoing.	Strategic Outcomes 1, 2 and 3.	Expand and enhance business planning processes, and continue to improve the quality and effectiveness of the internal audit and evaluation function.
2. Support Public Service Renewal and improve People Management.	Ongoing.	Strategic Outcomes 1, 2 and 3.	Continue to implement Infrastructure Canada's Integrated Business and Human Resources Plan (IBHRP).
3. Development of a Performance Measurement Framework (PMF) to support the department's new Program Activity Architecture (PAA).	Previously committed to.	Strategic Outcomes 1, 2 and 3.	Develop a Performance Measurement Framework (PMF) for the department's new Program Activity Architecture (PAA) structure, in compliance with the Treasury Board Secretariat's Management, Resources and Results Structures (MRRS) Policy.
4. Enhance departmental capacity for financial monitoring and analysis.	New	Strategic Outcomes 1, 2 and 3.	Development of automated system(s) and improvements to the Shared Information Management System for Infrastructure (SIMSI) database, to support improved financial monitoring and analysis.

1.4 Risk Analysis

The Canadian economy continues to face significant challenges as a result of the ongoing global economic downturn. Given these challenges and ongoing priorities, Infrastructure Canada will continue its focus and work with partners on the implementation and effective delivery of key infrastructure initiatives under the Economic Action Plan. The department will also maintain the measures it implemented in 2009-2010, aimed at streamlining federal processes, fast-tracking project approvals, and accelerating funding under the Building Canada Plan and the Economic Action Plan.

When the government announced infrastructure measures under the Economic Action Plan, the department conducted a detailed risk assessment of its ability to deliver on its strategic outcomes and identified critical risks as part of the 2009 Corporate Risk Profile. The department continues to implement and monitor the effectiveness of its mitigation measures. This section addresses some of the current high-risk areas.

a) Providing Infrastructure Funds from the Economic Action Plan within Established Timeframes

The Government of Canada's ability to accelerate infrastructure programs is dependent on the actions of the provinces, territories and municipalities. They must agree to identify and fast-track construction-ready projects to effectively manage delays, match accelerated federal funding where cost-sharing is required, and to promptly submit claims for expenses incurred. Successfully accelerating infrastructure funding also depends on the success of regulatory streamlining measures, particularly for federal environmental assessment requirements. Infrastructure Canada will continue to work closely with its partners to streamline



approval and implementation barriers, and to monitor the ongoing implementation of its mitigation measures outlined in the 2009 Corporate Risk Profile.

b) Ensuring Sufficient Capacity and Capability to Administer the Increased Number of Programs and the Acceleration of Funding, and in the Delivery of Other Priority Initiatives

Infrastructure Canada relies on a dedicated team of professionals to manage and deliver its programs. However, as a relatively small organization, the 2009 Corporate Risk Profile ranked capacity and capability as an important risk in delivering on the department's mandate. By implementing a series of mitigation measures including actions outlined in the department's Integrated Business and Human Resources Plan (IBHRP) to recruit, develop and retain employees, the department is reducing risks in this area. Infrastructure Canada has also made significant progress in ensuring that sufficient capacity is in place to process the influx of the Economic Action Plan-related project applications, and that staff have the necessary business models and risk assessment tools (e.g. business models, risk assessment) needed to oversee the management of its programs.

c) Oversight of Infrastructure Projects

Given the department's focus on implementing and approving projects under the EAP and Building Canada programs, there is an ongoing need to maintain sufficient departmental capacity for project oversight. The department is mitigating this risk by using accountability mechanisms such as contribution agreements, memoranda of understanding, legal agreements, oversight or management committees and enhancements to reporting systems (e.g. the Shared Information Management System for Infrastructure (SIMSI) database system). These measures plus those related to the department's Integrated Business and Human Resources Plan are aimed specifically at addressing these key project administration risks.



