

CANADA – QUEBEC

INFRASTRUCTURE PROGRAM AGREEMENT

Agreement made on the 18th day of July 2005

BETWEEN

THE GOVERNMENT OF CANADA (herein referred to as "Canada")
represented by the Minister of State (Infrastructure and Communities) and
the Minister of the Economic Development Agency of Canada for the
Regions of Quebec and Minister Responsible for the Francophonie;

AND

THE GOVERNMENT OF QUEBEC (herein referred to as "Quebec")
represented by the Minister of Finance, the Minister of Municipal Affairs and
Regions, the Minister of Transport and Minister Responsible for the
National Capital Region, and the Minister Responsible for Canadian
Intergovernmental Affairs, the Canadian Francophonie, the Agreement on
Internal Trade, Reform of Democratic Institutions and Access to
Information.

WHEREAS Canada and Quebec agree on the importance of infrastructure in improving the
quality of life of citizens and contributing to a dynamic economy, and on establishing a Canada-
Quebec Infrastructure Program to that end;

WHEREAS Canada and Quebec agree that programs to renew, improve and create new
infrastructure will help to improve the quality of life of communities and lay the foundations for
sustained economic growth in the 21st century;

AND WHEREAS Canada and Quebec agree that municipalities know the infrastructure needs
that contribute most to the quality of life of communities;

AND WHEREAS Canada and Quebec agree that communication with the public will best serve
citizens' right to transparency, public accountability, and full information about the benefits of the
infrastructure programs and the contribution of each party;

AND WHEREAS in the Budget for 2000, the Government of Canada created the Infrastructure
Canada Program (ICP), an initiative designed to respond to the public infrastructure needs of all
kinds of communities in Canada;

AND WHEREAS the Governor in Council, by Order in Council P.C. 2000-1064, has authorized
the President of the Treasury Board, in his capacity as Minister Responsible for Infrastructure,
and the Minister of National Revenue and Secretary of State (Economic Development Agency
of Canada for the Regions of Quebec), in his capacity as Minister responsible for the Agency, to
sign the 2000 Agreement on behalf of Canada;

AND WHEREAS the Governor in Council, by Order in Council P.C. 2005-980, has authorized
the postponement of the termination of the Canada-Quebec Agreement with regard to the
infrastructure program;

AND WHEREAS the Government of Quebec, by Order Number 586-2005, dated June 15, 2005,
has approved the terms of this agreement and authorized its signature by the Minister of
Finance, the Minister of Municipal Affairs and Regions, the Minister of Transport and the
Minister Responsible for Canadian Intergovernmental Affairs, the Canadian Francophonie, the
Agreement on Internal Trade, Reform of Democratic Institutions and Access to Information;

AND WHEREAS, in the Budget for 2003, the Canadian government created the Municipal Rural
Infrastructure Fund (MRIF), a new initiative designed to address the Infrastructure needs of
Canada's smallest communities;

AND WHEREAS the parties wish to have a single agreement governing both the ICP and the MRIF;

IN WITNESS WHEREOF, in accordance with the principles set out above, the parties agree as follows:

1. INTERPRETATION

1.1 DEFINITIONS

1.1 In the Agreement, unless the context requires otherwise,

“**agreement**” means this agreement, which governs governments’ contribution for projects under the Canada Infrastructure Program and the Municipal Rural Infrastructure Fund;

“**Amendment**” means any proposed amendment to a project funded under this agreement including amendments related to its location, work, costs and financial assistance;

“**applicant**” means any individual who applies for a contribution under a project;

“**construction work**” means any physical change to a property (above or below ground level) or to a building;

“**contract**” means an agreement between Quebec and a recipient whereby governments grant financial assistance for the purpose of carrying out an approved project and whereby the terms and conditions applicable to this assistance are set up;

“**federal Ministers**” means the Minister of State (Infrastructure and Communities) and the federal implementing Minister, as well as any person authorized to act on their behalf;

“**federal implementing Minister**” means the Minister of the Economic Development Agency of Canada for the Regions of Quebec and Minister Responsible for the Francophonie and any person authorized to act on his behalf;

“**fiscal year**” means the period beginning April 1 of a year and ending March 31 of the following year.

“**green project**” means a project that:

- a) improves the quality of the environment and contributes toward the purification of the air, water or soil;
- b) includes municipal water pipeline and sewer infrastructure;

“**ICP**” means the Infrastructure Canada Program;

“**ICP projects**” means the project categories described in Schedule A, sections A.1.a) and A.2;

“**infrastructure**” means fixed capital assets necessary for the provision of a public service;

“**Minister of Infrastructure**” means the Minister of State (Infrastructure and Communities) and any person authorized to act on his behalf;

“**Ministers**” means the federal Ministers and the Quebec Ministers;

“**MRIF**” means the Municipal Rural Infrastructure Fund;

“**MRIF projects**” mean the project categories described in Schedule A, sections A.1. b) and A.3;

“**municipality**” means:

- a) a local municipality, a regional county municipality, a metropolitan community, or an inter-municipal management board; or

- b) a corporation or organization for which one of the entities listed in a) either appoints the majority of members or contributes more than half of the annual budget;
- c) a group of entities mentioned in a) or b).

“**parties**” means Canada and Quebec;

“**project**” means an ICP or MRIF project proposed or approved in accordance with the agreement;

“**Quebec implementing Minister**” means the Minister for Municipal Affairs and Regions or any Quebec Minister subsequently charged with implementing this agreement, and includes anyone authorized to act on his behalf;

“**Quebec Ministers**” means the Quebec Ministers who are signatories to the agreement;

“**recipient**” means an applicant whose project has been approved for financing under the agreement.

“**third party**” means any person other than a party to the agreement or an applicant that is involved in a project;

1.2 GENERALITIES

In the agreement, words in the singular include the plural, and words in the plural include the singular. Similarly, the masculine includes the feminine, and the feminine includes the masculine.

All Schedules to the agreement form part of the agreement:

- Schedule A: Framework for review and selection of ICP and MRIF projects;
- Schedule B: Audit framework;
- Schedule C: Memorandum of Understanding on communications; and
- Schedule D: Approval notice.

The purpose of the agreement is to enable the parties to implement the ICP and the MRIF by defining their roles and responsibilities, the processes and rules for managing and administering the agreement and to set out their obligations and undertakings.

This agreement replaces the agreement signed by the parties on October 20, 2000, and maintains all undertakings made under the agreement signed on October 20, 2000, as though these had been entered into under the present agreement, except where they are amended through this agreement.

Unless indicated otherwise by the context, all accounting and financial terms used in the agreement shall be interpreted and applied in accordance with the accounting principles of the *Ordre des comptables agréés du Québec*.

