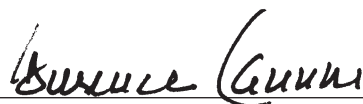


# Infrastructure Canada

**2006-2007**

## **Report on Plans and Priorities (RPP)**



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





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## Section I: Overview

### Minister's Message

I am pleased to present Infrastructure Canada's *2006-2007 Report on Plans and Priorities*, which outlines the organization's corporate direction for the next three fiscal years.

On February 6, 2006, the Prime Minister appointed me as Minister of Transport, Infrastructure and Communities, responsible for a portfolio consisting of Infrastructure Canada, the subject of this report, Transport Canada, and 16 Crown Corporations. The broad scope and synergies of this new portfolio create a point of convergence for some of the most important opportunities and key challenges facing Canada today. Bringing the various tools and policy levers of this portfolio under the responsibility of a single Minister offers great potential for strategic and coherent policy development and actions aimed at enhancing Canada's economic competitiveness and our quality of life in a streamlined manner that is transparent and accountable to Canadians.

Modern infrastructure is a cornerstone for strong and sustainable economic, environmental, social and cultural growth and development in Canada's cities and communities. On this foundation, we can best deliver focused, accountable, and effective programs that benefit the places where we live and raise our families.

I believe that the alignment of Infrastructure Canada with Transport Canada and the Crown corporations will provide a tremendous opportunity to integrate federal efforts and address the pressing and long-term issues facing Canadians and our communities.

In the spirit of collaboration, Infrastructure Canada, on behalf of the Government of Canada, is committed to working with provinces, territories, and municipalities in a new era of open federalism that respects jurisdictions and will help to make our communities strong and healthy.

Among Canada's strengths are its competitiveness and quality of life, which increasingly depend upon the strength of its municipalities – rural and urban. In the coming year, we plan to focus on advancing the Government of Canada's cities and communities agenda, improving the state of Canada's sustainable infrastructure, and moving forward to build capacity and generate knowledge on infrastructure and communities.



Lawrence Cannon



In support of Canadian cities and communities and their quest to be healthy, sustainable and dynamic centres of economic growth and development, I am proud to report on the plans and priorities of Infrastructure Canada. These plans will be pursued in light of the Government of Canada's unprecedented commitment to infrastructure in Budget 2006. That document committed some \$16 billion over four years to infrastructure for Canadians. It also committed the Government to develop a long-term framework for federal investments in infrastructure.



Lawrence Cannon  
Minister, Transport, Infrastructure and Communities



## Deputy Head's Message


As Deputy Head, I am pleased to present Infrastructure Canada's plans for the coming years. *The 2006-2007 Report on Plans and Priorities* supports the Government of Canada's key priorities, and contributes to meeting Canada's modern infrastructure needs and to support its cities and communities.

I am proud of the accomplishments of Infrastructure Canada and continue to be excited about our future as we move forward within the new portfolio of Transport, Infrastructure and Communities.

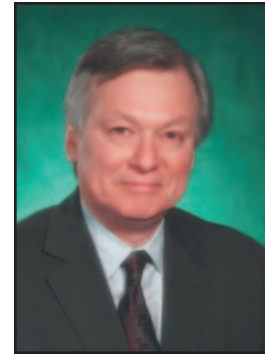
Infrastructure Canada remains committed to contributing to the economic, social, cultural and environmental well-being of Canadian cities and communities, small and large, rural and urban.

At an operational level, it is through the innovative development and management of programs that Infrastructure Canada will continue to foster investment at the national, regional and local level that supports our environment, encourages economic growth, and contributes to healthy communities. These investments are in such areas as public transit, tourism and recreation and cultural development, local capacity building, water and wastewater treatment, research, telecommunications, and northern infrastructure.

Most important will be our efforts to continue to work as partners with federal, provincial, territorial, and municipal orders of government, along with First Nations, community partners, stakeholders and private and not-for-profit organizations. It is through the fostering and promotion of these relationships that we will ensure our efforts are collaborative and respond to local needs. Working in tandem as partners, we will provide a foundation for strong and sustainable cities and communities for all Canadians.



André Juneau  
Deputy Head  
(Infrastructure and Communities)



André Juneau



## Management Representation Statement

I submit for tabling in Parliament, the 2006-2007 Report on Plans and Priorities for Infrastructure Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the 2007-2008 Program Activity Architecture approved by Treasury Board.
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat.

Name:   
André Juneau

Title: Deputy Head  
(Infrastructure and Communities)





## **Overview of the Transport, Infrastructure and Communities Portfolio**

The reports of Infrastructure Canada and Transport Canada are the first to be submitted to Parliament since the creation of the Transport, Infrastructure and Communities (TIC) portfolio in February 2006. The Minister of Transport, Infrastructure and Communities' portfolio responsibilities include Infrastructure Canada, Transport Canada and sixteen Crown Corporations.

The portfolio is a point of convergence for some of the most important issues facing Canada today: the productivity of the economy; transportation safety and security; environmental sustainability; and the quality of life in cities and communities. It brings together a range of tools, including programs, legislation, policy frameworks and stakeholder networks to advance the Government's priorities in a cohesive and coordinated manner. When the federal government can speak with one voice on complex issues and act in a focused manner, Canadians benefit from the results.

Budget 2006 made significant commitments for federal investments in transportation and other infrastructure. This includes a new Highways and Border Infrastructure Fund (HBIF); the Asia-Pacific Gateway Initiative; transportation security; a Public Transit Capital Trust; the renewal of the Canada Strategic Infrastructure Fund (CSIF) and the Municipal Rural Infrastructure Fund (MRIF); and the maintenance of the Gas Tax Fund and GST Rebate for cities and communities.

The TIC portfolio will permit the effective management of these investments to ensure maximum benefits for Canadians and their communities through greater coordination and integration of policies, programs, and investment decisions, under the accountability of a single Minister. It also positions the Government of Canada to work more closely and efficiently, through partnerships with the provinces, territories, municipalities and other groups, to support the development of communities, the planning of transportation systems, and the renewal of infrastructure.



Work is underway to maximize the potential and opportunities the portfolio offers. The aim is to improve Canadians' health and quality of life and the competitiveness and sustainability of Canada's economy, while achieving tangible improvements in the environment and ensuring transparency and accountability to Canadians. The focus is on national challenges and the federal role in meeting them.

The TIC portfolio will move forward on measures and actions in the areas of:

**Sustainable infrastructure** – developing a framework for a long-term federal role in infrastructure and delivering infrastructure program funding;

**Gateways and trade corridors** – the Asia-Pacific Gateway Initiative and a National Framework for Gateways and Trade Corridors;

**Strong communities** – developing a Framework for strong communities and a Clean Transportation Strategy; and

**Transportation security** – the Transportation Security Action Plan and enhanced transportation security.

The TIC approach integrates and maximizes the synergies within the portfolio. The specific objectives and priorities of both Infrastructure Canada and Transport Canada are detailed in their respective Report on Plans and Priorities.



## **Program Activity Architecture (PAA) Crosswalk**

Each department must establish a Program Activity Architecture (PAA) identifying how it allocates and manages its resources to achieve its strategic outcomes. The PAA links related program activities to the strategic outcomes they support, and provides a framework by which expected results and performance measures are linked to each program activity.

Given the scope of changes to its responsibilities over the past several years, Infrastructure Canada sought and received approval from the Treasury Board in the Spring of 2006 to amend its PAA. Table 1 compares the new PAA with the previous one, in terms of strategic outcome, program activities and funding levels.

The new PAA better reflects how Infrastructure Canada allocates and manages the resources under its control to achieve its intended results. The amended Strategic Outcome (SO) is more directly linked to the Government's current priorities, and better reflects the broader mandate of the organization since the addition of responsibilities for the cities and communities agenda.

Under the new PAA, Infrastructure Canada has three Program Activities: Infrastructure Investments; Policy, Knowledge and Partnership Development; and Departmental Administration.

