



Infrastructure Canada

2004–2005 Estimates

Report on Plans and Priorities (RPP)



The Honourable John Godfrey
Minister of State (Infrastructure and Communities)



Table of Contents

| | |
|--|----|
| Section I – Introduction | 1 |
| Minister of State’s Message | 1 |
| Deputy Head’s Message | 3 |
| Management Representation Statement | 4 |
| Section II – Raison d’Être | 5 |
| Section III – Planning Overview | 7 |
| Overview of Cities and Communities in Canada | 7 |
| Overview of Public Infrastructure in Canada | 8 |
| Mandate of Infrastructure Canada | 11 |
| New Deal for Cities and Communities: Risks and Challenges | 13 |
| Infrastructure Investments: Risks and Challenges | 14 |
| Section IV – Plans and Priorities by Strategic Outcomes | 15 |
| Summary | 15 |
| Details | 15 |
| Priority 1: Coordinating Federal Investments in Infrastructure Projects | 15 |
| Priority 2: Enhancing Knowledge and Outreach on Infrastructure Issues | 28 |
| Priority 3: Building an Effective Organization | 33 |
| Section V – Organization | 39 |
| Organization and Accountabilities | 39 |
| Departmental Planned Spending | 44 |
| Infrastructure Canada Organization Chart | 45 |
| General Enquiries | 46 |
| Section VI – Annexes | 47 |
| A. Summary of Transfer Payments | 47 |
| B. Details on Transfer Payments (Grants, contributions and other transfer payments) | 47 |
| C. Net Cost of Program for the Estimates Year | 48 |





SECTION I – Introduction

Minister of State's Message

On July 20, 2004, the Prime Minister announced a new position of Minister of State (Infrastructure and Communities) and named me to the post, a challenge that I was happy to accept.

The new portfolio brought together Infrastructure Canada and the Cities Secretariat, and also includes four Crown corporations: Canada Lands Company Limited, Old Port of Montreal Corporation, Parc Downsview Park, and Queens Quay West Land Corporation.

The Infrastructure and Communities portfolio was formed in part to pursue one of the government's key priorities – a New Deal for Cities and Communities – which was laid out in the 2004 Speech from the Throne. It is a natural home for this priority: clearly, infrastructure investments that support quality of life and sustainable growth are central to the New Deal. Important too, are conducting research, and providing policy leadership on the issues facing our cities and communities, with a particular focus on infrastructure. Each of the Crown corporations also plays a key role in sustainable urban development. This synergy will allow us to more effectively and efficiently advance the government's agenda for Canadian cities and communities.

Budget 2004 delivered important first steps on a New Deal: a full rebate of the GST paid by municipalities; accelerated spending through the Municipal Rural Infrastructure Fund; funding to clean-up federal contaminated sites; investments in immigrant language training and extension of the Urban Aboriginal Strategy. Now, a comprehensive approach is needed to enable Canadian communities to address the challenges and opportunities that significantly influence the country's overarching quality of life and competitiveness. The stage has been set for significant progress in the upcoming year.

We cannot achieve our ambitious agenda alone. The Government of Canada, provinces and municipalities are partners in improving the quality of life and standard of living for Canadians. Progress and success requires a whole-of-government approach, and the participation and cooperation of all orders of government and



John Godfrey



non-governmental organizations. By working with these partners, we can leverage our infrastructure and community investments to achieve maximum benefits for Canadians.

I am confident that we are well positioned to move ahead to make a difference to the lives of Canadians in the cities and communities in which they live. I look forward to the challenges and opportunities that lie ahead.



John Godfrey
Minister of State (Infrastructure and Communities)



Deputy Head's Message

Since Infrastructure Canada was established in August 2002, the Department has contributed significantly to the realization of the federal government's infrastructure and communities agenda. This past year, Infrastructure Canada has seen many changes, and in the midst of these changes has matured as an organization.

The Department has moved from the Industry portfolio, through the Environment portfolio, to its own portfolio. Further, Prime Minister Paul Martin has created the position of Minister of State (Infrastructure and Communities), and appointed the Honourable John Godfrey to this new role. These changes reflect the chief vision of the Government of Canada – including a New Deal for Cities and Communities, economic growth, quality of life and sustainable development – and the expectation that the Infrastructure and Communities portfolio will contribute in a significant way to making this vision a reality, together with its partners.

