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INFRASTRUCTURE PROGRAMS IN THE PROVINCES – 1994 TO 2004

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INFRASTRUCTURE PROGRAMS IN THE PROVINCES – 1994 TO 2004

OVERVIEW

In Canada, the establishment and maintenance of local infrastructure is primarily a provincial and municipal responsibility.(1) This task involves major capital outlays: between 1984 and 1994, for example, municipalities spent an average of $5.6 billion annually on infrastructure construction and repairs.(2)

The federal government has always provided occasional financial assistance to the provinces and municipalities in the form of loans, unconditional transfers (grants), and conditional payments (contributions) to support investment in local infrastructure (see Table 1).

Since 1994, the federal government has invested over $12 billion in infrastructure projects, bringing the total investment by all partners to $30 billion.

From 1994 to 1999, the Canada Infrastructure Works Program (CIWP) covered needs relating to water, sewers, roads and bridges, as well as educational, community, municipal and other buildings. The total amount invested under this program was $2.4 billion (see Table 2).

(1) This paper draws largely on information provided on various Web sites related to Infrastructure Canada (see references in the text), notably the Infrastructure Canada site. The tables are taken from the sources indicated, with the necessary changes.

(2) Office of the Auditor General of Canada, “Canada Infrastructure Works Program: Lessons Learned,” 1996.

Table 1
Selected List of Federal Programs
for Local Infrastructure Development, 1938-1986

Period	Program	Type of federal financial assistance
1938-1949	*Municipal Improvements Assistance Act*	Maximum of $30 M[3] in *loans*, $7 M of which was provided
1958-1968	Programs to encourage winter projects in municipalities	$267 M provided to municipalities, including 50% for direct salary costs
1961-1974	Wastewater treatment program	$979 M in *loans* and $131 M in *grants*
1963-1966	*Municipal Development and Loan Act*	Approximately $397 M in *loans*
1973-1979	Neighbourhood Improvement Program	$100 M in *loans* and $200 M in *grants*
1975-1978	Municipal Infrastructure Program	Over $1,000 M in *loans* and $395 M in *grants*
1979-1984	Community Service Contribution Program	$400 M in *grants*
1982-1986	Job Creation Grant and Contribution Program	$205 M in *loans* and in *contributions*

Source: Office of the Auditor General (1996).

In the 2000 Budget, the Infrastructure Canada Program (ICP) replaced the CIWP. The ICP runs from 2000 to 2007 and focuses on “green” municipal infrastructure, targeting smaller local projects, primarily water and wastewater treatment systems. A set allocation formula was introduced for the provinces and territories. This second agreement is worth a total of $2.05 billion (see Table 2).

The 2001 Budget established the Canada Strategic Infrastructure Fund (CSIF) and the Border Infrastructure Fund (BIF). The CSIF was created pursuant to the *Canada Strategic Infrastructure Fund Act* to fund large-scale strategic infrastructure projects in keeping with federal priorities and to promote partnerships between the public and private sectors where appropriate. The BIF supports investments to relieve congestion and increase capacity at the main Canada-U.S. border posts. The 2003 Budget added just over $3 billion in new funding, including the new Rural Municipal Infrastructure Fund (RMIF). Federal infrastructure investments other than those made under the CSIF and the BIF are also shown in Table 2. The total amount provided under these various funds and programs is $7,705 billion.

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(3) The symbols $M and $B indicate “millions” and “billions” of dollars respectively.