The three Program Activities reflect the reorganization recently undertaken by Infrastructure Canada to focus on its key responsibilities. For example, the new Infrastructure Investments Program Activity brings together all those functions related to managing infrastructure programming. The new Policy, Knowledge and Partnership Development Program Activity reflects the critical



role that those functions play in helping the organization and the Government address challenges related to infrastructure, cities and communities.

The program activities are briefly described below:

1. Infrastructure Investments

This Program Activity consists of all infrastructure programming delivered through transfer payments as well as the related program management and monitoring functions. The Activity contributes to the construction, renewal and enhancement of public infrastructure in Canada and builds capacity for addressing infrastructure issues in partnership with others. More information on this Program Activity is provided in Section II.

2. Policy, Knowledge and Partnership Development

This Program Activity consists of activities undertaken in policy development, knowledge, research and analysis, and partnership development. The Activity develops policies based on research and strong partnerships to address existing and emerging challenges and opportunities. More information on this Program Activity is provided in Section II.

3. Departmental Administration

This Program Activity encompasses the Office of the Deputy Head, Communications, Corporate Services, and Legal Services. The Activity promotes excellence in program and corporate management in support of Infrastructure Canada's priorities. Section IV provides information on this Activity and the key management initiatives.



The changes in Program Activities reflect the experience gained in implementing infrastructure programs, recent reorganization of functions, and developing departmental management accountability and reporting structures. The reorganization reflected in the new SO and PAA include the transfer out of the Crown Corporations Portfolio and the addition of the Cities and Communities Branch. The new PAA better reflects the organization’s achievement areas and sets the stage for strengthened reporting on performance.

### Table I: Infrastructure Canada New Program Activity Architecture

(in \$ thousands)

Previous Strategic Outcome	New Strategic Outcome	Reason for Change
To meet the priorities of Canadians for infrastructure in order to contribute to quality of life, healthy environment, economic growth, rural and urban development, innovation and international trade.	Improving the sustainability of our cities and communities and Canada’s local, regional and national public infrastructure to enhance the economic, social, cultural and environmental quality of life of Canadians.	The new Strategic Outcome better reflects Infrastructure Canada’s mandate and vision and is linked to the Government’s priorities.
Previous Program Activity	New Program Activity	Reason for Change
1. Infrastructure and Communities \$2,470,278	1. Infrastructure Investments \$2,453,936	Development of better organizational accountability and reporting functions.
	2. Policy, Knowledge and Partnership Development \$16,342	
2. Crown Corporations Portfolio Management \$20,497	Deleted \$20,497	Responsibility transferred to Transport Canada.
3. Departmental Administration <sup>1</sup>	3. Departmental Administration <sup>1</sup>	Moved Communications activities from the Infrastructure and Communities activity (since they support and apply to all corporate activities).

<sup>1</sup> Since this Program Activity supports Program Activities 1 and 2, funding is pro-rated to those Activities.



## Summary Information

**Reason for Existence:** *Infrastructure Canada seeks to help build sustainable cities and communities where Canadians benefit from world-class public infrastructure.<sup>2</sup>*

### Financial Resources (in \$ thousands)

2006-2007	2007-2008	2008-2009
2,470,278	2,491,449	2,631,365

### Human Resources (full-time equivalents)

2006-2007	2007-2008	2008-2009
220	230	240

## Mission of Infrastructure Canada

Canada needs to remain competitive and productive while sustaining the quality of life of Canadians. Strong and healthy cities and communities and world-class public infrastructure, such as safe and reliable water systems, are key to meeting these objectives.

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

In carrying out this government priority, Infrastructure Canada manages funding programs, and works to build the policies, knowledge and partnerships to support them.

The Government recognizes that cities and communities require stable, strategic, long-term funding, as well as innovative relationships and partnerships to reach their full potential for the benefit of all Canadians. Each city and community has unique needs and challenges. Infrastructure Canada will continue to play a focal role in facilitating governments and others to work together to support strong, vibrant and sustainable cities and communities.

<sup>2</sup> Public infrastructure is defined as the core physical assets instrumental to supporting the delivery of public services.



## Strategic Outcome

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

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

This Strategic Outcome will be achieved by:

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

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



Mission: To help build sustainable cities and communities.



## Plans and Priorities

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

1. Delivering approved program funding
2. Developing policy, knowledge and partnerships

These priorities reflect changes in Infrastructure Canada's new Strategic Outcome and PAA. Table 2 summarizes the changes in priorities.

**Table 2: Infrastructure Canada  
New Priorities**

Priority		Previous Priority	Reason for Change
1. Delivering approved program funding	Ongoing (re-phrased from the 2005-2006 RPP)	1. Managing and leveraging investments to improve the state of sustainable infrastructure	Reworded to better reflect new responsibilities
2. Developing Policy, Knowledge and Partnerships	Ongoing (re-phrased from the 2005-2006 RPP)	2. Building, connecting and sharing knowledge	Reworded to reflect new responsibilities, focus on partnerships and to emphasize the importance of these activities
		3. Advancing the new deal for Cities and Communities	Reorganization of cities and communities initiatives under priorities 1 and 2



## Priority I: Delivering Approved Program Funding

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

Infrastructure Canada delivers a suite of infrastructure funds, each responding to distinct aspects of Canada's priority infrastructure needs:

- *Community Based Programs:* This group includes the Infrastructure Canada Program (ICP), and its 2003 successor, the Municipal Rural Infrastructure Fund (MRIF), which invest particularly in the public infrastructure of medium to smaller communities;
- *Large-Scale Strategic Programs:* Both the Canada Strategic Infrastructure Fund (CSIF) and the Border Infrastructure Fund (BIF) focus on large-scale strategic investments of regional and national scale in support of key federal objectives such as trade, security, productivity and sustainable development;
- *The Gas Tax Fund (GTF):* This program involves transfers from the federal gas tax to benefit Canada's communities by investing in environmentally sustainable municipal infrastructure; and
- *The Public Transit Fund (PTF):* This fund focuses on investments in public transit infrastructure in support of key federal objectives such as protecting the environment by encouraging cleaner air and lowering greenhouse gas emissions.

In Budget 2006, the Government committed to renewing both the CSIF (with an additional \$2.3 billion in funding) and the MRIF (with an additional \$2.2 billion over five years), and confirmed the gas tax funding commitment for the remaining four years. (For more details on Budget 2006, refer to <http://www.fin.gc.ca/budget06/bp/bpc3ce.htm#infrastructure>.)



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

In 2006-2007, Infrastructure Canada will support this priority through the following planned activities:

- Concluding agreements under the various existing funding programs with those jurisdictions that had not yet finalized agreements by March 31, 2006;
- Continuing to work with the provinces and territories to determine the projects to receive the remaining uncommitted funds under the CSIF and BIF, and developing and seeking approval for contribution agreements for CSIF and BIF projects;
- Completing Memoranda of Understanding with federal partners to deliver CSIF and MRIF funds;
- Delivering existing infrastructure program funding (ICP, CSIF, BIF, MRIF);
- Designing and implementing an appropriate program to deliver GTF and MRIF to First Nations;
- Sound administration of the GTF and PTF programs;
- Sound administration of the research funding programs;
- Reporting on results of all programs;
- Developing a horizontal approach for reporting that encompasses all infrastructure programs; and
- Seeking approval for, negotiating agreements, and delivering program funding arising from Budget 2006.



## Priority 2: Developing Policy, Knowledge and Partnerships

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

Key federal or shared responsibilities, such as security, emergency preparedness, immigration, environment, labour-market, infrastructure and transportation play out primarily in urban areas that generate almost half of Canada's GDP and where 80% of Canadians live. At the same time, rural and northern communities and regions, which are essential to Canada's economic and social objectives, face distinct challenges to their long-term sustainability.

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

Infrastructure Canada works with its partners to identify and assess the unique needs of communities.