2. OBJECTIVES AND SCOPE

2.1 The objective of the ICP and the MRIF is to improve urban and rural municipal infrastructure in Quebec and enhance the quality of life of its citizens, through investments that:

- Enhance the quality of the environment
- Support long-term economic growth
- Improve community infrastructure
- Build 21st century infrastructure through best technologies, new approaches and best practices.

2.2 The scope of investments supporting the objectives of the ICP and the MRIF includes support for the following: “green” municipal infrastructure; local transportation infrastructure; projects with an economic, urban, or regional impact; the development of knowledge relating to municipal infrastructure; and infrastructure assisting local or regional development.

3. ROLES AND RESPONSIBILITIES OF THE MANAGEMENT COMMITTEE

Establishment and Membership

- 3.1 A management committee shall be established to administer and manage the agreement. The management committee shall consist of two members appointed by the Minister of State (Infrastructure and Communities) an official appointed by the Minister of Municipal Affairs and Regions and an official appointed by the Minister of Transport and Minister Responsible for the National Capital Region.

The management committee shall exist as long as necessary to ensure the execution of the requirements of the agreement.

- 3.2 The management committee shall be headed by two co-chairs, a federal co-chair (one of the two federal officials, appointed by the Minister of State (Infrastructure and Communities) and a Quebec co-chair (the Quebec official appointed by the Minister of Municipal Affairs and Regions). In the case of a co-chair's absence or inability to act, the other federal or Quebec official, as the case may be, shall act as the substitute.

Internal Rules of the Management Committee

- 3.3 The management committee shall meet regularly at such places and on such dates as may be agreed by the co-chairs. A quorum for all meetings of the management committee shall be the two co-chairs.
- 3.4 The management committee shall establish sub-committees as required.
- 3.5 The management committee shall establish all rules and procedures with respect to its own meetings and meetings of sub-committees of the management committee, including rules for the conduct of meetings and decision-making where the members are not physically present.
- 3.6 The management committee shall adopt the rules, internal procedures and guidelines deemed necessary to achieve the objectives of the agreement.
- 3.7 The management committee shall establish information-sharing mechanisms to ensure a flow of information in the administration of the ICP and the MRIF under the agreement, and shall aim to protect its confidentiality pursuant to the laws of Canada and of Quebec.
- 3.8 Management committee decisions may not be implemented unless they reflect the agreement of the co-chairs or their respective substitutes.
- 3.9 Quebec shall regularly consult municipal representatives on the implementation of the agreement. The Quebec co-chair shall inform the federal co-chair of the results.

Review, Selection, and Approval of Projects and of Project Amendment Proposals

- 3.10 The process for the review, selection, and approval of projects and of project amendment proposals shall consist of the following:
- a) Proposed projects and amendments shall be sent to Quebec, which shall inform the federal co-chair, for consultation purposes, as such proposed projects and amendments are received.
 - b) Where appropriate, the federal co-chair shall forward to the Quebec co-chair his comments on the proposed projects and amendments received.
 - c) Quebec shall review the proposed projects and amendments and send the federal co-chair a summary of the results of this review for comment.
 - d) The project approval process shall then be initiated by the Quebec co-chair, who will submit the proposed projects and amendments that he has prioritized and identified as being ICP or MRIF to the federal co-chair to have them examined for compliance with Schedule A by the management committee and recorded under the agreement.
 - e) Although projects may be recorded under the agreement, these shall not create obligations for the parties or an applicant as long as the Government of Québec and the said applicant have not signed a contract.

- 3.11 The management committee shall also ensure:
- a) i) that an ICP project is approved before December 31, 2005,
 - ii) that any significant amendment to any already approved ICP project is approved before December 31, 2005,
 - iii) that any other amendment to an already approved ICP project is approved before March 31, 2008, and
 - iv) that no ICP project with a completion date later than March 31, 2008, is recorded in the programming for the agreement,
 - v) that an MRIF project is approved before December 31, 2005,
 - vi) that any significant amendment to any already approved MRIF project is approved before December 31, 2005,
 - vii) that any other amendment to an already approved MRIF project is approved before March 31, 2010, and
 - viii) that no MRIF project with a completion date later than March 31, 2010, is recorded in the programming for the agreement;
- b) that all projects comply with the practices, criteria and guidelines for capital planning established by Quebec;
 - c) that the projects comply with the applicable laws and regulatory requirements, particularly as regards the environment;
 - d) that all projects are structured so as to ensure that all operating costs related to the project are paid by the recipients or by a third party;
 - e) that all contracts awarded for the implementation of a project contain the relevant provisions of the agreement;
 - f) that the departments, agencies, and Crown corporations of Canada and Quebec are not eligible applicants under this agreement.

Other responsibilities

- 3.12 The management committee shall exercise all other responsibilities, powers and functions provided for in the agreement, or those which may be assigned to the management committee by the Ministers for purposes of achieving the objectives of the agreement.

4. PROJECT IMPLEMENTATION

- 4.1 Subject to the provisions in the agreement, Quebec shall ensure that projects are carried out within the deadlines and the overall budget, and shall be responsible for taking any necessary action to that end.
- 4.2 The parties shall comply with and shall ensure that the recipient and any third party complies with all applicable laws, especially those concerning the environment and lobbying, in the implementation of any project under the agreement.

5. CONTRACT PROCEDURES

- 5.1 All contracts to be entered into by Quebec or a recipient with a third party for the purpose of carrying out a project shall be awarded and managed in accordance with the administrative, contractual, and management procedures in effect in Quebec.
- 5.2 All contracts mentioned in Section 5.1 shall be consistent with and shall incorporate the relevant provisions of the agreement and (without limiting the foregoing), Quebec shall ensure that such contracts include the following provisions:
- (a) proper and accurate accounts and records shall be maintained with respect to the project;
 - (b) the parties and any member of the management committee, or their substitutes, shall be permitted, at all reasonable times, to inspect the terms of contracts and any records and accounts respecting such contracts;
 - (c) the recipients and third parties shall be solely responsible for and shall save harmless and indemnify Canada, Quebec and their Ministers, officers, employees and agents from and against all claims, liabilities, and demands of any kind with respect to any injury to persons or their death, or damage to or loss or destruction of property caused by or arising directly or indirectly from:

- (i) the project;
 - (ii) the performance of the contract or the breach of any term or condition of the contract by the third party or its officers, employees or agents;
 - (iii) the on-going operation, maintenance and repair of the project; or
 - (iv) any omission or any wilful or negligent act of the third party or its officers, employees or agents;
- (d) Recipients and third parties who are dissatisfied with decisions of the management committee or Quebec affecting their project may, in addition to any other remedy, lodge a complaint with the management committee.
 - (e) Recipients of MRIF projects shall do their utmost to begin their projects within a period of twelve months following the signature of the contract with Quebec, failing which the contract shall become null and void, barring mitigating circumstances deemed reasonable by Quebec. The terms and conditions of Sections 3.10 and 3.11 a) shall apply under such circumstances.
 - (f) the recipients and third parties shall inform Quebec of any changes made in the overall financing of the project.
 - (g) upon the completion of any project, the recipient or any third party to whom is assigned the ongoing responsibility for such project shall take over full responsibility for that project's operation, maintenance, and repair, except where Canada and Quebec have specifically agreed otherwise.