The Department is committed to meeting the challenges of change. That commitment is reflected in this report on our priorities. These priorities are:

- Coordinating federal investments in infrastructure projects
- Enhancing knowledge and outreach on infrastructure issues
- Building an effective organization to deliver our mandate

The amalgamation of the Cities Secretariat and Infrastructure Canada is a concrete example of the Government's commitment to advance its agenda for Canadian cities and communities. The Department will support that agenda through each of our priorities. The Department is committed to funding infrastructure investments in partnership with provinces, territories and communities. We will also continue to build a strong research community and will increasingly act as a conduit for disseminating and sharing knowledge among researchers, policy makers and Canadians.

We are continuing to build the sound administrative frameworks and guidelines and the management systems the Department needs both to fulfill its mandate and to exercise the high level of fiscal responsibility and accountability that Canadians deserve and expect.

It promises to be a demanding but rewarding year. As an organization, we look forward to the challenge. Above all, we look forward to supporting the Government of Canada's vision for sustainable communities.



André Juneau




Management Representation Statement

I submit, for tabling in Parliament, the *2004–2005 Report on Plans and Priorities* (RPP) for Infrastructure Canada.

This document has been prepared based on the reporting principles and disclosure requirements contained in the *Guide to the Preparation of the 2004–2005 Report on Plans and Priorities*:

- It accurately portrays the organization's plans and priorities.
- The planned spending information in this document is consistent with the directions provided in the Minister of Finance's Budget and by Treasury Board Secretariat.
- It is comprehensive and accurate.
- It is based on sound underlying departmental information and management systems.

The reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Signed: _____ 

Title: _____ Deputy Head

Date: _____ 28 August 2004



SECTION II – Raison d’Être

The fundamental purpose of Infrastructure Canada is to help build a modern Canada where Canadians benefit from world-class public infrastructure. The Department is working with its partners to meet the evolving infrastructure needs of Canadian communities. This is consistent with the Government of Canada’s enduring priority to improve the quality of life of all Canadians. The combined efforts of provincial, territorial and municipal governments, businesses and other organizations, all contribute to Canada’s success.

Infrastructure Canada works collaboratively with key public and private sector partners to develop, influence and invest in Canada’s public infrastructure. Through its activities, the Department contributes to the Government of Canada’s economic, health and environmental agendas.

A government-wide perspective on the Government of Canada’s review of quality of life and the measurement of progress toward broad societal goals can be found in “Canada’s Performance: Annual Report to Parliament 2003” at http://www.tbs-sct.gc.ca/report/govrev/03/cp-rc_e.asp.



Mission:
*To help build a
modern Canada*

Vision:
*Canadians
benefiting
from a world-
class public
infrastructure*

On July 20, 2004, the Prime Minister announced a new position of Minister of State (Infrastructure and Communities). This change will better position the government to build sustainable Canadian cities and communities in strong collaboration with partners across the country.





SECTION III – Planning Overview

Overview of Cities and Communities in Canada

Canada, like much of the world, is an increasingly urban country – 80% of Canadians live in urban centres. Its cities and communities are key to Canada’s quality of life, identity, competitiveness and environmental well-being.

Canada appears to be in good standing relative to other countries. Several Canadian cities are internationally recognized as possessing key attributes that contribute to a strong, competitive and sustainable country, namely: institutions of higher learning and research; easy access to international markets via world-class transportation systems; a highly-educated and diverse work force; a wide variety of cultural and recreational amenities; a safe community environment; and a superior quality of life. In fact, recent surveys measuring quality of life in cities internationally (such as the Mercer Human Resource Consulting’s Cost of Living) rank Canadian cities among the best places in the world in which to live.

Despite these attributes, there are increasing signs of strain. Canadian cities are on the front line of having to address serious and complex challenges:

- concentration of poverty in certain neighbourhoods; homelessness and the lack of affordable housing;
- crime and public security issues;
- emergency preparedness;
- crumbling infrastructure;
- traffic congestion;
- air pollution;
- the integration and settlement of a large number of immigrants;
- a young and growing Aboriginal population that faces numerous socio-economic challenges; and
- impact of diversity on community cohesion.