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

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

In 2006-2007, Infrastructure Canada will continue to strengthen its capacity to develop strategic policies based on sound knowledge and strong partnerships. Specific planned initiatives include:

- Developing a policy framework for ensuring the economic, social, cultural and environmental sustainability of Canada's cities and communities;
- Leading the formulation of a framework to assist communities in securing stable, predictable and long-term infrastructure funding;
- Strengthening collaboration with provinces, territories and municipalities through such initiatives as trilateral tables and the gas tax Oversight Committees responsible for monitoring the overall strategic implementation of GTF and PTF;
- Working with partners at all levels to ensure communities have a stronger voice in decisions that affect them;
- Providing policy support to the Minister through the development of, and consultations on, a long-term policy framework to meet Canada's infrastructure needs;
- Developing a policy framework for Cabinet approval, and terms and conditions for Treasury Board approval, for the renewal of CSIF and MRIF, as per Budget 2006;
- Supporting the building of municipal capacity to plan for and achieve sustainability objectives, including sustainable infrastructure;
- Providing lead policy input to the development of Canada's principles for community sustainability;



- Providing administrative and research assistance to the External Advisory Committee on Cities and Communities for the production of its final report;
- Providing support to the UN-HABITAT World Urban Forum III in June 2006 in Vancouver;
- Managing the third call for proposals under the Knowledge-building, Outreach and Awareness program and second call for proposals under the Peer Reviewed Research funding program, and monitoring the progress of funded research;
- Strengthening understanding of the workings of cities and municipalities through research of three aspects of built works (financing, engineering innovation, and environmental and risk management);
- Maintaining and enhancing strong partnerships with regional development agencies; and
- Continuing work with international bodies (e.g., Organization for Economic Co-operation and Development (OECD), World Bank, UN-HABITAT) on cities and communities related issues and performance indicators.

## **Operating Environment and Challenges**

### **Ensuring an Effective and Efficient Organization**

Infrastructure Canada was established in 2002. It has overseen the relatively rapid development and implementation of three generations of infrastructure and communities programming. It has evolved into an entity with growing responsibilities far beyond delivering investment programs. In 2004, it assumed responsibility for leading the cities and communities agenda, and became a federal focal point for infrastructure and cities and communities issues.

In February 2006, Infrastructure Canada and Transport Canada became part of a new portfolio, Transport, Infrastructure and Communities. The portfolio includes a number of Crown corporations that had reported to Parliament through a different minister up until the appointment of the Minister of Transport, Infrastructure and Communities.<sup>5</sup>

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<sup>5</sup> The Canada Lands Company Limited, the Old Port of Montreal Corporation Inc., Parc Downsview Park Inc., and the Queens Quay West Land Corporation.



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

### **Ensuring Accountability**

Infrastructure Canada retains responsibility within the federal government for the use of contributions under its infrastructure funds and exercises due diligence and rigorous oversight. However, several factors may impair the availability of information on program results in turn affecting Infrastructure Canada's ability to demonstrate tangible progress and results in the short term. For example, the long-term benefits of many of the infrastructure funding programs, such as economic and environmental benefits, may only become clear after several years, given the life cycle of major infrastructure projects. In addition, building sustained relationships based on shared values, open communications and accountability is a long-term proposition.

### **Coordination, Partnerships and Capacity Building**

Coordination, partnerships and capacity building are at the core of Infrastructure Canada's mandate, operations and organizational culture.

At the operating level, Infrastructure Canada collaborates extensively with other federal departments and agencies to deliver infrastructure programs, through both formal memoranda of understanding and informal working relationships. Infrastructure Canada has assumed a lead role in developing and maintaining new partnerships with provinces, territories, municipalities and municipal associations across the country, as well as with First Nations and international organizations.



Partnerships are also an important tool in Infrastructure Canada's focus on knowledge generation, community building and knowledge transfer. Infrastructure Canada collaborates with other governments, universities, research institutes, civil society organizations, the private sector and other experts domestically and internationally to generate and communicate knowledge about infrastructure and communities in support of sound policy making.

## Alignment with Government of Canada Outcomes

Infrastructure Canada's two program activities align with the following Government of Canada outcomes:

Program Activity	Government of Canada Outcome
Infrastructure Investments	Strong Economic Growth
Policy, Knowledge and Partnership Development	An Innovative and Knowledge-based Economy







## **Section II: Analysis of Program Activities by Strategic Outcome**

Infrastructure Canada has established the following three program activity areas:

### **Infrastructure Investments**

This Program Activity consists of all infrastructure programming delivered through transfer payments as well as the related program management and monitoring functions. The Activity contributes to the construction, renewal and enhancement of public infrastructure in Canada and builds capacity for addressing infrastructure issues in partnership with others.

### **Policy, Knowledge and Partnership Development**

This Program Activity consists of activities undertaken in policy development, knowledge, research and analysis, and partnership development. The Activity develops policies based on research and strong partnerships to address existing and emerging challenges and opportunities. This Activity also encompasses activities undertaken with provinces, territories, municipalities, First Nations, and other stakeholders to develop and implement a vision for ensuring the economic, social, cultural and environmental sustainability of cities and communities.

### **Departmental Administration**

This Program Activity encompasses the Office of the Deputy Head, Communications, Corporate Services, and Legal Services. The Activity promotes excellence in program and corporate management in support of Infrastructure Canada's priorities. Section IV provides information on the Activity and key management initiatives.



## Infrastructure Investments

This Program Activity consists of three types of infrastructure programs, together with the supporting program operations and management functions.

### Financial Resources (in \$ thousands)

2006-2007	2007-2008	2008-2009
2,453,936	2,486,643	2,626,520

### Human Resources (full-time equivalents)

2006-2007	2007-2008	2008-2009
147	154	161

## I. Community Based Investments

The first type of programs managed by Infrastructure Canada addresses community undertakings, most of them on a smaller scale and of local impact. These programs represent a move towards more formal partnerships with other governments and cities and communities.

There are two funds under this group: the Infrastructure Canada Program (ICP), and its 2003 successor, the Municipal Rural Infrastructure Fund (MRIF). Both have a strong focus on investments in municipal infrastructure that enhance environmental quality and quality of human life.

### Infrastructure Canada Program

The \$2.05-billion ICP was created in 2000 to enhance infrastructure in Canada's urban and rural communities, and to improve quality of life through investments that protect the environment and support long-term community and economic growth (see Table 3). As of March 31, 2006, all ICP funding has been committed to more than 3,800 projects across Canada. This program is scheduled to conclude March 31, 2009. (For details on ICP, refer to [http://www.infrastructure.gc.ca/icp/index\\_e.shtml?menu34](http://www.infrastructure.gc.ca/icp/index_e.shtml?menu34).)

The ICP's first priority is support for municipal infrastructure addressing environmental quality needs. A minimum of 50% of federal expenditures is devoted to projects such as water and wastewater systems, solid waste management and recycling, and



capital expenditures to retrofit or improve the energy efficiency of buildings and facilities owned by local governments. Other ICP priorities include local transportation infrastructure, cultural and recreational facilities, rural and remote telecommunications, and affordable housing.

Funding for the ICP was transferred to the five federal delivery partners responsible for program delivery: Western Economic Diversification Canada (for projects in the Western provinces); Industry Canada (for Ontario projects); Canada Economic Development – Quebec (for Quebec projects); the Atlantic Canada Opportunities Agency (for projects in Atlantic provinces); and Indian and Northern Affairs Canada (for First Nations and the three territories). Detailed reporting on expenditures is also included in the Reports on Plans and Priorities and Departmental Performance Reports for those organizations.

### **Municipal Rural Infrastructure Fund**

The current MRIF reflects the Government of Canada's commitment to urban and rural growth. The fund focuses on projects that support sustainable development and quality of life, with a minimum 60% of its nation-wide expenditures devoted to projects addressing environmental quality objectives. The fund was allocated \$1 billion for smaller-scale municipal infrastructure projects designed to improve the quality of life and economic opportunities in smaller centres, including a component addressing the infrastructure needs of First Nations communities (see Table 3). (For details on MRIF, refer to [http://www.infrastructure.gc.ca/mrif-fimr/index\\_e.shtml?menu35](http://www.infrastructure.gc.ca/mrif-fimr/index_e.shtml?menu35).)