6. FINANCIAL PROVISIONS

- 6.1 Despite any other provision of this agreement, and subject to the express condition that there be an appropriation by the Parliament of Canada with respect to the funds necessary for the fiscal year in which they are required, the total contribution by Canada under ICP shall not exceed \$515,508,000, and, under MRIF, shall not exceed \$195,000,000.
- 6.2 Under MRIF, Quebec will contribute an amount at least equal to Canada's contribution.
- 6.3 Subject to Section 6.4, the contribution by Canada with respect to any one ICP or MRIF project shall not exceed one-third (1/3) of the total eligible costs approved for that project.
- 6.4 Exception to the one-third rule
 - a) With the prior agreement of Quebec, Canada may fund more than one-third (1/3) of the eligible costs of an ICP project provided that, at the end of each fiscal year, Canada's share of eligible costs for all ICP projects approved under the agreement does not exceed one-third (1/3) thereof.
 - b) With the prior agreement of Quebec, Canada may fund up to 50% of the eligible costs of an MRIF project, provided that the portion of the eligible costs paid by Canada under the MRIF for all MRIF projects approved under the agreement does not exceed one third (1/3). The parties agree to promptly correct any difference between the amounts payable and the amounts paid by Canada under the agreement
- 6.5 Total federal aid
 - a) The recipient and any third party may not receive funding from any other federal sources for any ICP project approved pursuant to the agreement for those costs or that part of the work that are eligible under the agreement.
 - b) The recipient and a third party may obtain funding for an MRIF project from other federal sources for those costs or that part of the work that are eligible under the agreement, subject to the provision that the total federal financial contribution for each MRIF project may not exceed 50% of these costs.

6.6 Other sources of funding

- a) All fees and compensation disbursed by any person to a recipient as a result of a court decision, transaction, or negotiations with respect to the construction of infrastructure under a project approved under the agreement can be deducted from the contribution amounts paid by the parties, thereby reducing the said contribution amounts.
- b) If the said fees and compensation amounts are disbursed to a recipient after the contributions have been paid out by the parties, the latter can thus require that an amount corresponding to the contribution paid for the construction of the infrastructure be reimbursed to them from the said fees and compensation.

6.7 The parties shall ensure that each has paid the same contribution amount under the MRIF as of August 1, 2011, and shall make all necessary adjustments by October 1, 2011.

6.8 Reimbursement of the government contribution for an MRIF project

- a) Except where otherwise indicated by the parties, the latter agree that their contribution to a project shall be conditional upon the following:
 - i) the recipient shall continue to own the infrastructure that was the subject of its contribution for a period of at least ten (10) years following the date of the signature of the contract by the recipient;
 - ii) during this period, the said infrastructure shall be operated, utilized and maintained for the purposes for which their contribution was made;
 - iii) during this period, the recipient shall give prior notice to the parties of any change that contravenes the two above-mentioned conditions.
- b) Should the recipient dispose of the said infrastructure in whole or in part by sale, lease, gift, or otherwise, to a party other than Canada, Quebec, a municipality or a Quebec Government Corporation authorized to implement this agreement, the parties reserve the right to require from the recipient reimbursement in whole or in part of the government contribution to the project, in accordance with the following table.

Should the recipient dispose of the infrastructure without fulfilling the above-mentioned condition within:	The recipient shall reimburse to the parties (in current dollars)
2 years from the date of termination of the project	100% of their contribution
2 to 5 years from the date of termination of the project	55% of their contribution
5 to 10 years from the date of termination of the project	10% of their contribution

- c) Each party agrees to give written notice to the other party as soon as possible of any transaction triggering the above-mentioned reimbursement within ten (10) years from the date of project completion.

7. PAYMENT PROCEDURES

- 7.1 Payments by Canada shall be promptly made to Quebec on the basis of progress claims setting out the costs actually incurred and paid for the project, submitted in a form and verified in a manner satisfactory to Canada.
- 7.2 In order to assist with the interim financing of any ICP project, Canada may make interim payments to Quebec, in accordance with the Treasury Board of Canada's *Policy on Transfer Payments*, towards Canada's share of claims submitted, where those claims are based on estimates, certified by a senior officer of Quebec, of costs actually incurred by Quebec.
- 7.3 Quebec shall account for each interim payment by submitting to Canada, within ninety (90) days after such payment by Canada, a detailed statement of the eligible costs actually incurred and paid, verified in a manner satisfactory to Canada. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by Quebec shall be promptly adjusted between the parties.
- 7.4 Notwithstanding anything in subsection 7.2, Quebec shall not be entitled to any interim payment in a subsequent fiscal year until all such payments received by Quebec in a

previous fiscal year have been repaid or accounted for in a manner satisfactory to Canada.

- 7.5 a) For the ICP, Canada shall reimburse Quebec an amount of up to \$3,508,000 for the costs of managing and administering the agreement as determined and approved by the management committee. Canada shall reimburse Quebec an amount of up to \$1,534,240 for additional management and administration costs pertaining to Parts 1 and 3 of the agreement as determined and approved by the management committee. These amount, totalling \$5,042, 240, shall be taken from Canada's contribution as set out in paragraph 6.1;
- b) For the MRIF, Canada shall reimburse Quebec an amount of up to 1.5 percent (\$2,925,000) for the costs of managing and administering the agreement as determined and approved by the management committee. This amount shall be taken from Canada's contribution as set out in paragraph 6.1.
- 7.6 a) No claim for reimbursement by Quebec to Canada for ICP projects shall be paid by the parties unless it is received on or before March 31 of the year following the fiscal year in which the eligible cost is incurred and in all circumstances, no later than March 31, 2009.
- b) No claim for reimbursement by Quebec to Canada for MRIF projects shall be paid by the parties unless it is received on or before March 31 of the year following the fiscal year in which the eligible cost is incurred and in all circumstances, no later than March 31, 2011.
- 7.7 The management committee shall consider cost overruns on projects approved under the agreement if
- a) the party implementing the project has informed the management committee as soon as it became aware that a cost overrun was probable;
- b) it approves the inclusion of the cost overrun as justifiable; and
- c) funds are available to cover the cost overrun.