Table 2
Federal Infrastructure Spending in Canada, 1994 to 2004

Program	Federal funding	Funding period	Department/ agency
Canada Infrastructure Works Program (CIWP)	$2.43 B	1994-1999	Infrastructure
Infrastructure Canada Program (ICP) (http://www.infrastructure.gc.ca/icp/index_e.shtml?menu6)	$2.05 B	2000-2007	Infrastructure, regional development agencies, Industry Canada, Indian and Northern Affairs
Canada Strategic Infrastructure Fund (CSIF) (http://www.infrastructure.gc.ca/csif/index_e.shtml?menu5)	$2 B	2002-	Infrastructure
Border Infrastructure Fund (BIF) (http://www.infrastructure.gc.ca/bif/index_e.shtml?menu4)	$600 M	2002-2007	Infrastructure
Federation of Canadian Municipalities Green Municipal Funds (http://kn.fcm.ca/ev.php?URL_ID=2825&URL_DO=DO_TOPIC&URL_SECTION=201&reload=1121091067)	$250 M	2000-	Environment/ Natural Resources
Strategic Highway Infrastructure Program (SHIP) (http//www.tc.gc.ca/SHIP/menu.htm)	$600 M	2002-2007	Transport
Cultural Spaces Canada Program (http://www.pch.gc.ca/progs/ecc-csp/index_e.cfm)	$80 M	2001-2004	Canadian Heritage
Prairie Grain Roads Program (PGRP) (http://www.agr.gc.ca/pfra/pgrp_e.htm)	$175 M	2001-2006	Agriculture
Affordable Housing Program (http://www.cmhc-schl.gc.ca/en/News/nere/nere_006.cfm)	$680 M	2002-2007	Canada Mortgage and Housing Corporation
Funding announced in 2003 Budget (Increase for CSIF, Affordable Housing …)	$2.32 B	2004-	Infrastructure, Canada Mortgage and Housing Corporation
Rural Municipal Infrastructure Fund (RMIF)	$1 B	2004-	Infrastructure
TOTAL	**$12.2 B**		

Source: Infrastructure Canada.

CANADA INFRASTRUCTURE WORKS PROGRAM

A. Description

The CIWP was established in 1994 to promote the development and maintenance of infrastructure(4) at the municipal level. The program was to last two years, with funding

(4) Under the CIWP, "infrastructure" includes "any physical capital asset in Canada instrumental in the provision of a public service."

extending over three years. The federal government provided $2 billion over this period, and the provinces and territories provided $4 billion in matching funds. The 1995 federal budget extended the program until 1998-1999, but without additional funding.

Under the CIWP, the payment of federal funds was conditional on performance and compliance with program requirements, which included meeting program objectives and reporting on the amounts spent.

B. Agreements

The federal-provincial agreements established the implementation framework for the program. In early 1994, the federal government concluded a formal agreement with each province and territory to implement the CIWP. Under these agreements, the federal government covered about one-third of eligible costs for approved projects, with the remaining two-thirds to be covered by the provincial and municipal governments.

Among other things, the agreements set out the objectives to be attained, the project selection criteria and the financial liabilities of the parties. This was the first time an implementation framework of this kind had been adopted for a major infrastructure initiative on the part of the federal government. The federal-provincial agreements were rounded out by a series of individual agreements concluded by the provinces and the sponsors. There were separate agreements for each project, covering such topics as project proposals, eligible costs, contribution limits, awarding of contracts and completion of projects.

1. Quebec

The Canada-Quebec Infrastructure Program was signed on 7 February 1994. The total amount to be provided for works, including the financial participation of the municipalities and financial assistance from the governments of Quebec and Canada, was broken down as follows among the four program components; amounts not awarded under one component could be reallocated to other components:

- *Component I: $960 million* – Repair, expansion and construction of infrastructure for municipalities with a population of 5,000 and over.

- *Component II: $290 million* – Repair, expansion and construction of infrastructure for municipalities with a population of less than 5,000.

- *Component III: $25 million* – Experimentation with new technologies.

- *Component IV: $300 million* – Large-scale urban projects.

2. The Other Provinces

Unlike Quebec, the other provinces signed more general agreements with the federal government. These agreements did not include a breakdown by component, specific components or an annual plan setting out the expenses for each period. They pertained to the total cost of the work, including the financial participation of the municipalities and financial assistance from the federal and provincial governments. Each agreement was based on two general objectives:

- renewing and improving infrastructure that is essential for the provision of a public service, especially in local communities;

- quickly and effectively creating jobs.

C. Results

The financial resources of the CIWP were allocated among the provinces, territories and First Nations based on their population and unemployment rate, with these two factors being of equal importance. Reports show that as of 31 August 1998, 98.9% of CIWP funding ($2.413 billion; see Table 3) had been allocated. Ontario received 98.9% of the funds allocated to it, representing 36.3% of the program's total funding. This led to the creation of approximately 41,024 jobs in the province during the program. For its part, Quebec received 99.3% of the funds earmarked for it or 26.5% of the program's total funding, allowing for the creation of approximately 38,421 jobs in the province during the program.