Following the Treasury Board's approval of terms and conditions for the program, which provides funds for contributions to the projects and administrative costs, agreements have been signed with eight provinces and the three territories. The fund is cost-shared, with the Government of Canada contributing, generally, one-third of a project's eligible costs. As of March 31, 2006, more than 300 projects have been approved for MRIF funding. Terms and conditions for the First Nations component of MRIF are expected to be completed by Fall 2006.



Improvements in core public infrastructure in areas such as water and wastewater make our communities vibrant and productive places to live and work and raise families.



MRIF ensures that all Canadians, whether they live in large, small or remote communities, will share in the benefits of infrastructure investments.

As part of its infrastructure programming activities, Infrastructure Canada also works to build capacity and foster knowledge acquisition on infrastructure and communities issues among municipalities and other partners. A Municipal Capacity Building component under the MRIF

seeks to encourage the use of integrated asset management by small-scale Canadian municipalities. The goal is to:

- Promote the implementation of integrated approaches to public infrastructure planning and management;
- Encourage the use of asset management in support of decision making;
- Promote the integration of demand management in public infrastructure planning and management; and
- Encourage the sharing of project results with other municipalities and the public.

Up to 1% of the jurisdictional allocation under the MRIF is available for capacity building activities.

Budget 2006 renewed the MRIF, with a commitment of an additional \$2.2 billion in funding over five years, effectively tripling the amount of funding that will be invested under the program. It is expected that the Government of Canada will announce decisions on how to invest the new funds in the 2006-2007 fiscal year.

## Planned Activities

Planned activities under the community based programs for 2006-2007 include:

- Concluding agreements under the current MRIF with remaining jurisdictions;
- Completing Memoranda of Understanding with federal partners to deliver MRIF funds;
- Designing and implementing an appropriate program to deliver MRIF to First Nations; and
- Sound administration of the MRIF and ICP programs.



### Table 3: Allocation of Community-based Infrastructure Investments, by Jurisdiction

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

Jurisdiction	ICP	MRIF <sup>4</sup>
Western Economic Diversification Canada		
British Columbia	\$268.5	\$111.2
Alberta	171.0	87.9
Saskatchewan	56.7	38.0
Manitoba	60.9	41.2
Industry Canada / Ontario	680.7	298.2
Canada Economic Development / Quebec	515.5	194.8
Atlantic Canada Opportunities Agency		
New Brunswick	54.5	33.0
Nova Scotia	65.3	37.5
Prince Edward Island	12.8	18.4
Newfoundland & Labrador	51.3	27.8
Indian and Northern Affairs Canada		
Yukon	2.5	15.6
Northwest Territories	3.1	15.7
Nunavut	2.1	15.7
First Nations <sup>5</sup>	31.1	25.0
Subtotal	1,976.0	960.0
InfraGuide <sup>6</sup>	12.5	-
Federal Coordination	61.5	40.0
Total	2,050.0	1,000.0

<sup>4</sup> Amounts do not include new funds allocated to MRIF in Budget 2006.

<sup>5</sup> Program design and Treasury Board approval for the First Nations MRIF is expected by Fall 2006.

<sup>6</sup> Additional funding has been provided for InfraGuide above the initial allocation from ICP.



## 2. Large-Scale Strategic Programs

The second type of funding programs supports large-scale strategic investments of a regional and national scale in support of key federal objectives such as trade, security, productivity and sustainable development.

There are two funds under this group: the Canada Strategic Infrastructure Fund (CSIF); and the Border Infrastructure Fund (BIF).

### Canada Strategic Infrastructure Fund

CSIF investments are targeted to large-scale infrastructure projects across the country that are critical to Canada's quality of life and to its prospects for sustained economic growth.

The current CSIF is directed to projects of major national and regional significance in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians. These investments have been made in cooperation with the provinces and territories, municipalities, and the private sector. Each project partnership is governed by specifically tailored arrangements.

Maximum federal funding is set at 50% of total eligible project costs, except for broadband and northern infrastructure projects where funding can go up to a maximum of 75%. The CSIF operates under the authority of the *Canada Strategic Infrastructure Fund Act*.



The Canada Line, a CSIF funded project, will connect downtown Vancouver with downtown Richmond. Projects like this help to reduce congestion and its associated impacts and make growth more manageable, boosting our cities' liveability, sustainability and competitiveness.

The CSIF is supporting large-scale projects across the country in areas such as urban transit and sewage treatment. It has also supported projects identified as national priorities, including the Red River Floodway project in Manitoba, the National Satellite Initiative to provide broadband access to Northern and remote communities, and the twinning of the Trans-Canada Highway in Banff National Park in Alberta<sup>7</sup>.

CSIF seeks to improve the quality of the environment by encouraging approaches to building or renewing infrastructure in a manner that considers tangible improvements to the environment. Where applicable, projects should clearly demonstrate how they contribute towards the reduction of greenhouse gas emissions.

<sup>7</sup> Details of these and other announced projects can be found at [http://www.infrastructure.gc.ca/csif/projectmaps/project\\_desc\\_prov\\_e.shtml](http://www.infrastructure.gc.ca/csif/projectmaps/project_desc_prov_e.shtml).



CSIF's delivery model is based on a partnership arrangement between Infrastructure Canada and other government departments that have a direct mandate in a given field or departments and agencies that have a regional development mandate. In the case of transport-related projects, Transport Canada provides the project lead. For advanced telecommunications projects, the lead is provided by Industry Canada. Interdepartmental Memoranda of Understanding are negotiated to clarify accountabilities. There are no set jurisdictional allocations for the CSIF program. (For details on CSIF, refer to [http://www.infrastructure.gc.ca/csif/index\\_e.shtml?menu33](http://www.infrastructure.gc.ca/csif/index_e.shtml?menu33).)

Budget 2006 committed to a renewal of CSIF with an additional \$2.3 billion in funding. Cabinet and Treasury Board approval is expected to be sought in the upcoming year.

### **Border Infrastructure Fund**

The BIF was established as a \$600-million fund to target the six largest surface border crossings between Canada and the United States, as well as several other crossings. It has provided funding for investments in physical infrastructure, intelligent transportation system infrastructure, and improved analytical capacity. The fund reflects the importance of Canada's border crossings, ports and highway approaches to economic growth, trade and security both nationally and, as gateways, internationally. There are no set jurisdictional allocations for the BIF program. (For details on BIF, refer to [http://www.infrastructure.gc.ca/bif/index\\_e.shtml?menu32](http://www.infrastructure.gc.ca/bif/index_e.shtml?menu32).)

Infrastructure Canada will continue to manage the BIF program, in partnership with Transport Canada, under the terms of a Memorandum of Understanding.

BIF invests in border infrastructure that is critical to our growing economic and trade relationship with the United States. BIF investments aim to reduce border congestion and expand infrastructure capacity over the medium term.



## Planned Activities

Planned activities under the large-scale strategic programs for 2006-2007 include:

- Continuing to work with the provinces and territories to determine the projects to receive the remaining uncommitted funds under the CSIF and BIF, seeking Treasury Board approval for these projects, and developing related contribution agreements;
- Sound administration of the CSIF and BIF programs;
- Completing Memoranda of Understanding with federal partners to deliver CSIF funds; and
- Completing a Memorandum of Understanding with Transport Canada to ensure greater coordination and integration of policies, programs, and investment decisions under the accountability of a single Minister.

## 3. Gas Tax and Public Transit Funds

The third type of infrastructure programming managed by Infrastructure Canada involves agreements with provincial and territorial governments, provincial/territorial municipal associations, and the City of Toronto for a total of \$5 billion in transfers over five years from the federal gas tax to benefit Canada's communities, as well as \$400 million of federal contributions to public transit (see Table 4).

The GTF initiative is designed to help municipalities and communities make investments in infrastructure that leads to cleaner air, cleaner water, and lower greenhouse gas emissions.

### Gas Tax Fund

The Gas Tax Fund (GTF) is a \$5-billion transfer payment program, delivered from 2005-2006 to 2009-2010, established to make available a portion of the federal gas tax for the benefit of municipalities. This

fund will enable municipalities to make the long-term financial commitments needed to address local needs such as containing urban sprawl and to invest in environmentally sustainable infrastructure that will contribute to the shared national outcomes of cleaner air, cleaner water and reduced greenhouse gas emissions. Eligible project categories include public transit, water and sewers, solid waste, community energy systems, and local roads and bridges.