8. AUDIT AND INSPECTION

- 8.1 Canada and Quebec shall ensure that proper and accurate accounts and records are maintained with respect to each project undertaken pursuant to the agreement and shall, upon reasonable notice, make such accounts and records available for inspection.
- 8.2 Quebec shall also ensure that each recipient keeps proper and accurate accounts and records for each project that the recipient implements under the terms of the agreement, and that each recipient allows these accounts and records to be audited upon receiving reasonable notice.
- 8.3 Accounts and records shall be maintained for a period of at least three years after the final settlement of accounts with respect to a project.
- 8.4 Each of the parties may inspect the amounts of all claims in respect of any project and the accounts and records related thereto under the control of the other. Any discrepancy between the amounts paid by any of the parties and the amount payable under the agreement shall be promptly adjusted between the parties.
- 8.5 Each of the parties shall provide to any member of the management committee on request all information in its custody and under its control as to whether a project has been undertaken or completed, the results achieved in relation to the objectives of the agreement and the costs incurred with respect thereto.
- 8.6 The management committee shall ensure that the audit framework specified in Schedule B to the agreement is implemented.

9. PROGRAM EVALUATION

- 9.1 The management committee shall develop an evaluation plan and budget for the ICP and MRIF programs. The parties shall equally share the costs related to the evaluation of these programs.
- 9.2 Schedule
- a) The parties agree to complete an interim evaluation of the ICP no later than November 30, 2005, and a final evaluation no later than December 31, 2009.
 - b) The parties agree to complete an interim evaluation of the MRIF no later than March 31, 2007, and a final evaluation no later than March 31, 2011.
- 9.3 Each of the parties agrees and consents to exchange all relevant data and information likely to be necessary for the evaluations provided for in the agreement.

10. COMMUNICATIONS

- 10.1 Canada and Quebec agree to undertake and, where appropriate, in co-operation with the recipient, the development and implementation for the duration of the agreement of a communications plan aimed at increasing the opportunities to publicize the activities covered by the agreement. The mechanisms thereof are specified in the Communications Memorandum of Understanding, Schedule C to the agreement.
- 10.2 The management committee shall ensure that the Communications Memorandum of Understanding specified in Schedule C to the agreement is implemented.

11. GENERAL PROVISIONS

- 11.1 The agreement shall be effective as of the date of signature of the agreement and shall terminate on March 31, 2009, for the ICP component of the agreement and on March 31, 2012, for the MRIF component of the agreement.
- 11.2 The rights and obligations of the parties set out in sections 3.1, 5.2 (c), 5.2 (g), 6.1, 6.2, 6.3, 6.4 (b), 6.6., 6.7, 6.8, 8, 9, 11.10, 11.13, 11.14, and 12 of the agreement shall remain in effect once the agreement has expired or been terminated.
- 11.3 The agreement may be amended upon the written consent the federal Ministers and the Quebec Ministers. It is expressly agreed and understood, however, that, under the ICP, any amendment to section 2, paragraphs 6.1, 6.3, 6.4 (a), and 6.5 (a), or subsection 11.1 shall require approval by the Governor in Council.
- 11.4 No member of the House of Commons or of the Senate of Canada or of the National Assembly of Quebec shall be admitted to any share or part of any contract or agreement made pursuant to the agreement or to any benefit arising there from.
- 11.5 Nothing in the agreement is to be construed as authorizing one party to contract for or to incur any obligation on behalf of the other or to act as agent for the other. Nothing in the agreement is to be construed as authorizing any recipient or any third party to contract for or to incur any obligation on behalf of either party or to act as agent for either party, and Quebec shall take reasonable steps to ensure that the contracts mentioned in section 5.1 contain a provision to that effect.
- 11.6 Subject to section 6.8, all property, including patents, copyrights and other intellectual property, and any revenue acquired as a result of the work performed under any ICP projects shall be disposed of, licensed or otherwise dealt with as the management committee may from time to time determine.
- 11.7 (a) Notwithstanding any other provision of the agreement, all obligations of Canada incurred by virtue of the agreement shall be subject to the *Financial Administration Act* (Canada).
- (b) Notwithstanding any other provision of the agreement, all obligations of Quebec incurred by virtue of the agreement shall be subject to the Quebec *Financial Administration Act* or its equivalent.
- 11.8 The parties declare that their signatures and the implementation of this agreement have been duly authorized and constitute binding obligations.

- 11.9 The agreement is governed by the applicable laws of Quebec.
- 11.10 Debt
- a) All amounts owed to Canada under the agreement shall constitute a debt owed to Canada that shall be reimbursed without delay by Quebec on demand, or in the cases set out in section 6.8 (b), as soon as the appropriate procedures have enabled it to recover the said amounts.
- b) All amounts owed to Quebec under the agreement shall constitute a debt owed to Quebec that shall be reimbursed without delay by Canada on demand.
- 11.11 This agreement may be signed in multiple copies, in different locations and at different times, without the parties being in each other's presence, and each copy shall constitute an original of the agreement, and the copies together shall constitute a single agreement.
- 11.12 If for any reason a nonessential provision of the agreement is deemed to be invalid or inoperative, or becomes so in whole or in part, the provision is deemed to be a separate provision and is deleted from the agreement. However, all the other terms and conditions of the agreement shall retain their full effect.
- 11.13 In the case of MRIF projects, a person subject to the provisions of the *Values and Ethics Code for the Public Service* of Canada or subject to equivalent provisions enacted by the government of Quebec, may not derive a direct benefit from the agreement unless the person is in compliance with the provisions that apply to them.
- 11.14 All notices, information, and documents shared by Canada and Quebec under the agreement are deemed to have been received when delivered in person or eight (8) working days after being sent, if sent with sufficient regular-mail postage.

All notices, information, and documents addressed to Canada under the due exercise of the management committee's responsibilities must be sent to the first address below.

All other notices, information, and documents transmitted under the agreement must be sent to the following two addresses:

Director
Infrastructure Program
Canada Economic Development Agency for the Quebec Region
505 de Maisonneuve Ouest
Suite 255
Montreal, Quebec
H3A 3C2

and

Director General, Intergovernmental Operations
Infrastructure Canada
90 Sparks Street
Ottawa, Ontario
K1P 5B4

All notices addressed to Quebec must be sent to:

Directeur des Infrastructures
Ministère des Affaires municipales et des Régions
10 Pierre-Olivier-Chauveau Street
Quebec City, Quebec
G1R 4J3

Each party may change the address stipulated in the agreement and shall notify the other party of its new address.