Table 3
Canada Infrastructure Works Program

Province/Territory	Number of projects	Eligible costs ($000)	Federal contribution ($000)	Percent received of amount allocated	Number of jobs created
British Columbia	599	836,497	276,802	11.5	12,745
Alberta	2,089	677,337	207,471	8.6	11,051
Saskatchewan	2,053	358,759	69,294	2.9	6,366
Manitoba	608	301,616	81,945	3.4	5,078
Ontario	6,294	2,885,912	875,390	36.3	41,024
Quebec	3,247	2,413,751	638,398	26.5	38,421
New Brunswick	383	194,811	62,178	2.6	3,552
Nova Scotia	489	277,789	83,126	3.4	5,048
Prince Edward Island	179	48,876	14,313	0.6	934
Newfoundland	372	178,768	59,518	2.5	2,904
Northwest Territories	202	21,185	5,518	0.2	338
Yukon	45	10,920	2,597	0.1	174
First Nations	417	115,837	36,326	1.5	1,874
TOTAL	**16,977**	**8,322,057**	**2,412,876**	**100.0**	**129,508**

Source: Canada Infrastructure Works, September-October 1998, Vol. 1, No. 11.

In absolute terms, Ontario and Quebec benefited the most from the CIWP, which reflects the relative weight of their population in Canada.

As seen in Table 4, however, as regards CIWP spending per capita and the unemployment rate for each province, the Atlantic provinces received the greatest share of contributions in relative terms, reflecting the higher unemployment rate in those provinces.

Table 4
CIWP – Spending per Capita and Unemployment Rate, Average 1994-1998

Province	Per capita spending ($)	Unemployment ($)
Newfoundland	106.18	18.84
Prince Edward Island	105.49	15.22
Nova Scotia	89.27	12.10
New Brunswick	82.61	12.02
Quebec	87.82	11.46
Ontario	78.82	8.58
Manitoba	72.36	7.00
Saskatchewan	68.07	6.32
Alberta	74.26	6.96
British Columbia	71.69	8.66

Source: Statistics Canada.

INFRASTRUCTURE CANADA PROGRAM

A. Description

The ICP, which replaced the CIWP in the 2000 Budget, runs from 2000 to 2007 and is intended to improve municipal, urban and rural infrastructure in Canada. It emphasizes "green" municipal infrastructure and targets smaller local projects, especially water purification and wastewater treatment systems, roads and highways. Its main objective is to improve Canadians' quality of life through investments that:

- improve the environment in Canada;
- support long-term economic growth;
- improve community infrastructure;
- build infrastructure for the 21st century by adopting best technologies, new approaches and best practices.

Total funding for the ICP is $2.05 billion, of which $1.975 billion is allocated to the funding program and the remainder to administration costs. A set allocation formula was established for the provinces and territories, with the amount allocated to a province or territory based on its share of Canada's total population and total unemployment.(5) Federal-provincial agreements provide for the allocation of resources among "green" municipal and rural infrastructure (categories may overlap), which vary from province to province (see Table 5).

(5) For example, a region with 10% of Canada's total population and 12% of all unemployed Canadians will receive 11% of total ICP funding, using the formula (10% + 12%) ÷ 2 = 11%.

Table 5
Infrastructure Canada Program – Funding Allocation, 2000-2007

Province/Territory	Federal contribution* ($000)	Percent of funding	Green (%)	Rural (%)
British Columbia	268,548	13.6	75	16
Alberta	171,028	8.7	40	26
Saskatchewan	56,711	2.9	50	50
Manitoba	60,918	3.1	20	33
Ontario	680,723	34.5	40	15
Quebec	515,508	26.1	40	20
New Brunswick	54,445	2.8	70	40
Nova Scotia	65,282	3.3	60	39
Prince Edward Island	12,802	0.6	60	46
Newfoundland and Labrador	51,246	2.6	60	56
Northwest Territories	3,045	0.2	90	55
Yukon	2,488	0.1	60	29
Nunavut	2,000	0.1	80	100
First Nations	31,125	1.6	50	N/A
TOTAL	**1,975,869**	**100.0**		

Source: Infrastructure Canada

* Does not include administration costs.

In absolute terms, Ontario and Quebec will benefit the most from the ICP, which reflects the relative weight of their population in all of Canada.

As regards ICP spending per capita and the unemployment rate for each province, however, Table 6 shows that the Atlantic provinces receive the greatest share of contributions in relative terms, reflecting the higher unemployment rate in those provinces – as was the case with the CIWP.