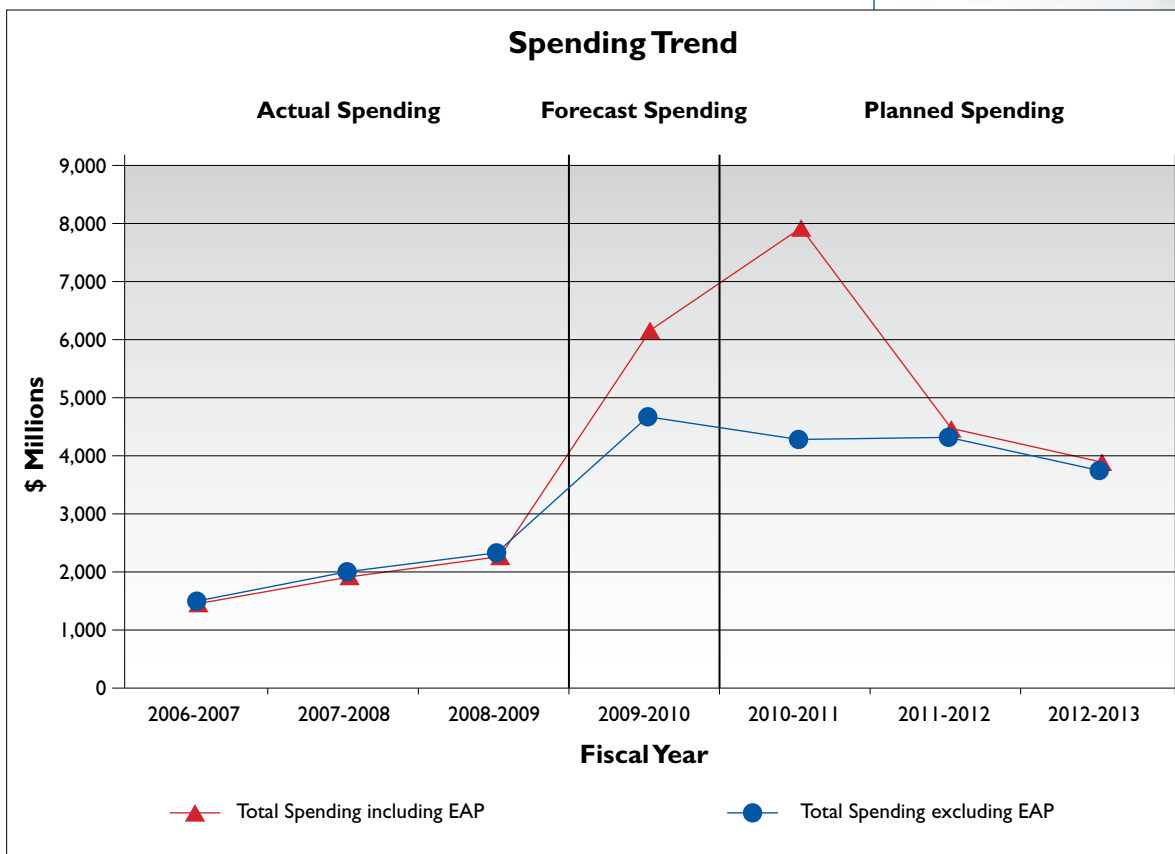
I.5 Expenditure Profile

I.5.1 Spending Trends and the Economic Action Plan (EAP)

Infrastructure Canada's spending is projected to increase significantly as the department implements programs under the Economic Action Plan (EAP). By 2011-2012, departmental spending is planned to decrease as stimulus programs wind down. Figure 2 presents the department's actual, forecast and planned spending profile from 2006-2007 to 2012-2013. Over the 2006-2007 to 2007-2008 periods, total spending includes all Parliamentary appropriation sources: Main Estimates, Supplementary Estimates, Treasury Board Votes 10, 15 and 22, as well as carry-forward adjustments. For the 2009-2010 to 2012-2013 period, the total spending corresponds to previously planned spending plus spending related to new infrastructure funds announced in Budget 2009. As indicated in Figure 2, spending related to Canada's Economic Action Plan started in 2009-2010, and is planned to continue through 2011-2012 (except for the Green Infrastructure Fund which is planned to continue until 2013-2014).



Figure 2: Departmental Spending Trend and the Economic Action Plan



1.5.2 Voted and Statutory Items

Table 4: Voted and Statutory Items Listed in Main Estimates (in \$ thousands)

Vote Number or Statutory Item (s)	Truncated Vote or Statutory Wording	2009-2010 Main Estimates ⁹	2010-2011 Main Estimates
50	Operating Expenditures	40,283	56,131
55	Contributions	4,117,074	6,685,292
(S)	Contributions	--	1,436,078
(S)	Contributions to Employee Benefit Plans	3,357	5,157
TOTAL		4,160,714	8,182,658

⁹ Infrastructure Canada's budget for contributions has increased significantly from 2009-2010 to 2010-2011. This is primarily due to increased funding for the implementation of the Economic Action Plan. Main Estimates can be accessed at <http://www.tbs-sct.gc.ca/est-pre/20092010/p2-eng.asp>.





Section II: Analysis of Program Activities by Strategic Outcomes

2.1 Program Activities and Strategic Outcomes

As previously mentioned in this report, Infrastructure Canada has three strategic outcomes in support of its mandate, as approved in November 2009. These are:

- 1) Provinces, territories and municipalities have federal financial support for their infrastructure priorities;*
- 2) Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a clean environment and liveable communities is provided, and*
- 3) Construction-ready infrastructure projects are provided with federal funding support.*

The three strategic outcomes reflect the long-term and enduring benefit to Canadians that stems from Infrastructure Canada's mandate, vision and mission. They focus on the area of direct influence on investments in quality and cost-effective public infrastructure. All three strategic outcomes reflect the requirements of the Management, Resources and Results Structure Policy, and also represent a clear end-state for the department to strive towards, for which the measurement of progress is more easily quantifiable, and is within the scope of intervention of the department.

Overall, the programs' expected results are the construction, renewal and/or enhancement of public infrastructure that contribute to a competitive economy, a clean environment and liveable communities. A new performance Measurement Framework (PMF) will be developed in 2010-2011 and will be the basis for establishing performance indicators and specific targets under each program activity.

The information presented in this section is organized according to Infrastructure Canada's Program Activity Architecture structure for 2010-2011, which consists of 13 program activities: The Provincial-Territorial Infrastructure Base Fund, Gas Tax Fund, Building Canada Fund-Communities Component, Building Canada Fund-Major Infrastructure Component, Green Infrastructure Fund, Canada Strategic Infrastructure Fund, Municipal Rural Infrastructure Fund, Border Infrastructure Fund, Economic Analysis and Research, Infrastructure Stimulus Fund, Support for G8 Summit (2010), and National Trails Coalition. Internal Services supports all strategic outcomes, but is not part of the program activity architecture structure.