12. DISPUTE AVOIDANCE

- 12.1 The parties will keep each other informed, by way of exchange of information within the management committee, of potentially contentious issues, and will attempt to resolve such issues at the management committee level.
- 12.2 When an issue arises, the federal co-chair or the Quebec co-chair may give 14 days' notice in writing to the other co-chair, calling for a meeting of the co-chairs. The co-chairs may agree to an earlier date. The notice will describe the issue.

- 12.3 If the co-chairs fail to meet within the 14-day period, or if they meet but are unable to resolve the issue to their mutual satisfaction within 7 days of the meeting, either co-chair may give notice to the other that the issue remains outstanding, and whether it is considered breach of an essential element of the agreement.
- 12.4 If substantially the same issue arises again, in respect of the same project or a different project, either co-chair may give notice to the other that the issue is outstanding, without following the procedures in sections 12.2 and 12.3 above.
- 12.5 Except as provided below, where there is a dispute, the agreement will continue to operate in all other respects.
- 12.6 a) Under ICP, where notice has been given under subsection 12.2 or 12.3 and the issue remains outstanding, the co-chairs will submit the dispute to the federal implementing Minister and the Quebec implementing Minister for resolution.
- b) Under MRIF, where notice has been given under subsection 12.2 or 12.3 and the issue remains outstanding, the co-chairs will submit the dispute to the Minister of Infrastructure and the Quebec implementing Minister for resolution.

The agreement is signed on behalf of Canada by the Minister of State (Infrastructure and Communities), the Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec, and the Minister responsible for the Francophonie, and, on behalf of Quebec, by the Minister of Finance, the Minister of Municipal Affairs and Regions, the Minister of Transport and Minister responsible for the National Capital Region, and the Minister responsible for Canadian Intergovernmental Affairs, the Canadian Francophonie, the Agreement on Internal Trade, Reform of Democratic Institutions, and Access to Information.

GOVERNMENT OF QUEBEC
French original signed by:

Michel Audet

Minister of Finance

Nathalie Normandeau

Minister of Municipal Affairs and Regions

Michel Després

Minister of Transport and Minister
Responsible for the National Capital
Region

Benoit Pelletier

Minister Responsible for Canadian
Intergovernmental Affairs, the Canadian
Francophonie, the Agreement on Internal
Trade, Reform of Democratic Institutions
and Access to Information

GOVERNMENT OF CANADA
French original signed by:

John Godfrey

Minister of State (Infrastructure and
Communities)

Jacques Saada

Minister of the Economic Development
Agency of Canada for the Regions of
Quebec and Minister responsible for the
Francophonie

CANADA - QUEBECINFRASTRUCTURE PROGRAM AGREEMENTICP AND MRIF PROJECT REVIEW AND SELECTION FRAMEWORK**A.1 GENERAL**

a) The ICP includes the following three components:

- Component 1: Green municipal infrastructure
- Component 2: Local transportation infrastructure
- Component 3: Projects with an economic, urban or regional impact

b) The MRIF includes the following three components:

- MRIF 1: Green municipal infrastructure
- MRIF 2: Development of knowledge relative to municipal infrastructure
- MRIF 3: Infrastructure in support of local or regional development

A.2 ICP ELIGIBILITY CRITERIA

The types of ICP project that meet/support the objectives of the agreement include but are not limited to the following:

A.2.1 Component 1: Green municipal infrastructure

This component aims to enable works to repair, replace, expand, rehabilitate or build drinking water and wastewater infrastructure. This component also allows for experimentation or the use of new technologies in the management, maintenance, repair or building of infrastructure, including waste management facilities, or to undertake a diagnosis of their state of repair.

Eligible Recipients

Municipalities

Eligible Infrastructure

The eligible infrastructure is:

- water infrastructure;
- water treatment infrastructure;
- sewer infrastructure;
- wastewater treatment infrastructure;
- infrastructure and water management systems;
- dams, dikes and discharge structures;
- solid waste management facilities.

The work must be undertaken within the already built-up zones of urban areas, and must not contribute to urban sprawl, except for work involving infrastructure to supply and treat drinking water and to collect and treat wastewater. Such work must be done outside flood-risk areas and other hazard-prone areas.

Priority will be given to repair work and work to bring infrastructure up to standards.

Non-eligible work

Normal maintenance work and work related to the operation of infrastructure are not eligible.

A.2.2 Component 2: Local transportation infrastructure

This component covers the construction, improvement or renovation of transportation infrastructure and systems.

Eligible Recipients

Municipalities, urban and intermunicipal transportation corporations, and short line railways are eligible for funding under this component.

Eligible Infrastructure

The eligible infrastructure is:

- roads, including road signage;
- bridges, viaducts, tunnels and other engineering structures;
- road shoulders, sidewalks and bicycle paths;
- park and ride centres, and reserved lanes;
- traffic management and public information systems;
- mass transit infrastructure, including city buses using alternative fuels (but not other urban buses or vehicles);
- public terminals, wharves, docks, piers and transshipment facilities;
- equipment and repair facilities for paratransit (but not vehicles);
- branch lines for short line railways that serve industrial parks, signals and railway crossing gates as well as the relocation of railway switching yards.

Non-eligible work

Normal maintenance work and work related to operations are not eligible.

A.2.3 Component 3: Projects with an economic, urban or regional impact:

The purpose of this component is to enable municipalities, public and parapublic organizations and private-sector organizations, including non-profit organizations to implement projects to repair or build infrastructure, facilities or buildings that have an economic, urban or regional impact, including cultural and recreational facilities, infrastructure supporting tourism, telecommunications in rural and remote areas, high-speed Internet access for local public institutions, and affordable housing.

Non-eligible Projects

Projects dealing mainly with assets owned by Canada or Quebec are not eligible projects, except where those assets, in the opinion of the management committee, are of a type normally owned or operated by municipalities and have important benefits, as determined by the management committee.

A.3 MRIF ELIGIBILITY CRITERIA

The MRIF project types that fulfill or support the objectives of the agreement consist primarily of the following:

A. 3.1. MRIF 1: “Green” municipal infrastructure

This component includes projects making it possible to construct, renovate, improve or bring up to standard a municipal water pipe infrastructure, to solve a problem of drinking water quality or quantity, or, in the case of sewers, to reduce the possible effects of effluents on drinking water sources and aquatic ecosystems, including fisheries resources and biodiversity, and to increase the effectiveness of the collection and treatment of waste waters, including rainwater, for the purpose of improving water quality, and for sustainable use and management of infrastructure and of water.

Eligible applicants

Municipalities

Eligible infrastructure

Eligible infrastructure is:

- a) Municipal drinking water infrastructure;

b) Municipal waste water infrastructure.