Federal Role in a New Deal for Cities and Communities

Other than the brief tenure in the 1970s of the Minister of State for Urban Affairs, federal responsibility for urban issues has not been exclusively assigned to any federal representative. In 2003, in response to the increasing challenges facing cities and communities across Canada, the Government created the role of the Parliamentary Secretary with a special emphasis on cities. In Budget 2004, the Government recognized that “Canada’s communities need reliable, predictable and long-term revenue sources in order to plan for long-term infrastructure investments.” This budget provided municipalities with a rebate on the Goods and Services Tax, which will result in an estimated \$7 billion in revenue.

When he formed his Cabinet in July 2004, the Prime Minister confirmed that a New Deal for Cities and Communities is a top priority. He has asked the Minister of State (Infrastructure and Communities) to make progress on a New Deal in partnership with other governments and stakeholders.

The New Deal is an opportunity to rethink the place of cities and communities in Canada and to ensure that Government of Canada investments in cities and communities are smart, strategic, purposeful and forward looking. Specifically, the Government will pursue outcomes that contribute to the environment, economic, social and cultural sustainability of its communities. Short-term actions include partnerships with provinces, consultations with municipalities, new investments using funding from a portion of the federal gas tax (or equivalent) and tripartite agreements to address place-specific issues.

Overview of Public Infrastructure in Canada

Public infrastructure can be described as core physical assets instrumental to supporting the delivery of public services. The importance of infrastructure to long-term sustainable growth and quality of life for Canadians is clear. The provision and maintenance of public infrastructure are among the most important responsibilities of governments. The reliable provision and effective management of potable water treatment plants, waste treatment facilities, highways, roads and bridges, transit systems, cultural and recreational facilities, and the availability of broadband communications to communities, all impact on our quality of life and our economic development.



All orders of government in Canada have a stake and interest in public infrastructure. Since the federal government does not own most of the infrastructure in Canada, it is not directly responsible for addressing such community infrastructure needs as water/sewer, roads and transit or provincial/territorial infrastructure needs, which are focused largely on health, education and highways. However, in the interests of serving the public good and furthering federal objectives, the federal government is an important partner, working with other levels of government and the private sector, to meet Canada's infrastructure needs.

There are large gaps in our knowledge and understanding of infrastructure. For instance, there is no detailed inventory of Canada's infrastructure, nor a consistent method of accounting. Examining and addressing knowledge gaps such as these is – and will continue to be – a key priority for the federal government. This is also a priority it shares with many partners, including other levels of government, universities, NGOs, think tanks and the private sector. Strengthening knowledge through research and analysis and other activities enables informed policy and decision making.

Federal Role in Public Infrastructure

The extent of the federal role and investment have increased significantly over the past decade, as have the types of investments and the scope of infrastructure projects. Since 2001, the federal government has made deliberate, strategic investments in projects that support such federal objectives as sustainable development, climate change, innovation and competitiveness. In 2002, the government confirmed its strategic approach to public infrastructure and announced a 10-year funding commitment that includes the implementation of a long-term strategy to meet Canada's modern infrastructure needs. To support its enhanced involvement, the government created Infrastructure Canada in 2002 and, in December 2003, designated a Minister of State (Infrastructure).

Since 1993, the federal government has committed over \$12 billion to public infrastructure that will lead to a total investment by all partners exceeding \$30 billion. Of the \$12 billion, Infrastructure Canada currently manages \$7.6 billion. Infrastructure Canada currently oversees the management of four contribution programs. Two are focused on large-scale strategic investments (Canada Strategic Infrastructure Fund and Border Infrastructure Fund) and two are focused on smaller community-based projects (Infrastructure Canada Program and Municipal Rural Infrastructure Fund).



It is clear that Canadians accept the need for investment in infrastructure, which they tend to define in terms of roads, highways and mass transit. It is also clear that they see a legitimate role for the federal government in helping overcome infrastructure deficiencies and modernizing Canada's infrastructure for the future.