2.2 Strategic Outcome I

Provinces, territories and municipalities have federal financial support for their infrastructure priorities.

2.2.1 Provincial-Territorial Infrastructure Base Fund

Program Activity: Provincial-Territorial Infrastructure Base Fund					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010-2011		2011-2012		2012-2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
5.0	590,526	To be confirmed	326,675	To be confirmed	136,949

Program Activity Expected Results	Performance Indicators	Targets
<p>A base level of federal funding is provided to address provincial-territorial core infrastructure priorities.</p> <p>Through the Economic Plan, funding is accelerated upon agreement of provinces and territories, in order to provide economic stimulus.</p>	<p>Amount of federal funding to be committed:</p> <p>Dollars leveraged:</p>	<p>\$300 million.</p> <p>\$250 million.</p>

Program Activity Summary: This program activity provides a pre-determined level of base funding to provinces and territories for infrastructure initiatives, balancing the Building Canada Fund's per capita allocations. The Provincial-Territorial Infrastructure Base Fund was designed to help restore the fiscal balance while enhancing Canada's public infrastructure system. Funding will be matched by provinces (50% federal share) and territories (75% federal share) to maximize investment by all orders of government.

Similar to the Gas Tax Fund, federal funding will be provided up-front and on a regular basis. This ensures additional financial flexibility to provinces and territories as part of the Building Canada Plan. All provinces and territories will benefit from this investment in modern public infrastructure, particularly jurisdictions with smaller populations.

Economic Action Plan (EAP)

Through Canada's Economic Action Plan, the Government of Canada committed to accelerating existing infrastructure investments under this fund. For those provinces and territories that agree to cost-share and match accelerated federal funding, the program is being accelerated to focus on initiatives that could begin construction over fiscal years 2009-2010 and 2010-2011. Of the total planned spending for 2010-2011, the amount for accelerated funding is \$260.6 million beyond the existing \$25 million per year.



To date, nine jurisdictions have agreed to match the accelerated federal funding.

Planning Highlights: During the planning period, the program will:

- Conclude Provincial-Territorial Base Funding agreements with any jurisdictions that have not yet signed their agreements;
- Encourage provinces and territories to accelerate some or all of PT-Base in 2010-2011; and
- Ensure the sound administration of the Provincial-Territorial Base Fund.

Benefits for Canadians: The Provincial-Territorial Base Fund provides significant flexibility to provinces and territories to support their core infrastructure priorities, including most of the categories under the Building Canada Fund, as well as any highway infrastructure and the safety-related rehabilitation of infrastructure.

By accelerating funding under the Economic Action Plan, the Government of Canada is providing important financial stimulus to the economy, and contributing to the long-term prosperity of communities.

2.2.2 Gas Tax Fund

Program Activity: Gas Tax Fund					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010-2011		2011-2012		2012-2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
15.0	2,003,983	To be confirmed	1,974,452	To be confirmed	1,974,452

Program Activity Expected Results	Performance Indicators	Targets
Predictable, long-term federal funding is provided to support municipal infrastructure that contributes to cleaner air, cleaner water and reduced greenhouse gas emissions.	Amount of federal funding received by municipalities: Number of municipal recipients receiving Gas Tax funding:	\$1.9 billion (95% of estimates). 3,640 (95% of municipal recipients).

Program Activity Summary: This program activity provides municipalities with predictable long-term funding coupled with local decision-making to enable municipalities to build and rehabilitate their core public infrastructure. Under this program activity, Canada has entered into Gas Tax Fund Agreements with provinces, territories, the Association of Municipalities of Ontario, the Union of British Columbia Municipalities and the City of Toronto. These agreements establish an accountability framework allowing Canada to flow Gas Tax Fund monies twice a year to signatories which in turn, flow funds to municipal recipients based on an agreed upon allocation formula. For their part, municipal recipients decide which projects to prioritize within



established investment categories that contribute to shared national outcomes of cleaner air, cleaner water and reduced greenhouse gas emissions, and increase community capacities to undertake long-term planning. Municipalities can pool, bank and borrow against this funding, providing significant additional financial flexibility. In order to remain eligible recipients under the Gas Tax Fund, municipalities are required to report annually on their use of funds and their compliance to terms and conditions of the federal-provincial Gas Tax Fund Agreements. Budget 2007 added \$8 billion in new funding and extended the Gas Tax Fund from 2010 to 2014, doubling it to \$2 billion per year. Budget 2008 announced that the government will make it ongoing.

Economic Action Plan (EAP)

While the planned spending funds from the Gas Tax Fund are not part of the Economic Action Plan, they complement these efforts by providing long-term federal funding for infrastructure projects.

Planning Highlights: During the planning period, the program will:

- Manage the ongoing implementation of the Gas Tax Fund agreements extended to 2014, including program oversight and collaboration with provinces, territories and municipalities; and
- Review and analyze outcomes reports from provinces and territories, and consolidate the results into one national outcomes report.