A capacity building component was also established within the GTF. The fund enables municipalities to take a long-term, integrated and strategic approach for these new investments by supporting them in building their capacity to develop Integrated Community Sustainability Plans (ICSP).





Funding will be governed by agreements with provincial governments, provincial/municipal associations, and the City of Toronto, which will make these funds available to cities and communities (see Table 4).

Budget 2006 confirmed the gas tax funding commitment for the remaining four years.

## Public Transit Fund

The Public Transit Fund (PTF) is a \$400-million transfer payment program designed to provide funding to improve public transit services to Canadians (see Table 4). The PTF offers potential to reduce greenhouse gas emissions and smog in urban areas by improving services and offering Canadians greater flexibility in their transportation options. Investments will make public transit more attractive and can induce a shift from auto travel to more fuel-efficient and cost-effective transit. Increased use of public transit can also lead to a reduction of congestion levels, thus further improving energy use and air quality. In addition, public transit plays an important role in the economic development and competitiveness of urban areas. Public transit objectives also help support objectives such as social inclusion by contributing to the physical mobility of disadvantaged groups such as the young and elderly, the poor and disabled.

The PTF Transfer Payment Program was designed to build on the GTF agreements, and its terms and conditions mirror those of the latter. The Government of Canada's role in the day-to-day delivery and administration of the fund is limited, but funding is governed by agreements that set out a rigorous accountability protocol that will enable the Minister to report to Parliament on how this funding is being spent.

Budget 2006 supplemented the PTF with the new Public Transit Capital Trust, a one-time payment of up to \$900 million to provinces and territories to be paid into a third party trust, contingent on sufficient funds being available from the 2005-2006 surplus. The Trust is meant to support capital investments in public transit infrastructure, including rapid transit and buses. Finance Canada will be responsible for managing the new Public Transit Capital Trust. Infrastructure Canada will continue to manage the original PTF program.



Investments in public transit not only reduce congestion and smog but also contribute to the overall social and economic health of cities and communities.



## Planned Activities

Planned activities under the GTF and PTF for 2006-2007 include:

- Concluding GTF and PTF agreements with those jurisdictions that had not yet signed agreements as of March 31, 2006;
- Sound Administration of the GTF and PTF programs; and
- Using Oversight Committees to monitor the strategic implementation of the GTF and PTF agreements, discuss issues regarding infrastructure coordination, and enhance the collaboration with provinces, territories and municipalities.

To provide First Nations with the most appropriate and effective funding mechanism, Infrastructure Canada is collaborating with the Department of Indian Affairs and Northern Development and the Assembly of First Nations to develop program parameters for the GTF (and MRIF) that take into consideration the needs of these communities.

### Table 4: Allocation of Gas Tax Fund and Public Transit Fund Investments, by Jurisdiction

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

Jurisdiction	GTF	PTF
British Columbia	635.6	52.5
Alberta	476.9	40.1
Saskatchewan	147.7	12.5
Manitoba	167.3	14.7
Ontario	1,865.5	155.2
Quebec	1,151.0	94.4
New Brunswick	116.1	9.4
Nova Scotia	145.2	11.7
Prince Edward Island	37.5	1.7
Newfoundland & Labrador	82.3	6.5
Yukon	37.5	0.4
Northwest Territories	37.5	0.5
Nunavut	37.5	0.4
First Nations <sup>8</sup>	62.5	0.0 <sup>9</sup>
Total	5,000.0	400.0

<sup>8</sup> Program design and Treasury Board approval for the First Nations GTF is expected by Fall 2006.

<sup>9</sup> First Nations may access the PTF through the provincial/territorial allocations.

## Expected Results and Performance Measurement

Table 5 summarizes the expected results and preliminary performance indicators for the investment programs managed by Infrastructure Canada.

Results-Based Management and Accountability Frameworks (RMAFs) and Risk-Based Audit Frameworks (RBAFs) have been developed for all programs. These frameworks define expected results for each program and identify performance indicators. They help ensure effective management decision-making and demonstrate clear accountability in the program areas.

In 2006-2007, Infrastructure Canada will undertake a mid-term evaluation of MRIF. On the basis of this evaluation, it will update the program RMAF and RBAF to ensure that they maintain focus on measuring and reporting on outcomes throughout the lifecycle of the programs.

ICP, an older program nearing completion, operates under a Federal Governance and Accountability Framework that identifies roles and responsibilities. In collaboration with its ICP delivery partners, Infrastructure Canada developed an integrated RMAF-RBAF for the ICP extension, and completed the ICP Mid-term Evaluation. The results of these two processes indicated the need to be diligent to ensure program completion by the extended deadline of March 31, 2009, and the importance of working on a method to report outcome measures and being able to calculate cost effectiveness. In 2006-2007, Infrastructure Canada will work with regional development agencies to address ongoing ICP program and project monitoring, implementation and completion issues in a coordinated way.

Infrastructure Canada will negotiate with each jurisdiction on the core performance measures to be used for the various investment areas of the GTF. As well, Infrastructure Canada is consulting with other government departments, academia and key associations to share information and expertise on relevant performance measures for infrastructure investment. An internal evaluation of the GTF program will be undertaken in 2006-2007 to assess the implementation of the initiative and to ensure proper management systems. Also in the same year, an internal evaluation of the PTF will address the relevance of the core indicators and measurement strategy, and assess data integrity and performance and risk reporting.

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



**Table 5: Expected Results and Performance Indicators for Current Infrastructure Programs**

Expected Results	Sample Performance Indicators
<p><b>CSIF</b></p> <ul style="list-style-type: none"> <li>• Safer and faster movement of people and goods on Canada's major land transportation routes</li> <li>• Less production of greenhouse gases and airborne pollutants</li> <li>• More effective urban development</li> <li>• Increased economic activity, including tourism</li> <li>• Improved quality of life for northern communities</li> <li>• Increased connectivity of remote and northern communities</li> <li>• Improved regional conditions from national priority projects</li> </ul>	<p><b>Early indicators of performance</b></p> <ul style="list-style-type: none"> <li>• Number of project announcements</li> <li>• Number of signed contribution agreements</li> <li>• Number of memoranda of understanding with other government departments and partners for delivery</li> <li>• Number of Treasury Board submissions</li> <li>• Approval of projects</li> </ul>
<p><b>BIF</b></p> <ul style="list-style-type: none"> <li>• More efficient facilities capable of handling greater capacity at major border crossings, helping trucks travel across the busiest Canada-US border points more quickly</li> <li>• Improved Canada-US relations and better movement of goods, contributing to increased trade and production</li> <li>• Improved border crossings, contributing to federal security and increased safety for all Canadians</li> </ul>	<p><b>Intermediate indicators of performance</b></p> <ul style="list-style-type: none"> <li>• Collaborative support of other government departments and key partners</li> <li>• Resources levered from partners</li> <li>• Timely completion of projects</li> </ul>
<p><b>ICP</b></p> <ul style="list-style-type: none"> <li>• Enhancement of the quality of the environment (water and wastewater management, solid waste management and more efficient energy use)</li> <li>• Support for long-term economic growth (increasing economic opportunity in communities, access to the new economy through improved telecommunications and tourism opportunities)</li> <li>• Improvement of community infrastructure (increasing community safety and access to local recreational facilities, supporting Canadian heritage and culture and the development of minority English and French linguistic communities)</li> <li>• Increased innovation, and use of new approaches and best practices, and the more efficient use of existing infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance to scope of project</li> <li>• Effective program and project management, risk management, monitoring and reporting</li> <li>• Effective communications, awareness and understanding</li> <li>• Program and project results and benefits compliance by agreement signatories</li> </ul>



(Table continued from previous page.)