Table 6
ICP – Spending per Capita and Unemployment Rate, Average 2000-2007*

Province	Per capita spending ($)	Unemployment (%)
Newfoundland and Labrador	96.43	16.90
Prince Edward Island	90.83	10.04
Nova Scotia	68.85	9.70
New Brunswick	71.81	12.10
Quebec	69.29	8.60
Ontario	55.50	7.10
Manitoba	52.68	5.20
Saskatchewan	55.39	5.70
Alberta	54.69	5.30
British Columbia	62.75	8.50

Source: Statistics Canada.

* The population figures used to calculate per capita spending are Statistics Canada forecast averages; the unemployment rate used is for 2002.

B. Agreements

The program is implemented in each province and territory by a federal department or a regional development agency.(6) In each jurisdiction, the ICP is governed by a separate federal-provincial or federal-territorial agreement.

The federal-provincial agreements provide a breakdown of spending per year. The total federal contribution under the agreements is calculated provisionally (see Table 7).

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(6) The delivery agencies are: the Atlantic Canada Opportunities Agency for Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador; Canada Economic Development for Quebec Regions, for Quebec; Industry Canada for Ontario; Western Economic Diversification Canada for British Columbia, Alberta, Saskatchewan and Manitoba; Indian Affairs and Northern Development for Yukon, the Northwest Territories and Nunavut.

Table 7
Infrastructure Canada Program – Provisional Allocation of Federal Spending, 2000-2006

	($000)								
Fiscal year	**Nfld. and Labrador**	**New Brunswick**	**Nova Scotia**	**Prince Edward Island**	**Quebec**	**Ontario**	**Manitoba**	**Saskatchewan**	**British Columbia**
2000-2001	2,261	2,403	2,881	565	22,749	30,040	2,668	2,503	11,851
2001-2002	8,589	9,126	10,942	2,146	86,405	114,097	10,211	9,505	45,012
2002-2003	9,943	10,564	12,667	2,484	100,023	132,080	11,820	11,003	52,106
2003-2004	9,990	10,614	12,726	2,496	100,493	132,700	11,875	11,055	52,351
2004-2005	10,236	10,875	13,040	2,557	102,971	135,972	12,168	11,328	53,642
2005-2006	10,227	10,863	13,026	2,554	102,867	135,834	12,156	11,317	53,586
TOTAL	**51,246**	**54,445**	**65,282**	**12,802**	**515,508**	**680,723**	**60,898**	**56,711**	**268,548**

Source: Infrastructure Canada, Agreements.

1. Quebec

The Canada-Quebec ICP agreement[7] was concluded on 20 October 2000, and has three components. The total budget (federal and provincial) for the work deemed eligible under the agreement is $1.536 billion, broken down as follows:

- *Component I: Infrastructure for drinking and waste water: $615 million* – The priority is "green" municipal infrastructure, which will receive 40% of the funding under the agreement.
- *Component II: Local transportation infrastructure: $615 million* – The agreement stipulates that 40% of the funding will be allocated to projects in this sector.
- *Component III: Projects with economic, urban or regional benefits: $306 million* – These projects include culture and recreation, tourism, telecommunications in rural and remote regions, and affordable housing.

Quebec received 26.1% of the funding available under the ICP, or $515.5 million, excluding administration costs (see Table 8). The federal share represents about one-third of the agreed-upon budget, and the agreement stipulates the annual breakdown, as shown in Table 8.

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(7) The list of agreements can be found on the Infrastructure Canada Web site at: http://www.infrastructure.gc.ca/icp/partners/provinces_e.shtml.

Table 8
Canada-Quebec ICP – Anticipated Federal Spending, 20 October 2000

Fiscal year	Anticipated amount ($000)
2000-2001	22,749
2001-2002	86,405
2002-2003	100,023
2003-2004	100,493
2004-2005	102,971
2005-2006	102,867
TOTAL	**515,508**

Source: Canada-Quebec agreement on infrastructure programs, concluded 20 October 2000.

2. The Other Provinces

Unlike Quebec, the other provinces signed more general agreements with the federal government. These agreements do not include specific components or an annual spending plan for each period. They pertain to the total cost of work, including the financial participation of the municipalities and financial assistance from the federal and provincial governments, and are based on the primary objectives of the ICP.