Eligible infrastructure include the following subcategories:

- a) Drinking water supply infrastructure;
- b) Drinking water treatment infrastructure;
- c) Drinking water distribution infrastructure;
- d) Infrastructures for collecting, intercepting and treating wastewater, including sanitary and combined sewers;
- e) Storm sewer Infrastructures.

Also eligible are infrastructure adapted to the physical, demographic or financial context of certain communities.

Non-eligible projects or works

- a) Projects in which the construction work began before their registration under the agreement.
- b) Normal maintenance and operations work;

A. 3.2. MRIF 2: Development of knowledge relative to municipal infrastructure

This component includes projects making it possible to develop and implement approaches and tools to support the development of knowledge relative to municipal infrastructures and thus promote the cost effective continuity of reliable infrastructure suited to the existing needs, in a perspective of water resource protection.

Eligible applicants

Municipalities

Eligible projects

Eligible projects are those that will lead to the improvement of knowledge relative to:

- the nature, location, condition, residual life span and residual value of existing municipal water supply and sewer infrastructure;
- evaluating the need to modernize the infrastructure and determining their optimal dimensions from the viewpoint of water demand and resource economy;
- determining the best methods of modernizing existing municipal water supply and sewer infrastructure;
- evaluating the needs and short, medium and long-term methods of financing needed to support works promoting infrastructure continuity.

Non-Eligible Projects

- a) Projects that were started before being registered under the agreement.
- b) Infrastructure-construction work identified following the completion of a project that received financial support under MRIF 2. (Such works may, however, be the subject of an application for financial assistance under MRIF 1);

A.3.3 MRIF 3 : Infrastructures supporting local or regional development

This component includes works making it possible to construct, renovate or improve:

- a service infrastructure supporting the maintenance or development of commercial, industrial or tourist activities;
- a Heritage or artistic infrastructure designed to preserve, develop and promote culture and heritage;
- a community sports recreational infrastructure designed to encourage a larger percentage of Quebecers to include sports and physical activity in their daily lives.

Eligible Applicants

- a) municipalities; and

- b) non-governmental organizations.

Eligible Infrastructure

- municipal water supply and sewer infrastructure;
- vehicular or pedestrian thoroughfares and street furniture;
- museums (including art museums);
- designated heritage sites;
- performing arts facilities;
- cultural /community centres;
- interpretation centres and sites;
- municipal libraries;
- community sports facilities other than those used exclusively by professional athletes;
- community recreational sites;
- parks, fitness circuits, bicycle and pedestrian paths, playing fields and similar facilities;
- convention and exhibition centres, fairgrounds.

Non-Eligible Projects and Works

- a) Projects in which the construction work began before their registration under the agreement.
- b) Routine maintenance works and works related to operations;

A.4 ELIGIBLE COSTS

A.4.1 Eligible costs represent all direct costs incurred and paid for solely and specifically by a recipient, and invoiced under a contract for goods and services required for the implementation of a project, including the following:

- a) capital costs (defined as determined according to accounting principles generally recognized in Canada for the applicant's activity sector and pertaining to the acquisition, construction or renovation of a capitalized tangible asset);
- b) fees paid to professionals, technical personnel, consultants, and contractors specifically retained to undertake the design, engineering, fabrication or construction of an eligible project, including surveying costs;
- c) all other costs incurred and paid for the completion of a project (including diagnostic studies specific to a project) and having received prior approval from the management committee;
- d) temporary financing costs for ICP projects only;
- e) communications costs as specified in Schedule C and having received prior approval from the management committee; and
- f) costs pertaining to the training required in the operation of the infrastructure and tools put in place under MRIF 1 or MRIF 2 projects.

A.4.2 MRIF 2 projects may add the following to the above-mentioned eligible costs:

- a) costs for planning, evaluation, development and project feasibility studies; and
- b) costs for purchasing and installing equipment in addition to the equipment owned by the municipality and absolutely necessary for completion of the project.

A.4.3 The total eligible costs for an MRIF 2 project may not exceed \$150,000 for maximum financial assistance of \$100,000 provided in equal portions by Canada and Quebec.

A.5 NON-ELIGIBLE COSTS

The costs related to the following are not eligible, unless they are recognized as such within MRIF 2:

- a) for IPC projects, costs incurred after March 31, 2008;
- b) for MRIF projects, costs incurred after March 31, 2010;
- c) the services or works normally supplied by an applicant or any other agency of an applicant to ensure a project's implementation;
- d) an employee's wages and other benefits, general expenses, along with other direct or indirect operating/administrative expenses of an applicant, in particular those pertaining to planning, engineering, architectural, supervisory, managerial and other services the delivery of which is provided by the applicant's permanent staff. However, these costs could be eligible under ICP if they are incurred and paid by the municipality for additional staff hired to carry out an ICP project;
- e) costs for feasibility and planning studies;
- f) the portion of the Provincial Sales Tax and the portion of the Goods and Services Tax for which the applicant or the third party may obtain a refund and all other costs subject to a refund;
- g) the purchase of land and other related costs;
- h) the rental of land and real estate, and other facilities and equipment;;
- i) contributions or undertakings in kind;
- j) general/periodic costs for repairing or maintaining an access road and related structures or related facilities and/or equipment;
- k) the costs incurred before October 20, 2000, for projects submitted under the ICP and before the signature of this agreement for projects submitted under the MRIF, with the exception of the costs for studies related to drinking water supply or water purification, for IPC projects transferred to MRIF 1, and whose total costs for all projects transferred may not exceed 10% of the MRIF 1 envelope;
- l) legal costs for MRIF projects; and
- m) remuneration based on a percentage of the Canadian contribution paid to a lobbyist.

A.6 PROJECT STATEMENT AND SUPPORTING DOCUMENTS

A.6.1 An eligible applicant must submit a project statement indicating the following:

- a) how the proposed project is situated in relation to the applicant's capital cost planning and how it contributes to this planning;
- b) to what extent the proposed project contributes to the environmental, economic, community and innovation objectives stated in the agreement;
- c) how the financial support provided by the program will contribute to the project's completion;
- d) how the applicant intends to comply with the environmental assessment requirements of the agreement;
- e) all other items of information that the management committee may require, in particular in the area of technology utilization.

A.6.2 An applicant must provide a resolution indicating that the proposed project is authorized by its municipal council or board of directors, as the case may be, and undertake to pay its share of the project's ongoing eligible costs and operating costs.

Nongovernmental applicants must also obtain and provide a resolution from the council of the municipality in which the project is being carried out indicating that the council supports the project.

A.7 IPC PROJECT ASSESSMENT CRITERIA

Projects shall be assessed by considering the following factors:

A.7.1 Component 1 – Green municipal infrastructure

- a) Improve the quality of the environment:
 - enhance drinking water quality
 - bring municipal infrastructure up to standard
 - better water and wastewater management
- b) Improve public health, safety and sanitation
- c) Support economic growth
- d) Encourage innovation and experimentation by promoting the use of new technologies, best practices and new approaches
- e) Meet the population's current drinking water needs

Under this component, priority will be given to repairs and work to bring infrastructure up to standard.