<p><b>MRIF</b></p> <ul style="list-style-type: none"> <li>• Improved and increased stock and better management of core public infrastructure in areas such as water, wastewater, cultural and recreation, which make our communities vibrant and productive places to live and work and raise families</li> <li>• Improved quality of life and economic opportunities for smaller communities and First Nations</li> <li>• Increased connectivity of smaller and rural communities</li> </ul>	<p><b>Ultimate indicators of performance</b></p> <ul style="list-style-type: none"> <li>• Safe reliable transportation</li> <li>• Sustainable economic development</li> <li>• Sustainable use and quality of water, and efficient wastewater treatment</li> <li>• Safe and efficient borders</li> <li>• Improved innovation and delivery of public services via connectivity</li> <li>• Efficient and sustainable energy systems</li> <li>• Cleaner air</li> <li>• Reduced greenhouse gas emissions</li> </ul>
<p><b>GTF</b></p> <ul style="list-style-type: none"> <li>• Improved and increased stock and better management of core public infrastructure in areas such as water and wastewater, solid waste, community energy systems, public transit, and local roads and bridges</li> <li>• Improved quality of the environment</li> <li>• Cleaner water</li> <li>• Cleaner air</li> <li>• Reduced greenhouse gas emissions</li> <li>• Enhanced community capacity to improve community sustainability planning</li> </ul>	
<p><b>PTF</b></p> <ul style="list-style-type: none"> <li>• Improved and more flexible transportation options for Canadians</li> <li>• Reduced congestion</li> <li>• Improved quality of the environment</li> <li>• Less production of greenhouse gas emissions and airborne pollutants</li> </ul>	



## Policy, Knowledge and Partnership Development

This Program Activity consists of activities undertaken in policy development, knowledge, research and analysis and partnership development. The outcomes of this Activity are policies based on research and strong partnerships to address existing and emerging challenges and opportunities.

**Net Cost of Program** (in \$ thousands):

2006-2007	2007-2008	2008-2009
16,342	4,804	4,844

**Human Resources** (full-time equivalents):

2006-2007	2007-2008	2008-2009
73	76	79

### Policy

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

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

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

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

The External Advisory Committee on Cities and Communities (EACCC), established by the Government of Canada in February 2004, is an independent committee with 15 members from different parts of Canada, and from communities large and small. Its mandate is:

- To develop a long-term vision of the role that cities and communities should play in sustaining Canada’s quality of life;
- To provide advice on the kinds of policies that should be developed relating to cities and communities; and
- To advise on engaging provincial and territorial governments and Aboriginal peoples on the cities and communities agenda.

It is anticipated that EACCC will submit its report on the future of Canada’s cities and communities to the Prime Minister in June 2006.

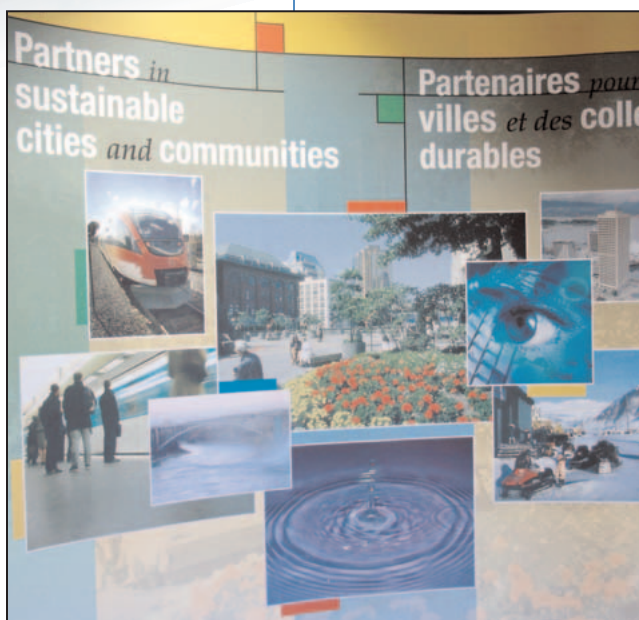
## Knowledge

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

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



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



Framework for strong communities

Under the PRRS, funding is awarded by Infrastructure Canada on the basis of merit, through a competitive peer review process executed by the Social

Sciences and Humanities Research Council of Canada with assistance from the Natural Sciences and Engineering Research Council of Canada.

InfraGuide, created in 2001, is intended to enhance capacity of municipalities and others. It provides municipalities and communities with a national network of experts and a growing collection of best practice publications on integrated, lifecycle management of physical infrastructure assets. This unique Canadian resource, developed in collaboration with the Federation of Canadian Municipalities and the National Research Council, offers selective resources on Canadian experience and knowledge of infrastructure. ([www.infraguide.ca](http://www.infraguide.ca))

For fiscal year 2006-2007, Infrastructure Canada's research priorities are:

- Cities, communities and public infrastructure;
- The state of infrastructure in Canada's communities;
- The economic, social, cultural and environmental impacts of infrastructure on communities;
- Financing mechanisms for infrastructure and communities;
- Technology, innovation and transformative infrastructure; and
- Governance issues related to infrastructure and communities.





## Partnership

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

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

Stronger partnerships will contribute to the following outcomes: clarified roles and accountabilities of federal/provincial/municipal governments and First Nations and more effective interventions by all parties; enhanced trilateral collaboration and integration on key inter-jurisdictional issues such as economic competitiveness and environment, urban regeneration (including brownfield redevelopment and safe neighbourhoods); enhanced federal coordination and a more strategic approach to federal action in cities and communities; and greater coherence in planning and program management between infrastructure funding and other economic, social, cultural and environmental investments in cities and communities.



## Planned Activities

In 2006-2007, Infrastructure Canada will continue to strengthen its capacity to develop strategic policies based on sound knowledge and strong partnerships. Specific initiatives under this Program Activity will include:

- Developing a policy framework for ensuring the economic, social, cultural and environmental sustainability of Canada's cities and communities;
- Leading the formulation of a framework to assist communities in securing stable, predictable and long-term infrastructure funding;
- Strengthening collaboration with provinces, territories and municipalities through such initiatives as trilateral tables and the gas tax Oversight Committees responsible for monitoring the overall strategic implementation of GTF and PTF;
- Working with partners at all levels to ensure communities have a stronger voice in decisions that affect them;
- Providing policy support to the Minister through the development of, and consultations on, a long-term policy framework to meet Canada's infrastructure needs;
- Developing a policy framework for Cabinet approval, and terms and conditions for Treasury Board approval, for the renewal of CSIF and MRIF, as per Budget 2006;
- Supporting the building of municipal capacity to plan for and achieve sustainability objectives, including sustainable infrastructure;
- Providing lead policy input to the development of Canada's principles for community sustainability;
- Providing administrative and research assistance to the External Advisory Committee on Cities and Communities for the production of its final report;
- Providing support to the UN-HABITAT World Urban Forum III in June 2006 in Vancouver;
- Managing the third call for proposals under the Knowledge-building, Outreach and Awareness program and second call for proposals under the Peer Reviewed Research funding program, and monitoring the progress of funded research;

- Strengthening understanding of the workings of cities and municipalities through research of three aspects of built works (financing, engineering innovation, and environmental and risk management);
- Maintaining and enhancing strong partnerships with regional development agencies; and
- Continuing work with international bodies (e.g., Organisation for Economic Co-operation and Development (OECD), World Bank, UN-HABITAT) on cities and communities related issues and performance indicators.

## **Expected Results and Performance Measurement**

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

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

Further work is planned for performance measurement in the policy, knowledge and partnership activities. In 2006-2007, Infrastructure Canada will start developing a horizontal approach for reporting that encompasses all infrastructure programs under its responsibility.

Infrastructure Canada will also be building on the networks and collaborative efforts with other government departments to share knowledge and build on existing expertise, networks and common interests such as performance measurement.