Other government departments and organizations are also involved in investing in infrastructure, as shown in the following table, which summarizes all investments:

Table I: Federal Programs Involving Infrastructure

| | Lead Organization | Program | Federal Funding | Funding Period |
|---|--|---|-----------------|----------------|
| Pre-2000 | Former Infrastructure National Office (Treasury Board Secretariat) | Canada Infrastructure Works Program | \$2.43B | 1994–1999 |
| Budget 2000 | Infrastructure Canada | Infrastructure Canada Program (ICP) http://www.infrastructurecanada.gc.ca/icp/index_e.shtml?menu6 | \$2.05B | 2000–2007 |
| Budget 2001 (\$2B) and Budget 2003 (\$2B) | Infrastructure Canada | Canada Strategic Infrastructure Fund (CSIF) http://www.infrastructurecanada.gc.ca/csif/index_e.shtml?menu5 | \$4B | 2003–2013 |
| Budget 2001 | Infrastructure Canada | Border Infrastructure Fund (BIF) http://www.infrastructurecanada.gc.ca/bif/index_e.shtml?menu4 | \$600M | 2003–2013 |
| Budget 2003 and Budget 2004 | Infrastructure Canada | Municipal Rural Infrastructure Fund (MRIF) http://www.infrastructurecanada.gc.ca/mrif/index_e.shtml?menuD | \$1B | 2004–2009 |
| Budget 2001 | Agriculture Canada | Prairie Grain Roads http://www.agr.gc.ca/pfra/pgrp_e.htm | \$175M | 2001–2006 |
| Budget 2001 | Department of Canadian Heritage | Cultural Spaces Canada Program http://www.pch.gc.ca/progs/ecc-csp/index_e.cfm | \$80M | 2001–2004 |
| Budget 2001 | Environment Canada/Natural Resources Canada | Federation of Canadian Municipalities "Green" Funds http://kn.fcm.ca/ev.php?URL_ID=2825&URL_DO=DO_TOPIC&URL_SECTION=201&reload=1043178382 | \$250M | 2000– |
| Budget 2001 | Transport Canada | Strategic Highways Infrastructure Program (SHIP) http://www.tc.gc.ca/SHIP/menu.htm | \$600M | 2002–2007 |

| | Lead Organization | Program | Federal Funding | Funding Period |
|---|---|--|-----------------|----------------|
| Budget 2001 (\$680M) and Budget 2003 (\$320M) | Canada Mortgage and Housing Corporation | Affordable Housing Program http://www.cmhc-schl.gc.ca/en/News/nere/nere_006.cfm | \$1B | 2002–2007 |
| Budget 2003 | Canada Mortgage and Housing Corporation | Renovating/Adaptation Assistance Programs* http://www.cmhc-schl.gc.ca/en/burema/readaspr/index.cfm * top-off to existing programs | \$256M | 2003–2005 |
| Budget 2003 | INAC | First Nation Water Management Strategy http://www.ainc-inac.gc.ca/nr/prs/m-a2003/02304bka_e.html | \$600M | 2003–2008 |

Mandate of Infrastructure Canada

Infrastructure Canada is a relatively new department within the federal government. It manages and leads the federal participation in the development and implementation of a long-term strategy to meet Canada's modern infrastructure needs. An important part of its mandate is to coordinate and manage funding programs that support public infrastructure initiatives, provide strategic advice and policy direction.

In addition to its program management and administration responsibilities, Infrastructure Canada concentrates on policy development and on research. It is also responsible for communications and dissemination of information on the federal role and contributions to infrastructure in Canada.

Through a variety of means, including its Web-based Gateway to Infrastructure Research, the Department works closely with key partners – in the federal government, other orders of government, universities, research institutes, the private sector and other experts – to generate insights into infrastructure issues; to develop a strong multi-disciplinary research community that can provide support for policy and decision makers in the multiple sectors involved in addressing Canada's infrastructure needs; and to disseminate and communicate knowledge about infrastructure to our key partners.

This enables the Government of Canada to approach infrastructure in a holistic manner with a longer-term strategic focus.

On July 20, 2004, the Prime Minister created a new position – Minister of State (Infrastructure and Communities) – that will better position the Government to advance its agenda for Canadian cities and communities in strong collaboration with its partners across the country.