C. Status as of 31 March 2003

Table 9 summarizes the program results as of 31 March 2003, showing that the amounts spent annually do not necessarily match the amounts forecast, since they vary with fluctuations in the number of applications and projects approved. Prince Edward Island, for example, received $11 million in federal contributions, or about 85% of the amount allocated to it under the ICP, while British Columbia received $145 million or 54% of the amount allocated to it.

Table 9
Infrastructure Canada Program, 31 March 2003

Administration	Total federal funding allocated ($ millions)	Number of projects approved as of 31 March 2003	Federal contribution approved as of 31 March 2003 ($ millions)	Federal spending in 2002-2003 ($ millions)	Federal spending in previous years ($ millions)
British Columbia	269	126	145	1.6	0.5
Alberta	171	489	119	19.2	5.5
Saskatchewan	57	269	40	10.9	11.4
Manitoba	61	121	50	16.2	3.9
Ontario	681	422	520	127.5	1.8
Quebec	516	783	313	36.7	16.1
New Brunswick	54	65	33	14.0	3.0
Nova Scotia	65	95	47	13.0	5.0
Prince Edward Island	13	58	11	3.0	4.0
Newfoundland and Labrador	51	255	26	9.0	3.0
Northwest Territories	3	6	2	1.9	0
Yukon	2	9	2	0.5	0.3
Nunavut	2	4	1	1.0	0
First Nations	31	74	17	11.3	1.5
TOTAL	**1,976**	**2,776**	**1,326**	**265.8**	**56.0**

Source: Infrastructure Canada, Performance Report, 2003.

CANADA STRATEGIC INFRASTRUCTURE FUND

Some large-scale national infrastructure projects exceed the capacity of the programs mentioned thus far. The 2001 Budget therefore created the $2-billion CSIF to address this problem. This fund led to major commitments across the country.

Under the CSIF, the federal contribution is increased to a maximum of 50% of all eligible costs and encourages a broader range of partnerships to meet regional priorities. As is the case with other infrastructure programs, a funding formula was established. Given the large demographic differences among the provinces and territories, a formula setting minimum thresholds was used to define "large-scale" projects.

- For Prince Edward Island, Newfoundland and Labrador, Nunavut, Yukon and the Northwest Territories, where the population does not exceed 750,000, the total cost of eligible projects must be at least $10 million.

- For Nova Scotia, New Brunswick, Saskatchewan and Manitoba, where the population is between 750,000 and 1.5 million, the total costs must be at least $25 million.

- For Quebec, Ontario, Alberta and British Columbia, with populations above 1.5 million, the total costs must be at least $75 million.

Table 10 gives a partial overview of the funding allocated per province.

Table 10
Canada Strategic Infrastructure Fund – Funding Allocation

Province/Territory	**Federal contribution ($ millions)**
British Columbia	292.0
Alberta	200.0
Saskatchewan	117.0
Manitoba	120.0
Ontario	1,090.0
Quebec	273.0
New Brunswick	303.0
Nova Scotia	90.5
Prince Edward Island	18.6
Newfoundland and Labrador	36.0
Northwest Territories	80.0
Yukon	55.0
Nunavut	140.0
TOTAL	**2,815.1**

Source: Infrastructure Canada; table prepared by Heather Tilley, Parliamentary Information and Research Service, Library of Parliament.

Note: Administration costs not included.

The CSIF provides for investments in five infrastructure categories:(8)

- *Highway and railway infrastructure* – Investments in large-scale projects that facilitate the movement of goods and people on Canada's national highway system and mainline rail network for the purposes of increasing the productivity, economic efficiency, and safety of Canada's surface transportation system.

- *Local transportation infrastructure* – Investments in large-scale projects that facilitate the safe and efficient movement of goods and people, ease congestion, or reduce the emission of greenhouse gases and airborne pollutants. This component is intended especially for public transportation in major urban centres to help our communities work better and be healthier places to live.

- *Tourism or urban development infrastructure* – Investments in large-scale projects that promote Canada as a leading destination for tourists or that promote urban development. This will ensure that tourism continues to contribute to the economic well-being of Canadians and to serve as a bridge between Canada and the world.