Projects that experiment with new technologies will be assessed by considering the following factors:

- a) potential to resolve a problem;
- b) applicability to Quebec municipalities;
- c) expected performance of the process or product;
- d) technological, economic or commercial benefits;
- e) quality and diversity of the project implementation team;
- f) impact on labour skill development.

A.7.2 Component 2 – Local transportation infrastructure

- a) Increase user safety and the free flow of passenger and freight traffic
- b) Increase the ability of municipal services to meet transportation needs
- c) Improve the quality of the environment:
 - cleaner air
 - promote the use of transportation modes that are less polluting and are more energy efficient
- d) Support for economic growth:
 - increase opportunities for economic growth in communities through an improvement in the quality and service of local transportation systems
- e) Encourage innovation by promoting the use of new technologies, best practices and new approaches to the repair, construction and management of municipal Infrastructure

A.7.3 Component 3 – Projects with an economic, urban or regional impact

- a) Support for economic growth:
 - impact on the local or regional economy (multiplier effect)
 - long-term job creation
 - better access to the new economy through telecommunications
 - increased potential for tourism
- b) Improve community infrastructure:

- access to municipal services to improve citizens' quality of life
 - promote and develop culture and heritage
 - improve local recreational and cultural facilities
 - better availability of affordable housing
- c) Structural impact on land-use planning or urbanization

A.8 ASSESSMENT CRITERIA FOR MRIF PROJECTS

MRIF projects will be assessed upon consideration of the following:

A.8.1 – MRIF 1 – "Green" municipal infrastructure

- a) the quality of drinking water resulting from a project must meet the requirements of the Government of Quebec's drinking water quality regulations;
- b) all infrastructure components resulting from a project that will be in contact with drinking water must meet standard NQ 3660-950;
- c) sewage infrastructure projects must help to reduce the quantity/improve the quality of discharge into the environment, including discharge from waste water purification stations.

A.8.2 – MRIF 2 – Development of knowledge relative to municipal infrastructure

- a) Potential to contribute to the development of knowledge relative to municipal infrastructure;
- b) Applicability to other municipalities;
- c) Performance of approach/instrument is expected;
- d) Economic benefits are expected; and
- e) Where applicable, the project team must have quality members.

A.8.3 – MRIF 3 – Infrastructures supporting local or regional development

- a) the applicant must demonstrate its ability to operate and manage the project in a way that will ensure its sustainability;
- b) the characteristics of recreational projects must have been defined as a result of consultations conducted with the presumed primary users of the proposed facilities.

A.9 EXPENDITURE AND INVESTMENT OBJECTIVES

- A.9.1 a) The total cost of eligible projects under the ICP, excluding the management fees and administrative expenses provided in section 7.5 (a), shall be \$1,531,397,280.

The budgetary envelope for each ICP component is as follows:

- | | |
|--|--------|
| • Component 1: Drinking water and wastewater infrastructure | \$612M |
| • Component 2: Local transportation infrastructure | \$615M |
| • Component 3: Projects with an economic, urban or regional impact | \$304M |

\$1,531M

- b) The funds allotted to rural communities for ICP projects shall as much as possible be equal to the proportion of rural residents in Quebec, which is approximately 20%. This objective shall be reassessed as needed, particularly following the current municipal reform initiative.

c) For ICP projects that are strategic, regional in scope or involve a number of partners, Canada and Quebec may propose projects under Component 3 (which must represent at least 20% of the funds allocated under the agreement).

A.9.2 a) The total cost of works deemed eligible under the MRIF, excluding the management fees and administrative expenses provided in section 7.5 (a), could reach \$576,000,000. The budgetary envelope for each MRIF component is as follows:

MRIF 1 : "Green" municipal infrastructure	\$420M
MRIF 2 : Development of knowledge relative to municipal infrastructure	\$6M
MRIF 3 : Infrastructure supporting local or regional development	\$150M
	<hr/>
	\$576M

b) Under MRIF, funds dedicated to green projects shall constitute, to the extent possible, approximately 70% of total contributions.

c) A maximum of 1% of the MRIF funds shall be dedicated to MR IF 2.

d) Under MRIF, funds dedicated to projects implemented within the boundaries of municipalities having populations under 250,000 shall constitute, to the extent possible, approximately 80% of total contributions.

e) Quebec confirms that the following municipalities have populations of more than 250,000:

- Montreal;
- Laval;
- Longueuil;
- Quebec City

A.10 NOTIONAL SPENDING PROFILE

A.10.1 Under the ICP, the funding contributed by Canada for the 2000-2001 to 2004-2005 fiscal years, along with forecasts for the funding to be contributed by Canada for the 2005-2006 to 2007-2008 fiscal years are the following:

In thousands of dollars	
2000-2001	\$0
2001-2002	\$16,772
2002-2003	\$37,931
2003-2004	\$70,772
2004-2005	\$85,339
2005-2006	\$170,969
2006-2007	\$84,071
2007-2008	\$49,704
Total	\$515,508

A.10.2 Under the MRIF, the total contribution by Canada under the agreement will be notionally allocated as follows:

In thousands of dollars	
2005-2006	\$9 750
2006-2007	\$29 250
2007-2008	\$58 500
2008-2009	\$58 500
2009-2010	\$39 000
Total	\$195 000

A.10.3 Should any of the amounts provided for under section A.10.1 or A.10.2 not be expended in a fiscal year, subject to subsection 6.1, Canada will provide the lapsed amounts in a subsequent fiscal year.

CANADA - QUEBECINFRASTRUCTURE PROGRAM AGREEMENTAUDIT FRAMEWORK**B.1 PURPOSE**

B.1.1 The purpose of the audit framework is to provide independent and objective assurances that:

- Systems and procedures are in place to ensure management's compliance with the terms and conditions of the agreement and that the funds are provided for projects that meet the applicable eligibility criteria and other applicable conditions or obligations;
- The expenditures are verified through a rigorous process that takes risk management into account and ensures compliance with the eligibility criteria and eligibility of the costs.

B.2 AUDIT OBJECTIVES

B.2.1 The key objectives of audits to be conducted pursuant to the agreement are to:

- Evaluate the overall management and administration of the ICP and the MRIF;
- Determine whether funds were expended for the purposes intended by examining the payment approval process, including the nature and extent of supporting documentation, accuracy of claim information and evidence of proper authorizations and such other due diligence reviews as appropriate;
- Ensure that prompt and timely corrective action is taken on audit findings.