How Infrastructure Canada Fulfils its Mandate

Strategic partnerships are crucial to the Department's success in meeting its primary objectives. The Department works with other federal departments and agencies and draws on their technical expertise, existing resources, governance structures, and "on-the-ground" resources to help fulfil its mandate. In addition to sharing their resources, they share their knowledge about local needs, priorities, stakeholders and circumstances. For example, under the Infrastructure Canada Program (ICP), the implementation and administration of funding are the responsibility of the appropriate regional agency or department: Atlantic Canada Opportunities Agency, Western Economic Diversification Canada, Canada Economic Development for Quebec Regions, Industry Canada (for Ontario projects) and Indian and Northern Affairs Canada (for northern projects and those involving First Nations). Provinces and municipalities are the managers of the projects while Infrastructure Canada provides policy leadership and horizontal coordination of project implementation.

Each contribution program has a Results-Based Management and Accountability Framework (RMAF) and a Results-Based Audit Framework (RBAF), which articulate the responsibilities of the Department with respect to audit, evaluation and performance.

Infrastructure Canada is a small organization that relies on partnerships with other federal departments, and with provinces, territories and municipalities, to identify priority projects and clarify the scope and nature and funding mechanisms of these projects.

Once a project has been approved, Infrastructure Canada works with the relevant departments to negotiate the contribution agreement, to undertake an environmental assessment and to implement the agreement. A federal-provincial/territorial management committee is established with representation from the relevant federal departments. In some cases, a partnership with other departments has been formally established through a bilateral Memorandum of Understanding (MOU). Infrastructure Canada has entered into an MOU with one of its key federal partners, Transport Canada, that outlines the guiding principles, roles, and responsibilities when considering and implementing large scale transportation-related infrastructure projects under the CSIF and the Border Infrastructure Fund (BIF). Additional MOUs are under development with other partners and delivery agencies.



To ensure that the project selection criteria maximize the benefits to Canadians and that projects are consistent with other federal policy objectives across departments, a “policy leveraging” framework has been developed for the Canada Strategic Infrastructure Fund (CSIF). This framework was developed in consultation with other government departments to maximize the federal return on investments and support such federal objectives as improved connectivity, support for the environment and innovation. A policy leveraging framework will also be used for the Municipal Rural Infrastructure Fund (MRIF).

A key objective of the Department is to improve current knowledge and understanding on public infrastructure in Canada. As a first step the Department has taken the lead in organizing a Horizontal Research Roundtable on the State of Infrastructure (HRRSI). The initiative gathers more than 25 federal departments and agencies to work together to enhance the knowledge base for evidence-based policy and decision making on infrastructure and the other federal government priorities to which it is closely linked. Other issues being examined include the economic, social and environmental impacts of federal investments in infrastructure, alternative financing mechanisms for infrastructure investment and the availability of data to support research and policy- and decision-making. A next step in the initiative will be to work closely with other stakeholders – think tanks, NGOs, professional organizations, other levels of government, academics and the private sector in Canada and beyond – to generate new knowledge, foster a multidisciplinary research community; and transfer and disseminate knowledge.

New Deal for Cities and Communities: Risks and Challenges

Constitutionally, municipalities are under provincial jurisdiction. Respect for this jurisdiction will be a central principle of a New Deal.

The complex challenges that play out in cities and communities require a coordinated approach if workable solutions are to be found. These challenges not only vary by city, but the capacity of communities and provincial governments to address them also varies. No one solution, approach or government can solve all of them uniformly across the country. A partnered approach is essential, and approaches must be tailored to address the circumstances of different communities: urban and rural, large and small.



Infrastructure Investments: Risks and Challenges

There are fundamental risks and challenges inherent to coordinating and managing funding programs that support public infrastructure initiatives. Balancing priorities for funding between many different partners and needs represents one of the challenges that the Department is facing. In response, the Department and its partners continue to work closely to strengthen existing partnerships and reach out to form additional ones. However, these efforts must take into account a number of factors such as the fact that partners may change over time, presenting the challenge of adapting to new realities. At the same time, there is an ongoing need to nurture both existing and new relationships by ensuring that these are rooted in shared values, open communications, mutual respect and a commitment to transparency, fairness and the achievement of cost-effective project results.

To enhance Canada's infrastructure and maximize its own effectiveness, the Department must ensure that it has the capacity to provide the levels of service and expertise that will be required. This compels the Department to maximize the use of its own resources today and plan appropriately for the future. At the same time, it must meet or exceed the requirements and expectations for all government departments in terms of their operating procedures and their contributions to the Government of Canada's federal priorities. Infrastructure Canada will be contributing to the priorities announced in the Speech from the Throne: changing the way things work in Ottawa, strengthening Canada's social foundations including a new deal for communities and sustainable rural and urban development, building a 21st century economy, and Canada's role in the world.