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





## **Section III: Supplementary Information**

### **Organizational Information**

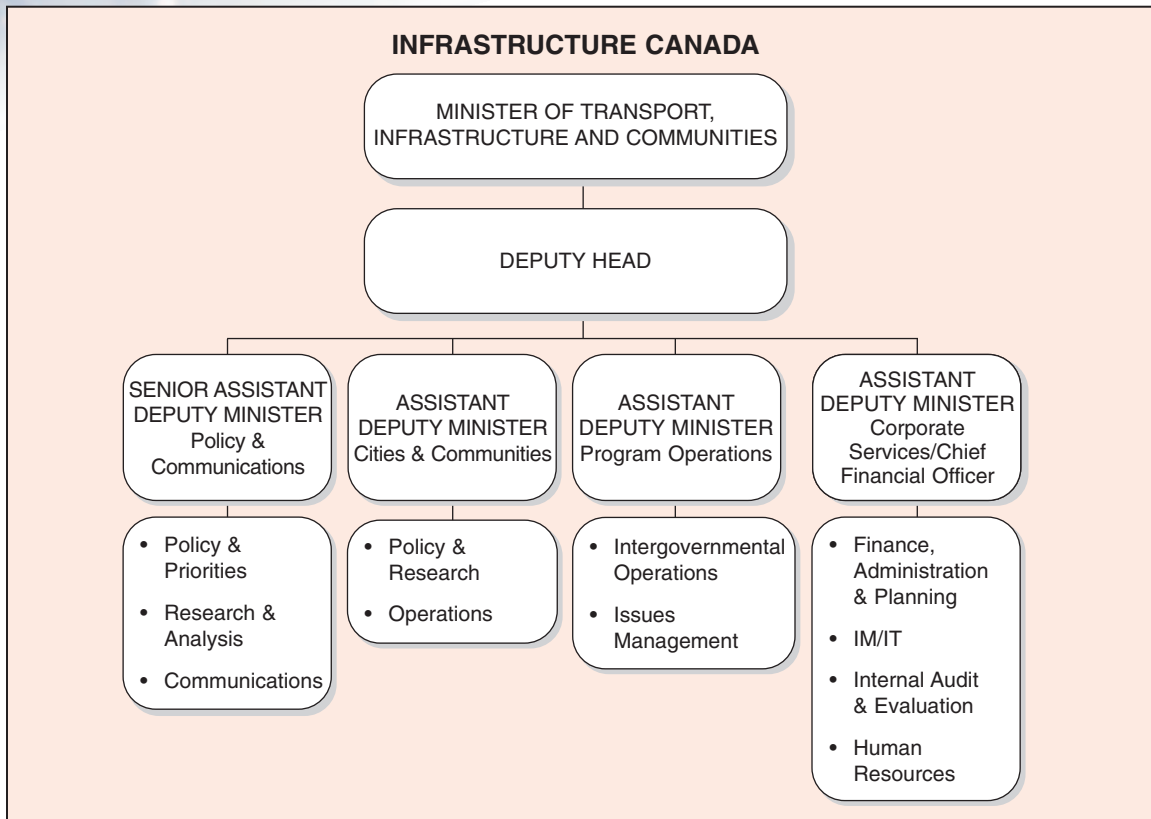
The Honourable Lawrence Cannon is the Minister responsible for the Transport, Infrastructure and Communities portfolio.

Infrastructure Canada is headed by a Deputy Head, André Juneau, who reports to the Minister. The Deputy Head is supported by four Assistant Deputy Ministers:

- A/Senior Assistant Deputy Minister, Policy and Communications: Gerry Maffre
- Assistant Deputy Minister, Cities and Communities: Yazmine Laroche
- Assistant Deputy Minister, Program Operations: Carol Beal
- Assistant Deputy Minister, Corporate Services/Chief Financial Officer: David Cluff



## Infrastructure Canada Organization Chart



## Supplementary Tables

The tables presented in this section provide the following information:

- Departmental Planned Spending and Full Time Equivalents
- Summary of Resources by Program Activity
- Voted and Statutory Items Listed in Main Estimates
- Net Cost of Department
- Details on Transfer Payments Programs
- Details on Horizontal Initiatives
- Internal Audits and Evaluations



**Table I: Departmental Planned Spending and Full Time Equivalents**

(\$ thousands)	Planned Spending 2005-2006 <sup>1</sup>	Forecast Spending 2006-2007 <sup>2</sup>	Planned Spending 2007-2008	Planned Spending 2008-2009
Infrastructure Investments (New PAA)	0	<b>1,808,681</b>	1,711,300	1,448,788
Policy, Knowledge and Partnership Development (New PAA)	0	<b>15,446</b>	4,330	4,330
Infrastructure and Communities (Old PAA)	1,503,085	<b>0</b>	0	0
Crown Corporations Portfolio Management	24,251	<b>20,497</b>	1,415	1,415
<b>Budgetary Main Estimates</b>	<b>1,527,336</b>	<b>1,844,624</b>	<b>1,717,045</b>	<b>1,454,533</b>
Crown Corporations Portfolio Management	0	<b>2,492</b>	0	0
<b>Non-budgetary Main Estimates</b>	<b>0</b>	<b>2,492</b>	<b>0</b>	<b>0</b>
<b>Total Main Estimates</b>	<b>1,527,336</b>	<b>1,847,116</b>	<b>1,717,045</b>	<b>1,454,533</b>
<i>Adjustments:</i>				
Budget 2006				
Canada Strategic Infrastructure Fund	0	<b>0</b>	181,000	429,000
Municipal Rural Infrastructure Fund	0	<b>200,000</b>	332,000	450,000
Other				
Canada Strategic Infrastructure Fund	0	<b>290,938</b>	247,418	284,534
Border Infrastructure Fund	0	<b>64,254</b>	0	0
Municipal Rural Infrastructure Fund	0	<b>27,744</b>	3,957	644
Federal Gas Tax Fund	0	<b>32,328</b>	10,007	12,510
Public Transit Fund	0	<b>19,000</b>	0	0
Research Knowledge and Outreach	0	<b>247</b>	0	0
Harbourfront Centre	0	<b>4,000</b>	0	0
Internal reallocation of resources to address incremental costs due to program growth	0	<b>3,000</b>	0	0
Procurement Savings	0	<b>(100)</b>	0	0
Transfer of Crown Corporations Secretariat and the Old Port of Montreal Corporation Inc. (Approved February 6, 2006)	0	<b>(20,025)</b>	(1,225)	(1,225)
Employee Benefit Plan (EBP)	0	<b>(191)</b>	(201)	(201)
<b>Total Adjustments</b>	<b>0</b>	<b>621,195</b>	<b>772,956</b>	<b>1,175,262</b>
<b>Net Planned Spending</b>	<b>1,527,336</b>	<b>2,468,311</b>	<b>2,490,002</b>	<b>2,629,796</b>
Plus: Cost of services received without charge	1,994	<b>1,967</b>	1,447	1,569
<b>Net cost of Program</b>	<b>1,529,330</b>	<b>2,470,278</b>	<b>2,491,449</b>	<b>2,631,365</b>
Full Time Equivalents	180	<b>220</b>	230	240

<sup>1</sup> The forecast spending for 2005-2006 reflects actual spending as published in the Public Accounts.

<sup>2</sup> Due to the transfer of funds for the Crown Corporations Portfolio Management to Transport Canada, the departmental planned spending table does not reflect the total planned spending figures conveyed to the department by the Secretariat.