- *Water or sewage infrastructure* – Investments in large-scale projects that provide for safe, clean, and reliable drinking water, or that provide for the environmentally responsible and sustainable treatment of wastewater. Such investments directly benefit quality of life and the health of Canadians and also help protect aquatic habitats.

- *Broadband* – Investments in large-scale projects that expand broadband networks in Canada. This will ensure that Canadians who live and work in rural and remote communities have access to services such as distance learning and tele-health and can seize more business opportunities. In a country as large as Canada, the development of these networks is a good example of strategic infrastructure requiring major funding.

The 2003 Budget allocated an additional $2 billion to the CSIF. The investments will be targeted to promote the sustainable growth and competitiveness of communities, while ensuring that the investments are consistent with objectives relating to climate change, urban development, safe drinking water, trade and innovation. No funding has yet been allocated under the program, since the provinces and the federal government have not concluded their negotiations.

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(8) For more information, visit the Infrastructure Canada Web site at: http://www.infrastructure.gc.ca/csif/investmentcategories_e.shtml?menu53.

BORDER INFRASTRUCTURE FUND

The $600-million BIF will support the initiatives under the Smart Borders Action Plan by reducing border congestion and expanding infrastructure capacity over the medium term. The Fund is based on four pillars:

- the secure flow of people;
- the secure flow of goods;
- secure infrastructure;
- information-sharing and coordination in the enforcement of these objectives.

There are three separate categories of eligible projects.

- *Physical Infrastructure* – Projects for the improvement of physical infrastructure at or around border crossings include dedicated lanes, local access roads and other transportation infrastructure leading to and from a crossing; additional lanes and approaches; and Canadian highways that provide direct access to a border. These improvements to infrastructure will help facilitate the free flow of people and goods across the border.

- *Intelligent Transportation System Infrastructure* – Projects such as smart card and transponder technology, traffic management systems as well as projects moving clearance centres away from the border, through initiatives such as inland inspection, will help to monitor and improve the flow at our border crossings

- *Improved Analytical Capacity* – Traffic modelling and research of border flows are fundamental to continued economic growth and security as well as the establishment of sound public policy. This category will facilitate planning and policy development by showing the impact of potential changes to parameters such as physical infrastructure, security, staffing levels, and customs and immigration policies.

Data collection and management will also enable Canada to support the free flow of people and goods in a safe and secure environment. Eligible recipients include the provinces, municipalities, private-sector firms, public and private transportation authorities and agencies. The BIF is designed above all to enhance the effectiveness of the six border crossings that account for approximately 70% of the heavy traffic between Canada and the United States: Windsor, Sarnia, Niagara Falls and Fort Erie in Ontario, Douglas in British Columbia, and Lacolle in Quebec.

FEDERATION OF CANADIAN MUNICIPALITIES GREEN MUNICIPAL FUNDS

In the 2001 Budget, the federal government allocated $250 million to the Federation of Canadian Municipalities to create the Green Municipal Funds in order to help municipal governments reduce pollution and greenhouse gas emissions and improve quality of life.(9)

The Funds were designed to remove obstacles to investment in "green" municipal infrastructure, such as real or perceived risks and higher capital costs. The main objectives revolve around improving quality of life by:

- reducing greenhouse gas emissions;
- improving local air, water and soil quality;
- promoting the use of renewable energy.

STRATEGIC HIGHWAY INFRASTRUCTURE PROGRAM

In April 2001, Transport Canada announced the creation of SHIP, a program with two components: $500 million for highway construction and $100 million for improvements to Canada's national highway system.

Under this program, $500 million, including $15 million for administrative costs, will be provided over five years to address Canada's highway needs. SHIP began officially in the 2002-2003 fiscal year, although Treasury Board provided $30 million to Transport Canada to begin environmental studies in 2001-2002. Transport Canada did not use this funding, and it was carried forward to the following year. The federal government will work with the provinces and territories to identify the sections of the national highway system that need immediate attention because of growing traffic and increasing trade.

An allocation formula has been developed to distribute the $485 million in SHIP funds to the provinces and territories. The formula consists of a minimum of $4 million per jurisdiction plus a share based on population. The federal share is matched 50/50 by the provinces and territories. Table 11 shows the SHIP funding breakdown for each jurisdiction. Using this formula, the governments receive an average of $19.84 per capita, excluding administration costs.