B.3 ROLES AND RESPONSIBILITIES

B.3.1 The management committee will approve annual audit plans and the reporting of audit results and ensure that prompt and timely corrective action is taken in response to audit findings, including the recovery of funds if applicable.

B.3.2 The management committee will submit to the Ministers a copy of its annual audit plan, the annual audit report and a report on the corrective action taken if applicable.

B.4 AUDIT PLAN

The management committee shall ensure that the annual audit plan is carried out in co-operation between the governments and contains the following components:

- the audit objectives to be pursued for the fiscal year in question;
- the number of major projects and projects of different size to be audited;
- the nature of the risks or issues to be dealt with during the audit;
- the report on the audit findings;
- the audit timetable and reports;
- the audit methodology;
- the level of resources;
- compliance with environmental requirements.

The management committee will ensure that the annual audit report is available to the public on request. Moreover, pursuant to the review policies of the Treasury Board of Canada, the federal co-chair will ensure that all audit results in his or her possession are also available to the public on request.

All audits performed under the Agreement shall comply with generally accepted accounting standards such as those of the Institute of Internal Auditors and the Canadian Institute of Chartered Accountants.

B.5 PROJECT INFORMATION

The management committee shall ensure that all project eligibility, selection, implementation and management data is collected and made accessible to auditors.

B.6 EXPENSES RELATED TO THE AUDIT

Expenses related to the audit shall be paid out of the amounts set aside for the management and administration of the agreement as specified in subsection 7.5.

CANADA - QUEBECINFRASTRUCTURE PROGRAM AGREEMENTCOMMUNICATIONS PROTOCOL**C.1 GENERAL**

- C.1.1 Canada and Quebec agree to undertake joint communications activities and products that will enhance opportunities for open, transparent, effective and pro-active communications with citizens through appropriate, continuous and consistent public information activities that recognize the contribution of the parties and the recipients.
- C.1.2 The mechanisms for such communications and public information activities and products shall be determined by the management committee, which may establish a communications sub-committee to provide it with advice and support on such matters. The sub-committee shall be comprised of at least one federal and one Quebec representative.
- C.1.3 All public information material in relation to the agreement shall be prepared jointly and shall equitably reflect the contributions of the parties and recipients. This material shall be produced in French, and a translation into English under separate cover shall be made available to the public as needed and upon request.

C.2 COMMUNICATING WITH APPLICANTS

- C.2.1 Project approval notifications as jointly specified by the parties in Schedule D shall be signed by the Quebec co-chair and will identify the Canada – Quebec Infrastructure Program and the contribution of each party.
- C.2.2 All public information material related to calls for tendering shall clearly and prominently indicate that the project is funded pursuant to the agreement.

C.3 COMMUNICATING WITH THE PUBLICPublic Information Products

- C.3.1 The management committee may develop information kits, brochures, public reports, and web site material to inform potential recipients and the public about the Infrastructure Program.

News Releases

- C.3.2 A joint news release shall be issued when a contract is signed. Unless the co-chairs decide otherwise, there shall be a joint news release for each project or group of projects, in which each party and the recipient will have equal importance. A news release may include quotations from a federal or Quebec elected official or a recipient. The parties must agree on these quotations.

The preceding paragraph does not apply to news releases produced by the operating agency if it relates to its operations, traffic management or road safety that might result from the implementation of projects covered by the agreement.

Press conferences, public announcements and other joint events

- C.3.3 The parties shall co-operate in organizing press conferences, announcements or official ceremonies. The parties should also agree on the messages and public statements at such events. On the advice of the communications sub-committee, the management committee may recommend that special ceremonies and events be held at an appropriate location and time. No public announcement for a project under the agreement shall be made by either party or by a recipient unless the other party has been informed of it at least seven days in advance.
- C.3.4 Either party may organize a joint press conference. The requestor shall give the other party reasonable notice of seven days of such a press conference, public announcement or joint event. The federal and Quebec Ministers, or the designated representative for each party, may participate in these press conferences, which shall be held on a date and at a location that are agreed upon.
- C.3.5 The signing of the agreement shall be the subject of an official ceremony.

- C.3.6 The parties shall work together to organize such announcements or official ceremonies, and shall follow a mutually agreed-upon order of precedence. The parties should jointly agree on the messages and public statements at such events.

Signage

- C.3.7 Where applicable, the management committee shall ensure that the recipient provides and installs temporary signage at a prominent location where there is visible activity related to an approved project. The said signage shall indicate that it is a Canada - Quebec infrastructure project, bear a message approved by the management committee, and remain in place throughout the duration of the project.
- C.3.8 Design, wording and specifications of joint signs shall reflect the participation of Canada and Quebec, and must be approved by the management committee. Signs shall have appropriate space indicating participation by the recipient, if requested.
- C.3.9 The management committee shall issue specifications for signs and timeframes for their installation. Temporary signs must be removed within 90 days of project completion.
- C.3.10 Upon completion of a project, Canada and Quebec may provide and install, where appropriate, a plaque or permanent sign bearing an appropriate inscription. The design, wording and specifications of such permanent signs shall be in accordance with subsections and C.3.7 and must be approved by the management committee.

Advertising

- C.3.11 Either party may organize an advertising or public information campaign related to the infrastructure program. However, it must inform the other party of the contents of the campaign's messages at least 30 days before it is launched.

C.4 COST SHARING

- C.4.1 Unless otherwise agreed by the management committee, Canada and Quebec will each assume half the costs associated with the development and delivery of communications products and activities. This would apply to literature, media distribution, organization of joint special events, as established by both parties.
- C.4.2 Costs associated with any public announcement and official ceremony incurred by the recipient shall be eligible costs. Other costs incurred by the parties to organize such events would be borne by the parties using an equitable cost-sharing formula.
- C.4.3 Costs associated with any temporary or permanent signage incurred by the recipient shall be eligible costs. If such costs are incurred by the parties they would be borne by the parties using an equitable cost-sharing formula.

CANADA - QUEBEC

INFRASTRUCTURE PROGRAM AGREEMENT

NOTIFICATION OF PROJECT APPROVAL

D.1 Canada and Quebec agree that the following shall constitute the project approval notification that will be sent to recipients pursuant to Section C.2.1:

Dear Sir/Madam

The management committee of the Canada-Quebec Infrastructure Program approved a contribution of \$xxx towards the costs of your project for

You will be eligible to receive Canada's contribution, which will be a maximum of \$xxxx, as well as Quebec's contribution, which will be a maximum of \$xxxx, under the X program, if you sign a contract with the Government of Quebec. The contract will be sent to you shortly and will include the terms and conditions governing these contributions.

Yours sincerely,

Signed _____

On behalf of the management committee