Benefits for Canadians: By combining predictable long-term funding with local decision-making, municipal recipients can better plan and undertake sustainable investments in their core public infrastructure while contributing to cleaner air and water, and to reducing greenhouse gas emissions for the benefit of all Canadians. Since the program's inception, \$4.8 billion in Gas Tax Fund has flowed from Canada for municipal recipients. Jurisdictions are required to report on an annual basis, providing expenditure details for the previous fiscal year. Therefore, during 2009-2010 Infrastructure Canada received results for 2008-2009, which indicate that of the funds transferred, municipalities had spent almost \$2.6 billion on over 7,130 projects by the end of 2008-2009.



2.3 Strategic Outcome 2

Funding for quality, cost-effective public infrastructure that meets the needs of Canadians in a competitive economy, a clean environment and liveable communities is provided.

2.3.1 Building Canada Fund-Communities Component

Program Activity: Building Canada Fund-Communities Component (BCF-CC)					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010-2011		2011-2012		2012-2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
17.0	265,064	To be confirmed	279,375	To be confirmed	275,635

Program Activity Expected Results	Performance Indicators	Targets
Federal funding is provided for infrastructure projects in communities with populations of less than 100,000, to help these smaller communities with their unique challenges.	<p>Amount of federal funding committed:</p> <p>Amount of funding leveraged:</p>	<p>No new funding commitments are planned for 2010-2011, as the program was fully committed. This is in line with the Economic Action Plan's objectives, i.e., the department would work with its partners to accelerate spending and provide stimulus to the economy.</p> <p>Apart from program administration costs, \$260 million of planned spending for 2010-2011 reflects funding commitments made in previous years.</p> <p>Federal spending commitments for 2010-2011 are expected to support \$520 million in eligible infrastructure costs by funding partners.</p>

Program Activity Summary: This program activity provides funding to address the unique infrastructure pressures facing smaller communities focussing on project investments in communities with populations of less than 100,000. Working in partnership through federal delivery partners and recipients, the fund supports construction, renewal and enhancement of basic infrastructure needs such as potable water, wastewater treatment, local roads and other infrastructure needs of small communities. The fund leverages additional contributions from other partners by limiting the maximum federal share for funded projects, to between 25% and 50% depending on the category and type of recipient.

Economic Action Plan (EAP)

Significant efforts were made to accelerate the approval process of projects under this program activity. In fact, all Communities Component funding had to be committed to projects before provinces were able to access the Economic Action Plan's Top-Up funds. Since the release of the Economic Action Plan, the entire allocation of federal funding of close to \$1 billion has been



announced in support of over 875 smaller-scale projects in communities with populations of less than 100,000.

Planning Highlights: During the planning period, the program will:

- Continue to manage the \$1 billion in federal contributions to support the construction, renewal and enhancement of public infrastructure in smaller communities;
- Obtain assurance that the construction work of several hundred projects dealing with wastewater treatment, potable water, local roads and other infrastructure needs is completed; and
- Continue to manage the program at the federal level in a collaborative fashion, in cooperation with the respective Federal Delivery Partners.

Benefits for Canadians: The Communities Component of the Building Canada Fund addresses the local needs of Canada's smaller communities by contributing to the funding of smaller scope infrastructure projects in communities with populations fewer than 100,000. Infrastructure Canada's contributions under the Communities Component enable construction or rehabilitation of infrastructure that may otherwise be beyond the community's normal budgetary capacity. The increased amount of sustainable infrastructure resulting from this program activity leads to strong economic and productivity growth, improved water, air and land quality, and strong, competitive and sustainable communities.

2.3.2 Building Canada Fund-Major Infrastructure Component

Program Activity: Building Canada Fund-Major Infrastructure Component					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010-2011		2011-2012		2012-2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
62.0	959,100	To be confirmed	1,321,081	To be confirmed	1,079,003

Program Activity Expected Results	Performance Indicators	Targets
Federal funding is provided for large, strategic infrastructure projects both at the national and regional level.	Amount of federal funding to be committed: Dollars leveraged:	\$1.7 billion. \$4.4 billion.

Program Activity Summary: This program activity targets larger, strategic infrastructure projects both at the national and regional level. It increases overall investment in public infrastructure and contributes to broad federal objectives of economic growth, a cleaner environment and strong and prosperous communities. The objective is to target two-thirds of the funding to national priorities of water, wastewater, public transit, the core national highway



system and green energy. The Major Infrastructure Component has 11 additional eligible categories of investment, and priority projects are identified through discussions with provinces. By providing up to 50% federal funding on a cost-shared basis, it levers additional contributions from other partners to promote increased investment in strategic infrastructure. Eligible recipients include provinces, local or regional governments, public sector bodies, non-profit organizations and private companies.

Projects identified as a priority, must be supported by a business case which is reviewed against key program criteria. Projects under this program activity contribute to the construction, renewal and/or enhancement of public infrastructure. As part of the Economic Action Plan, the government has made a commitment to accelerate funding under the Building Canada Plan. As part of this commitment, the department has streamlined the federal evaluation and approval of projects under the Building Canada Fund-Major Infrastructure Component simplifying and developing a more efficient review process to help projects get started sooner.

Economic Action Plan (EAP)

As part of Canada's Economic Action Plan, the government made a commitment to accelerate funding under the Building Canada Plan. As part of this commitment, the department has simplified and streamlined the process for evaluating and approving projects under the Building Canada Fund-Major Infrastructure Component, in order to help projects get started sooner. Under this new process, more than \$2.8 billion of new federal funding has been approved for just under 100 priority projects.