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(9) See the Web site of the Federation of Canadian Municipalities at: http://kn.fcm.ca/ev.php?URL_ID=2825&URL_DO=DO_TOPIC&URL_SECTION=201&reload=1115145298.

Table 11
Strategic Highway Infrastructure Program – Funding Allocation

Province/Territory	Federal contribution ($ millions)	Federal contribution per capita ($)	Percent of allocation received
British Columbia	61	14.87	12.6
Alberta	46	15.03	9.5
Saskatchewan	19	18.68	3.8
Manitoba	20	17.40	4.2
Ontario	168	14.12	34.6
Quebec	109	14.69	22.4
New Brunswick	15	19.84	3.0
Nova Scotia	17	18.03	3.6
Prince Edward Island	6	43.19	1.2
Newfoundland and Labrador	12	22.48	2.4
Northwest Territories	4	97.02	0.9
Yukon	5	165.66	0.9
Nunavut	4	142.27	0.9
TOTAL	**485**	**19.84***	**100.0**

Source: Transport Canada.

Note: Administration costs not included.

* Average per capita contribution excluding the territories.

SHIP will also provide $100 million nationwide to fund strategic initiatives that better integrate the transportation system. These include the deployment of Intelligent Transportation Systems across Canada, improvements to border crossings, and better transportation planning. Intelligent Transportation Systems include applications such as traveller information systems, traffic management, public transportation, operation of commercial vehicles, emergency response management and vehicle safety. No breakdown by province is yet available.

CULTURAL SPACES CANADA PROGRAM

The Cultural Spaces Canada Program contributes to improved physical conditions for artistic creativity and innovation, and improved access for Canadians to performing arts, visual arts, media arts, museum collections and heritage displays. It supports the improvement, renovation and creation of arts and heritage facilities, as well as specialized equipment purchases and feasibility studies.

Announced as part of the *Tomorrow Starts Today* initiative on 2 May 2001, Cultural Spaces Canada has funded 210 projects thus far ($75,527,597), accounting for 95% of the total contributions budget for 2001-2002 to 2003-2004. Under the formula used, governments have invested an average of $2.43 per capita.

Table 12
Cultural Spaces Canada – Funding Allocation

Province/Territory	Federal contribution ($)	Percent of allocation received	Federal contribution per capita ($)
British Columbia	6,070,659	8.04	1.48
Alberta	10,976,947	14.53	3.59
Saskatchewan	2,597,300	3.44	2.55
Manitoba	2,687,187	3.56	2.34
Ontario	21,117,217	27.96	1.78
Quebec	17,573,499	23.27	2.37
New Brunswick	3,989,429	5.28	5.28
Nova Scotia	2,640,380	3.50	2.80
Prince Edward Island	3,505,127	4.64	25.21
Newfoundland and Labrador	3,232,403	4.28	6.05
Northwest Territories	743,395	0.98	18.06
Yukon	250,000	0.33	8.27
Nunavut	144,054	0.19	5.12
TOTAL	**75,527,597**	**100.00**	**2.43**

Source: Canadian Heritage.

PRAIRIE GRAIN ROADS PROGRAM

The objective of the PGRP is to provide federal financial assistance to upgrade some municipal roads and some secondary provincial roads used to transport grain in the Prairie provinces and in the Peace River region of British Columbia. Traffic on these roads has increased as a result of changes to rail transport policies and the reform of the grain handling system. The Program is a $175-million initiative.

The PGRP does not apply to the rest of Canada. Eligible applicants are:

- rural and urban municipalities and counties in Manitoba, Saskatchewan and Alberta;
- the organizations that represent municipalities in Manitoba (Association of Manitoba Municipalities), Saskatchewan (Saskatchewan Urban Municipalities Association and the Saskatchewan Association of Rural Municipalities) and Alberta (Alberta Association of Municipal Districts and Counties and the Alberta Urban Municipalities Association);
- the provinces of Manitoba, Saskatchewan and British Columbia.

Over a five-year period, from 2001-2002 to 2005-2006, the federal government will provide up to $175 million for eligible municipal road and provincial secondary highway construction projects. The funding allocations to each western province are based on the respective provincial share of the grain-dependent branch lines as listed in the *Canada Transportation Act*. The PGRP will generate approximately $334 million in federal, provincial and municipal contributions to be used for road construction in western Canada.