**Table 2: Resources by Program Activity**

(\$ thousands)

2006-2007 <sup>1</sup>						
Budgetary			Non-budgetary			
Program Activity	Operating	Contributions	Loans, Investments and Advances	Total Main Estimates	Adjustments (planned spending not in Main Estimates)	Total Planned Spending
Infrastructure Programming	24,762	1,783,919	0	<b>1,808,681</b>	641,445	<b>2,450,126</b>
Policy, Knowledge and Partnership Development	12,196	3,250		<b>15,446</b>	247	<b>15,693</b>
Crown Corporations Portfolio Management	20,497	0	2,492	<b>22,989</b>	(20,497)	<b>2,492</b>
<b>Total</b>	<b>57,455</b>	<b>1,787,169</b>	<b>2,492</b>	<b>1,847,116</b>	<b>621,195</b>	<b>2,468,311</b>

<sup>1</sup> Due to the transfer of funds for the Crown Corporations Portfolio Management to Transport Canada, the departmental planned spending table does not reflect the total planned spending figures conveyed to the department by the Secretariat



**Table 3: Voted and Statutory Items Listed in Main Estimates**

(\$ thousands)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006-2007 Main Estimates	2005-2006 Main Estimates
55	Operating expenditures	37,103	23,314
60	Contributions	1,787,169	769,119
65	Operating Funding for the Old Port of Montreal Corporation Inc.	18,800	-
(S)	Contributions to employee benefit plans	1,552	1,545
	Total budgetary	1,844,624	793,978
L70	Investment in contributed surplus of Parc Downsview Park Inc. for the purpose of allowing the completion of the transfer of lands from National Defence to Parc Downsview Park Inc.	2,492	-
L75	To establish a borrowing authority of up to \$100,000,000 for Parc Downsview Park Inc.	-	-
	Total non-budgetary	2,492	-
	<b>Total Agency</b>	<b>1,847,116</b>	<b>793,978</b>

## NOTES:

The amounts included in Main Estimates 2006-2007 for the Canada Strategic Infrastructure Fund and the Municipal Rural Infrastructure Fund represent the estimated cash flow requirements in 2006-2007 for the Government of Canada's contributions towards infrastructure projects under these two programs. The amount of the contribution funding for these two programs has increased significantly from Main Estimates 2005-2006 because the programs are ramping up and forecast disbursements of contribution funding is expected to be higher in 2006-2007.

The contribution funding in 2006-2007 includes an amount of \$592.5 million for the Gas Tax Fund Transfer Payment Program (GTF), which was not approved in time for inclusion in the Main Estimates 2005-2006. The GTF is a \$5-billion program that supports sustainable municipal infrastructure that meets shared national objectives on clean water, clean air and reduced greenhouse gases. Funding also supports integrated community sustainability planning (ICSP).

**Table 4: Net Cost of Department**

(\$ thousands)

Net Planned Spending	2,468,311
<i>Plus: Services Received without Charge</i>	-
Accommodation provided by PWGSC	1,314
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS	653
2006-2007 Net cost of Program	2,470,278



## **Table 5: Details on Transfer Payments Programs**

Over the next three years, Infrastructure Canada will manage the following transfer payment programs in excess of \$5 million:

### **2006-2007 to 2008-2009**

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

For further information on the above-mentioned transfer payment programs see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.

## **Table 6: Reporting on Horizontal Initiatives**

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

A horizontal initiative is an initiative in which partners, from two or more organizations have agreed under a formal funding agreement to work towards the achievement of shared outcomes. Over the last year, Infrastructure Canada led in the following five horizontal initiatives: CSIF; BIF; ICP; MRIF and PRRS.

In 2006-2007 Infrastructure Canada will start developing a horizontal approach for reporting that encompasses all infrastructure programs under its responsibility.

For further information on the above-mentioned horizontal initiatives, see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.



## Table 7: Internal Audits and Evaluations

Based on its approved risk-based audit plan, Infrastructure Canada will be conducting three assurance audits in the course of 2006-2007:

Assurance audit of the contribution management control framework put in place for the Border Infrastructure Fund	The audit will cover internal management policies, practices and controls related to the management of the BIF contribution program (i.e., are appropriate internal controls in place to manage/deliver the contribution program and other activities with due diligence).
Assurance audit of contribution management control framework put in place for the Canada Strategic Infrastructure Fund	The audit will encompass internal management policies, practices and controls related to the management of the CSIF contribution program (i.e., are appropriate internal controls in place to manage/deliver the contribution program and other activities with due diligence).
Assurance audit Human Resource function	The audit of the human resource function will verify compliance with applicable Treasury Board and INFC policies, directives and regulations, as well as the extent to which INFC has an effective management control framework to hire staff for the organization. The scope would include compliance with TBS policies and regulations as well as a review of whether requirements of the HR Modernization Act have been/are being met at INFC.

The evaluation plan for the next three years is based on RMAF requirements. Infrastructure Canada will be conducting the following evaluations in the next three fiscal years:

<b>2006-2007</b>	Evaluation of the 2005-2006 contribution to the Federation of Canadian Municipalities for the InfraGuide Mid-term evaluation of MRIF Implementation Review (or internal mid-term evaluation) of GTF Implementation Review (or internal mid-term evaluation) of PTF
<b>2007-2008</b>	Mid-term evaluation of CSIF
<b>2008-2009</b>	Mid-term evaluation of BIF Final evaluation (including a detailed framework) of GTF Final evaluation (including a detailed framework) of PTF





## **Section IV: Other Items of Interest**

### **Departmental Administration**

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

Departmental Administration consists of the Office of the Deputy Head, Communication and Promotion, Corporate Services, and Legal Services. The Corporate Services sub-activity is further divided into: Information management/information technology; Finance; Administration; Human Resources; Corporate Planning and Reporting; Internal Audit; and Evaluation.

### **Management Initiatives**

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

### **Chief Financial Officer**

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

Further steps will be taken to increase capacity in the audit function in line with the new TBS Internal Audit Policy that comes into effect on April 1, 2006.



## Human Resources Strategy

Through its human resources strategy, Infrastructure Canada is focused on becoming an organization respecting the career aspirations of its people, seeking their views and recognizing their achievements. As it continues to evolve, emphasis will be placed on optimizing human resources capacity to ensure the success of the operations.

The human resources strategy will focus on progress in the following areas:

### *Building of the workforce*

Infrastructure Canada will seek to recruit the right mix of people with the knowledge, competencies and skills to accomplish the work of the organization and enable it to fill positions quickly, efficiently and with minimum loss to productivity.

### *Public Service Modernization*

Infrastructure Canada will continue to focus on implementing the legislative requirements that arise from the *Public Service Modernization Act*, as well as other human resources modernization initiatives such as the Classification Reform. It will support the Government's shared services initiative, and will continue to develop relationships with the bargaining agents, recognizing the importance of respectful and harmonious interactions and effective dialogue with unions to support a healthy and productive workplace. Infrastructure Canada also will work to improve capacity for the integration of human resource planning with organizational business planning, recognizing that integrated planning is an important building block in continuously improving and building the human capacity to deliver on its mandate.

### *Learning*

Infrastructure Canada will develop competency profiles to target recruitment to fill the gaps, to identify learning needs and to provide employees with a roadmap for career development. Learning, training, leadership development and professional development are key to ensuring that the organization is equipped to meet its mandate. Learning activities will be linked to the competencies required to achieve the operational objectives and to meet the requirement for the mandatory training in the areas of finance, human resources, information management/technology, and contracting and procurement.



### *Representation*

Infrastructure Canada is committed to ensuring that it has the capacity to communicate with and provide services to members of the public in the official language of their choice. It is committed to advancing diversity within the Public Service, by building a skilled, diverse workforce reflective of Canadian society and by continuing to implement employment equity measures.

### *Values and Ethics*

Infrastructure Canada is committed to raising awareness of the values and ethics for the Public Service. The values and ethics will guide and support employees in their professional activities at Infrastructure Canada and serve to maintain and enhance public confidence in the integrity of the Public Service.

## **Communications**

The Communications function of Infrastructure Canada informs Canadians about funding and projects that support their communities through the federal infrastructure investment programs as well as through research funding. Communications are coordinated with Transport Canada, other federal partners, regional development agencies, and with provincial, territorial and municipal partners.

Infrastructure Canada also conducts public environment analyses to help ensure that the views of Canadians contribute to formulating policy and programs approaches. It also undertakes outreach activities that raise awareness of federal infrastructure programs, cities and communities initiatives, and associated research efforts. For example, Infrastructure Canada will participate in the Federation of Canadian Municipalities annual conference in Montreal and the UN-HABITAT's World Urban Forum in Vancouver, both to be held in June 2006.

The Treasury Board Secretariat has been working with 14 federal departments and agencies to develop a Performance Measurement Framework for Communications to assist in measuring the performance of the communication function and identify areas for improvement. Infrastructure Canada is participating in a pilot project to test the value of the performance measurement tools that have been developed.



## Contacts

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