Planning Highlights: During the planning period, the program will:

- Continue to work with provincial governments to identify priority major infrastructure projects for funding that remains in provincial allocations;
- Maintain the objective of targeting two-thirds of funding to national priorities of water, wastewater, public transit, the core national highway system and green energy;
- Continue to accelerate the approval of major infrastructure projects through streamlined federal evaluations;
- Continue to work towards the signing of project-specific contribution agreements for major infrastructure projects announced as funding priorities under the Building Canada Fund; and
- Continue to oversee the implementation of project-specific agreements, ensuring that the terms of agreements are respected and that claims for payment are processed efficiently.



Benefits for Canadians: The Major Infrastructure Component of the Building Canada Fund provides Canadians with modern, strategic and large scale infrastructure projects that reflect the government's priorities of strong economic and productivity growth, a healthy and sustainable environment, and stronger Canadian communities. As noted, a majority of the funding under the Major Infrastructure Component is targeted to address the national priorities of drinking water, wastewater, public transit, core highway systems and green energy, so that Canadians can benefit from new, modern infrastructure in the most crucial areas.

2.3.3 Green Infrastructure Fund

Program Activity: Green Infrastructure Fund					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010-2011		2011-2012		2012-2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
20.0	388,183	To be confirmed	200,000	To be confirmed	200,000

Program Activity Expected Results	Performance Indicators	Targets
Federal funding is provided to support infrastructure projects which promote cleaner air, cleaner water and land, and reduce greenhouse gas emissions.	Amount of federal funding to be committed: Dollars leveraged:	\$350 million. \$700 million.

Program Activity Summary: This program activity provides funding for infrastructure projects that promote cleaner air, reduced greenhouse gas emissions and cleaner water. Project categories include: Wastewater infrastructure, green energy generation infrastructure, green energy generation and transmission infrastructure, solid waste infrastructure and carbon transmission and storage infrastructure. The Green Infrastructure Fund provides up to 50% of eligible project costs to promote increased investment in infrastructure investment in support of a more sustainable economy. Funding is provided on a cost-shared basis to provinces, territories, local or regional governments, public sector bodies, other eligible non-profit organizations and private sector companies, either alone or in partnership with a province, territory or a government body.

Economic Action Plan (EAP)

This funding contributes to green public infrastructure projects, and complements the economic and environmental efforts of other federal government measures, so that Canada emerges from the current economic downturn more quickly and with greener infrastructure.

Planning Highlights: During the planning period, the program will:

- Continue to work with provincial, territorial and municipal governments to identify and announce green infrastructure projects;



- Conclude project-specific agreements for green infrastructure projects announced as funding priorities under the Green Infrastructure Fund; and
- Oversee the implementation of project-specific agreements, ensuring that the terms of agreements are respected and that claims for payment are processed efficiently.

Benefits for Canadians: The goal of this fund is to promote long-term growth and improve the environment. By focusing on funding projects with positive, long-term environmental impacts, all provinces and territories will benefit.

2.3.4 Canada Strategic Infrastructure Fund

Program Activity: Canada Strategic Infrastructure Fund					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010–2011		2011–2012		2012–2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
33.0	528,278	To be confirmed	345,389	To be confirmed	203,707

Program Activity Expected Results	Performance Indicators	Targets
Federal funding is provided to support large-scale projects in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians.	<p>Amount of federal funding committed:</p> <p>Amount of funding leveraged:</p>	<p>No new funding commitments are planned for 2010-2011, as the program was fully committed.</p> <p>Apart from program administration costs, \$522 million of planned spending for 2010-2011 reflects funding commitments made in previous years.</p> <p>Federal funding commitments for 2010-2011 are expected to support \$500 million in eligible infrastructure costs by funding partners.</p>

Program Activity Summary: This program activity provides funding for projects in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians. Investments are made in cooperation with the provinces, territories, municipalities and the private sector and contribute to the construction, renewal and/or enhancement of public infrastructure to build infrastructure capacity in partnership with recipients. The Canada Strategic Infrastructure Fund levers additional contributions from other partners by providing up to 50% funding for eligible projects. This program activity began in 2003, and is scheduled to end in 2012-2013.

Economic Action Plan (EAP)

While the Canada Strategic Infrastructure Fund is not part of the Economic Action Plan, planned expenditures will also support the construction of public infrastructure and economic growth.



Planning Highlights: During the planning period, the program will:

- Continue to manage the federal contributions under the fund to support the construction, renewal and enhancement of public infrastructure;
- Obtain assurance that the construction of projects under the fund is completed; and
- Continue to manage the program at the federal level in a collaborative fashion, in cooperation with the respective Federal Delivery Partners.

Benefits for Canadians: Projects under this program facilitate the safe and efficient movement of goods and people, and contributes to the promotion of safe, cleaner and reliable drinking water, and the responsible and sustainable treatment of wastewater.