Cost-sharing agreements have been concluded with each province. They differ depending on the province and the type of roads:

- *For Saskatchewan*, the federal contribution is $106.8 million; additional provincial and municipal government contributions will result in a total of over $217 million for the construction and upgrading of secondary highways and municipal roads.
- *For Manitoba*, approximately $34 million in federal funds will be supplemented by provincial and municipal governments to deliver more than $66 million in program spending for the construction and upgrading of secondary highways and municipal roads.
- *For Alberta*, federal contributions will total more than $32 million. Combined with other contributions, there will be about $47 million in construction funds for the province’s municipal road system.
- *For British Columbia*, program funds totalling $2.2 million will be provided for municipal road improvements in the Peace River region.

AFFORDABLE HOUSING PROGRAM

Under this agreement with the provinces and territories, the federal government is committed to providing a total contribution of $680 million over five years.(10) The bilateral agreements between the federal government and the provinces and territories include the following parameters:

- The initiative is aimed at creating affordable housing supply in each jurisdiction. Affordable supply initiatives may include interventions such as construction, renovation, rehabilitation, conversion, home ownership, new rent supplements and supportive housing programs. Details of eligible programs in each jurisdiction will be as mutually agreed in bilateral agreements.
- Units funded will remain affordable for a minimum of 10 years.
- The maximum federal contribution is an average of $25,000 per unit over the duration of the program.
- Federal funding can be used for capital contributions and costs to administer the initiative in provinces and territories.
- The administrative burden should be minimal and not adversely affect program delivery or create unnecessary levels of administrative processes or approval mechanisms.
- Provinces and territories will be required to match federal contributions overall. Provincial and territorial contributions may be capital or non-capital in nature, and may be in cash or in kind. These contributions may be made by the province or territory or by a third party.

The contributions made under this program are shown in Table 13. Overall, the provinces have received a contribution equal to the relative weight of their population in Canada.

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(10) See the framework of agreements and summaries on the Web site of the Canada Mortgage and Housing Corporation at: http://www.cmhc-schl.gc.ca/en/News/nere/nere_006.cfm.

Table 13
Affordable Housing Program – Funding Allocation

Province/ Territory	Federal contribution ($ millions)	Percent of allocation received
British Columbia	89	13.0
Alberta	67	10.0
Saskatchewan	23	3.0
Manitoba	25	4.0
Ontario	245	36.0
Quebec	162	24.0
New Brunswick	15	2.0
Nova Scotia	19	3.0
Prince Edward Island	3	0.0
Newfoundland and Labrador	15	2.0
Northwest Territories	8	1.1
Yukon	6	0.8
Nunavut	5	0.7
TOTAL	**680**	**100**

Source: Canada Mortgage and Housing Corporation.

RURAL MUNICIPAL INFRASTRUCTURE FUND

In its 2003 Budget, the federal government also created the RMIF, with a value of $1 billion. Each province and territory, as well as First Nations communities, receives a basic allocation of $15 million; the remainder is allocated according to population. This formula is intended to ensure that the provinces, territories and First Nations have an effective base amount to address public infrastructure needs.

The federal government also wishes to ensure a balance between the needs of the country’s urban regions and those of rural regions. As a result, at least 80% of RMIF funding is allocated to municipalities with populations less than 250,000; the remainder goes to municipalities with populations over 25,000. Data on municipalities’ populations will be reviewed when the project application is submitted, in order to reflect population growth and municipal mergers and de-mergers.

Table 14
Rural Municipal Infrastructure Fund – Funding Allocation

Province/Territory	Federal contribution (millions of dollars)	Percentage of allocation received
British Columbia	111	12.2
Alberta	38	4.2
Saskatchewan	38	4.2
Manitoba	41	4.5
Ontario	298	32.7
Quebec	195	21.4
New Brunswick	33	3.6
Nova Scotia	37	4.1
Prince Edward Island	18	2.0
Newfoundland and Labrador	28	3.1
Northwest Territories	16	1.8
Yukon	16	1.8
Nunavut	16	1.8
First Nations	25	2.7
TOTAL	**910**	**100.0**

Source: Infrastructure Canada.

The RMIF is a cost-sharing program. The federal government will provide one-third of all eligible project costs on average, and the provinces and territories will cover the rest. In light of the special circumstances of First Nations and the territories, where a number of communities have no tax base, the federal government may in those cases cover more than one-third of the costs.