2.3.5 Municipal Rural Infrastructure Fund

Program Activity: Municipal Rural Infrastructure Fund					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010-2011		2011-2012		2012-2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
8.0	123,657	To be confirmed	7,263	--	0

Program Activity Expected Results	Performance Indicators	Targets
Federal funding is provided to infrastructure projects to improve quality of life and economic opportunities for smaller communities.	<p>Amount of federal funding committed:</p> <p>Amount of funding leveraged:</p>	<p>No new funding commitments are planned for 2010-2011, as the program was fully committed.</p> <p>Apart from program administration costs, \$122 million of planned spending in 2010-2011 reflects funding commitments made in previous years.</p> <p>2010-2011 federal spending commitments are expected to support \$240 million in eligible infrastructure costs by funding partners.</p>

Program Activity Summary: This program activity provides funding for small-scale municipal infrastructure projects designed to promote and improve quality of life in both urban and rural communities. It was augmented with additional funds in January 2007. At least 80 percent of funding under the Municipal Rural Infrastructure Fund (MRIF) has been dedicated to municipalities with a population of less than 250,000. For most projects, the MRIF provides up to one third federal funding for eligible projects to promote increased investment in infrastructure spending. Its long-term commitment to public infrastructure is to help promote sustainable economic growth, innovation and healthy communities. Projects under this program activity contribute to the construction, renewal and/or enhancement of public infrastructure to build infrastructure capacity in partnership with recipients. The federal contribution to most projects does not exceed 33%, although



it can go up to 50% in certain circumstances. This program activity began in 2004, and has been extended until 2013-2014.

Economic Action Plan (EAP)

While the Municipal Rural Infrastructure Fund is not part of the Economic Action Plan, planned expenditures will also complement these efforts by providing federal funding for infrastructure projects.

Planning Highlights: During the planning period, the program will:

- Continue its long-term commitment to public infrastructure designed to promote economic growth, innovation and healthy communities, as per the Fund’s recent extension until March 31, 2013;
- Continue to focus this commitment on projects such as water and wastewater treatment or cultural and recreation projects for communities; and
- Continue to be managed in a collaborative manner through the respective umbrella of federal-provincial-territorial contribution agreements.

Benefits for Canadians: The Municipal Rural Infrastructure Fund (MRIF) program has been structured to provide a balanced response to the local infrastructure needs of Canadian communities, particularly those with fewer than 250,000 people. The program provides Canadians in smaller communities with improvements in drinking water, wastewater, solid waste management, public transit, local roads, culture, recreation, tourism, environmental energy.

2.3.6 Border Infrastructure Fund

Program Activity: Border Infrastructure Fund.					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010-2011		2011-2012		2012-2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
5.0	50,504	To be confirmed	51,638	To be confirmed	68,445

Program Activity Expected Results	Performance Indicators	Targets
Federal funding is provided to support infrastructure projects at border crossings.	<p>Amount of federal funding committed:</p> <p>Amount of funding leveraged:</p>	<p>No new funding commitments are planned for 2010-2011, as the program was fully committed.</p> <p>Planned spending of \$50 million for 2010-2011 reflects funding commitments made in previous years.</p> <p>Planned spending of \$50 million for 2010-2011 is expected to support \$100 million in eligible infrastructure costs by funding partners.</p>



Program Activity Summary: This program activity provides funding for investments in physical infrastructure, intelligence transportation system infrastructure and improved analytical capacity at the largest surface border crossings between Canada and the United States, as well as several other crossing points in Canada. Established in 2002, the fund provides up to 50% federal funding to support eligible projects at Canada’s border crossings. Projects under this program activity contribute to the construction, renewal and/or enhancement of public infrastructure to build infrastructure capacity in partnership with recipients. This program activity began in 2003, and is scheduled to end in 2013-2014.

Economic Action Plan (EAP)

While the planned spending under the Border Infrastructure Fund Program Activity is not part of the Economic Action Plan, program results have focused on improvements to Canada’s transportation system.

Planning Highlights: During the planning period, the program will:

- Work with our portfolio partner Transport Canada, to oversee the implementation of the remaining projects announced under the Border Infrastructure Fund; and
- In partnership with our portfolio partner Transport Canada, continue to oversee the implementation of project-specific agreements, ensuring that the terms of agreements are respected and that claims for payment are processed efficiently to meet the program’s scheduled end date of 2013-2014.

Benefits for Canadians: Through the fund, infrastructure improvements will help increase border infrastructure security and improve the flow of trade between Canada and the United States. The ultimate outcomes are sustainable economic growth and safe and efficient borders, which help alleviate border congestion and increase trade, systems capacity and safety and security.

2.3.7 Economic Analysis and Research

Program Activity: Economic Analysis and Research					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010–2011		2011–2012		2012–2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
29.0	15,498	To be confirmed	9,117	To be confirmed	4,500
Program Activity Expected Results		Performance Indicators		Targets	
Research and analysis of infrastructure issues supports public policy and decision-making.		Availability and quality of integrated knowledge and analysis on infrastructure issues. Networks and collaborative efforts with other government departments are undertaken to share knowledge and build on existing expertise.		To be identified as Infrastructure Canada develops a performance measurement framework (PMF) based on its new program activity architecture (PAA) structure.	



Program Activity Summary: This program activity helps to ensure that Canada's infrastructure investment priorities and activities include the building, connecting and sharing of applied knowledge and research on infrastructure issues, projects and programs. It targets key gaps in infrastructure knowledge and information, promotes the development of an enhanced evidence-base for sound decision making at all levels of government, and contributes to improved measurement of the impacts of infrastructure policy and investment decisions. This program activity supports strategic research capacity and knowledge generation and applications at the national level, as well as cooperation with other levels of government in addressing their unique research and capacity-building needs. It leverages research resources and expertise across various levels of government and stakeholder groups to address the infrastructure challenges and proposed solutions for Canada's economy, environment and communities. This program activity began in 2004-2005, and is scheduled to end in 2016-2017.

Economic Action Plan (EAP)

The planned spending funds from the Economic Analysis and Research Program Activity are not part of the Economic Action Plan.

Planning Highlights: During the planning period, the program will:

- Provide enhanced strategic and applied research and analysis in support of Infrastructure Canada's strategic policy and program needs;
- Build a stronger information base on the state, performance and management of Canada's core public infrastructure;
- Strengthen multi and bilateral relationships with national organizations, provinces, territories, non-governmental organizations and municipal associations, and contribute to international activities related to infrastructure to improve exchange of information and knowledge;
- Develop a knowledge strategy for Infrastructure Canada; and
- Enhance advice on infrastructure priorities, leverage resources to produce higher quality research and address knowledge and data gaps.

Benefits to Canadians: By improving research, knowledge and capacity-building, this activity promotes innovation and progress in delivering, managing and maintaining world-class public infrastructure. It also promotes effective decision making and policy development, and improves understanding of long-term infrastructure issues.



2.4 Strategic Outcome 3

Construction-ready infrastructure projects are provided with federal funding support.

2.4.1 Infrastructure Stimulus Fund

Program Activity: Infrastructure Stimulus Fund					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010-2011		2011-2012		2012-2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
59.0	2,866,060	--	0	--	0

Program Activity Expected Results	Performance Indicators	Targets
Short-term economic stimulus is provided to the Canadian economy through federal funding to construction-ready infrastructure projects.	<p>Amount of federal funding committed:</p> <p>Amount of funding leveraged:</p>	<p>No new funding commitments are planned for 2010-2011, as the program was fully committed in 2009-2010. This is in line with the Economic Action Plan's objectives, i.e., the department would work with its partners to accelerate spending and provide stimulus to the economy.</p> <p>Planned spending of \$2.9 billion for 2010-2011 reflects funding commitments made in previous years, requiring ongoing departmental responsibilities in program administration.</p> <p>Planned spending of \$2.9 billion for 2010-2011 is expected to support \$3.8 million (TBA) in eligible infrastructure costs by funding partners.</p>

Program Activity Summary: This program activity is intended to accelerate and increase the number of provincial, territorial and municipal infrastructure projects, as well as infrastructure projects submitted by not-for-profit and for-profit entities. It focuses on the rehabilitation of existing assets and new infrastructure that are construction-ready and can be materially completed by March 31st, 2011. Categories include: Water, wastewater, public transit, solid waste management, highways, roads, culture, community centers and services, temporary shelter infrastructure, parks and trails, rail and port infrastructure. The Infrastructure Stimulus Fund is designed as a broad and flexible program to include both new infrastructure and rehabilitation of existing assets, in keeping with its objectives of providing timely and targeted short-term stimulus to the economy. By providing up to 50% federal funding to construction-ready projects, the Infrastructure Stimulus Fund levers funding from other partners, and is thus able to generate a much greater overall stimulative effect to the Canadian economy through infrastructure spending.

Economic Action Plan (EAP)

The Economic Action Plan established the \$4 billion Infrastructure Stimulus Fund to provide a short-term boost to the economy by



accelerating funding to construction-ready infrastructure projects that can be materially completed by March 31, 2011. As such, the program's total planned spending of \$2.9 billion in 2010-2011 is a key component of the Economic Action Plan. Federal funding flows as construction proceeds, costs are incurred and project's invoices are submitted. As such, disbursements will include funds for projects that began in 2009-2010, as well as new disbursements for projects that will begin in the 2010-2011 fiscal year. All the funding under the Infrastructure Stimulus Fund supports the rehabilitation or construction of provincial, territorial, municipal, community and some federal infrastructure assets. To be eligible for funding under the Infrastructure Stimulus Fund, projects were selected on the basis of meeting clear eligibility criteria; primarily designed to ensure that approved projects could be materially completed by March 31, 2011.

Planning Highlights: During the planning period, the program will:

- Collaborate with other levels of government and federal departments and agencies to ensure that accountability regimes are clearly established;
- Monitor project progress by reviewing and assessing claims through online progress report submissions, discussions with proponents, including site visits and third party audits;
- Efficiently process and pay claims received from provinces, territories and community partners; and
- Monitor program completion by undertaking audit and evaluation activities to ensure compliance and effectiveness of the program.

Benefits for Canadians: This program activity provides short-term economic stimulus to the economy, contributing to the long-term prosperity of communities by fast-tracking infrastructure funding. In addition to the boost to the economy, all provinces and territories will enjoy social, cultural and environmental benefits from these investments in modern public infrastructure, particularly smaller jurisdictions.



years, to provide stimulus to the economy under the Economic Action Plan. The funds will be allocated to construction-ready projects that can be materially completed by March 31, 2011. All Building Canada Fund-Communities Component funding had to be committed before access to Top-Up funding could occur.

Planning Highlights: During the planning period, the program will:

- Continue to oversee the substantial completion of over 500 projects across the country approved for Top-Up funding;
- Continue to manage the fund collaboratively at the federal level in cooperation with the respective Federal Delivery Partners. Management of the program includes monitoring the progress of projects, assessing and effecting the payment of claims, and undertaking appropriate audit activities; and
- Continue to serve as a rapid source of economic stimulus while at the same time contributing towards the broader Building Canada Fund goals of addressing local and regional infrastructure priorities.

Benefits for Canadians: The Building Canada Fund-Communities Component (BCF-CC) Top-Up Program Activity provides the same benefits as the original Building Canada Fund-Communities Component Program Activity. This program activity injects funds into the economy and leverages new investments from partners. This short-term stimulus will help the country to emerge from the recession more quickly. It will also mean more and better infrastructure that will contribute to the long-term prosperity of Canada's communities.

2.5 Internal Services

Program Activity: Internal Services					
Human Resources (FTEs) and Planned Spending (in \$ thousands)					
2010-2011		2011-2012		2012-2013	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
150.0	29,092	To be confirmed	1,796	To be confirmed	1,776

Program Activity Summary: This program activity promotes excellence in program and corporate management in support of Infrastructure Canada's priorities. Internal services consist of Governance and Management Support (management and oversight, communications and legal services), Internal Audit Services, Evaluation Services, Resource Management Services (human resources management, financial management, information management and technology, travel and other administrative services), and Assets Management Services (real property, materiel and acquisitions).



Planning Highlights: During the planning period, the program will:

Accountability (Includes Audit and Evaluation)

- Provide, as part of the Internal Audit Risk-Based Audit Plan, assurance, advisory and consulting services to support senior management in reaching their objectives, and ensure a rigorous follow-up of audit recommendations and related management action plans resulting from prior engagements.
- Formalize Internal Audit methodology, develop a quality assurance and improvement program to cover major aspects of the internal audit function, and continuously monitoring its effectiveness;
- A significant portion of Internal Audit's resources will be directed towards the new and current infrastructure programs impacted by the Economic Action Plan;
- Develop a revised risk-based evaluation plan to provide value-for-money assessments of all Infrastructure Canada's direct spending, an annual report on the state of performance measurement of all current programs in support of evaluation, and an evaluation performance management strategy. Report on the results evaluation to measure its effectiveness, and report on the follow-up of evaluation recommendations and related management action plans;
- Evaluation will assist management in the develop of performance measurement strategies for each Economic Action Plan funded program that will guide the collection of credible and reliable performance data; and
- Ensure the Corporate Risk Profile adequately reflects the risks associated with the Economic Action Plan initiatives, and that progress in implementing mitigation measures and the re-assessment of risk placement are reported to the Departmental Management Committee (DMC).

Communications

- Continue, through communications and marketing initiatives, to provide information to Canadians, government partners, funding recipients, and other stakeholders about Infrastructure Canada's programs, about funded projects, and about the results of infrastructure investments;
- Provide internal communications services that contribute to better information sharing, organizational effectiveness, and employee engagement and retention;
- Ensure timely departmental activity in response to access to information and privacy (ATIP) requests; and
- Continue to support the department through the management of briefing coordination and executive correspondence.



Information Technology (IT) Systems

- Continue using its information management and information technology products and services strategically to support Infrastructure Canada's priorities; and
- Continue the development and support of information technology and services, including the Shared Information Management System for Infrastructure (SIMSI).

Financial Management

- Enhance financial systems, processes and controls in support of improved financial planning, stewardship and reporting, as well as increased efficiency in payment verification, and processing.

People Management

- Deliver on the department's Integrated Business and Human Resources Plan (IBHRP) and people management strategy necessary to support a flexible and adaptable workforce, employee development and growth, and employee engagement;
- Continue intensified recruitment activities to assist the management of the Economic Action Plan, focussing on specific target markets: Current public servants, mid-career professionals in other levels of government, talented new graduates and students. A strategic approach to recruitment and staffing, will increase the use of collective staffing and existing pools of qualified candidates;
- Ensure that recruitment reflects Canada's diversity, and that the department's culture embraces diversity and a bilingual work environment by continuing to invest in language training for employees, actively encouraging all employees to work in the language of their choice, and acting as role models for each other; and
- Develop a departmental Code of Conduct to support Values and Ethics initiatives to guide and support its employees in their professional activities, and maintain and enhance public confidence in the integrity of the public service.

Benefits for Canadians: These services provide strategic management direction and support effective and efficient program design and delivery, ensure the stewardship and accountability of public funds, and build human resources capacity and leadership for the success of the department's programs.





Section III: Supplementary Information

3.1 Supplementary Information Tables

3.1.1 List of Supplementary Information Tables

The following four tables are available electronically at the Treasury Board Secretariat's Web site at:

<http://www.tbs-sct.gc.ca/rpp/2010-2011/info/info-eng.asp>.

- Details on Transfer Payments Programs (TPP)
- Horizontal Initiatives
- Green Procurement
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years

As prescribed by the Policy on Transfer Payments, as of June 30, 2009, the summary of the Three-Year Plan for Transfer Payments is available at:

<http://www.infc.gc.ca/pd-dp/tpp-ppt/index-eng.html>.

3.2 Contact Information

For more information, please visit www.infrastructure.gc.ca or contact:

Infrastructure Canada
90 Sparks Street
Ottawa, Ontario
K1P 5B4

National information line on infrastructure: 613-948-1148

Telephone toll free: 1-800 O-Canada (1-800-622-6232)

National fax line on infrastructure: 613-948-9138

For more information on the Building Canada Plan, please visit www.buildingcanada.gc.ca.