Strengthening the infrastructure knowledge base to arrive at a common understanding of infrastructure issues is another challenge. That knowledge base is vital to developing evidence-based policy, supporting results-based decision making and setting appropriate priorities.

As part of the Department's overall effort to improve Canada's infrastructure, it is crucial that the public be kept informed with the most current information. This demands a targeted and coordinated communications effort.



SECTION IV – Plans and Priorities by Strategic Outcomes

Summary

Strategic Outcomes are the enduring, results-based commitments made by departments and agencies to Parliament and all Canadians. In return for the use of resources approved by Parliament, government organizations work to deliver the promised results, sometimes in partnership with others.

Infrastructure Canada's strategic outcome is:

- To ensure infrastructure projects that contribute to the quality of life, sustainable communities, economic growth and international trade; and, to provide policy advice and advocacy, communications and management practices for good governance and results-based decision-making in public infrastructure.

As highlighted in the Deputy Head's Message, the priorities for Infrastructure Canada for the next three years are:

- Coordinating federal investments in infrastructure projects
- Enhancing knowledge and outreach on infrastructure issues
- Building an effective organization to deliver its mandate

Details

Priority 1: Coordinating Federal Investments in Infrastructure Projects

Infrastructure Canada aims to maximize benefits to Canadians by working to ensure that public infrastructure investments are made in a coordinated manner and that they support the Government of Canada's federal objectives such as sustainable development, regional and rural development, building a 21st century economy, and a new deal for communities.

This is achieved through the Canada Strategic Infrastructure Fund (CSIF), the Border Infrastructure Fund (BIF), the Infrastructure Canada Program (ICP) and the Municipal Rural Infrastructure Fund (MRIF).

Through the New Deal for Cities and Communities, the Government will pursue outcomes that contribute to the environment, economic, social and cultural sustainability of communities. Short-term actions include partnerships with provinces, consultations with municipalities, new investments using funding from a portion of the federal gas tax (or equivalent) and tripartite agreements to address place-specific issues. An accountability framework is under development.



Strategic Infrastructure Programs

Delivery Approach of Strategic Infrastructure Programs

Strategic infrastructure programs are delivered in collaboration with many federal partners. As the coordinating and funding agent, Infrastructure Canada is responsible for project review, selection and approval, negotiation of the contribution agreement, and ongoing monitoring and oversight.

Each project has three key partners involved:

- **Infrastructure Canada**, as the funding agent for the project, negotiates agreements with each of the funding recipients.
- **An implementing department** has the project-specific knowledge related to each project. Infrastructure Canada's relationship with each implementing department varies with the capacity and responsibilities as negotiated on a per project basis.
- **The funding recipient** may be a provincial, territorial, local government, First Nations community, private partner or a combination thereof. Once the project has been selected, the funding recipient enters into contribution negotiations with Infrastructure Canada.

CSIF

The *CSIF Act* defines eligible infrastructure as:

- Highways or rail infrastructure
- Local transportation infrastructure
- Tourism or urban development
- Water and sewage treatment infrastructure
- Other infrastructure as prescribed by regulation, such as advanced telecommunications and broadband

Announced projects from the first \$2 billion in Budget 2001 include high-profile projects such as the Vancouver Convention and Exhibition Centre, transit in the Greater Toronto Area, the A-30 highway by-pass in Montréal, and cleaning up the harbours of St. John's and Halifax.



Four Seasons Centre for the Performing Arts.
Diamond and Schmitt Architects Incorporated.
Rendering: AMD

Canada Strategic Infrastructure Fund (CSIF)

This \$4 billion fund is directed to projects of major federal and regional significance in areas that are vital to sustaining economic growth and enhancing the quality of life of Canadians. Maximum federal funding is set at 50 percent of total eligible project costs, except for broadband projects where funding can go to 75 percent. The CSIF operates under the authority of the *Canada Strategic Infrastructure Fund Act*. (Refer to <http://laws.justice.gc.ca/en/c-10.3/24002.html>)

In 2003, program design parameters were modified to focus the project selection process to better reflect federal objectives as follows:

- Water quality and access
- Trade corridors
- Connectivity (broadband)
- Sustainable urban growth; and
- Northern infrastructure

As part of the refocusing of the program for the \$2 billion identified in Budget 2003, 10 percent of total funding is to be allocated to projects identified as federal priority projects. This includes the Red River Floodway project in Manitoba; the transportation infrastructure improvements under the “Corridors for Canada” in the Northwest Territories; the National Satellite Initiative to provide broadband access to Northern and remote communities; and, the twinning of the Trans-Canada highway in Banff Federal Park in Alberta. Details of these and other announced projects can be found at http://www.infrastructure.gc.ca/csif/projects/index_e.shtml?menu54.



The Red River Floodway at the Floodway inlet, in operation during the 1997 flood.

Reproduced with the permission of the Minister of Public Works and Government Services Canada, 2004, and courtesy of Natural Resources Canada, Geological Survey of Canada.



Policy leveraging under CSIF: Making it work

To help achieve the greatest possible benefit for Canadians, through CSIF projects, the Department has adopted a policy leveraging approach that is new to both Infrastructure Canada and the federal government. Examples of this approach include:

- mass transit projects will be required to explore options for transit demand management strategies as a condition of federal funding;
- water projects must address the issues of metering and pricing; and
- any new buildings constructed must exceed the energy efficiency requirements of the Model National Energy Code for Buildings by 25 percent.

CSIF: Benefits to Canadians

- Safer and faster movement of people and goods on Canada's major land transportation routes
- Less production of greenhouse gases and airborne pollutants
- More-effective urban development
- Increased economic activity including tourism

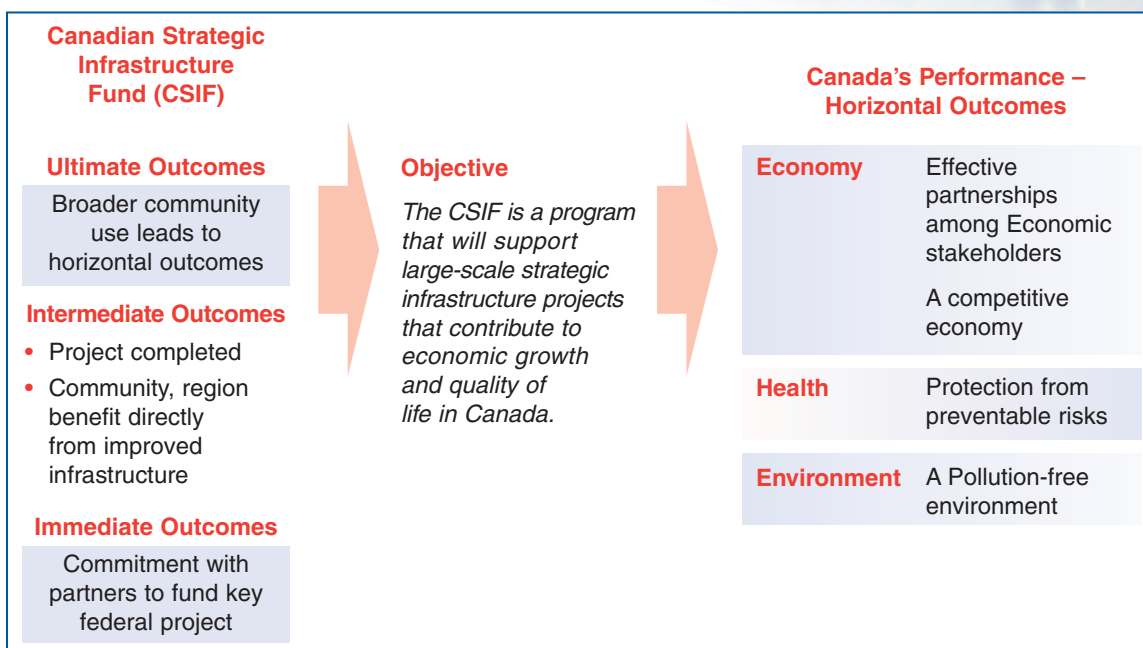
Once CSIF proposals have demonstrated they meet project selection requirements, an assessment grid will be applied to the proposal to determine additional leveraging benefits. For example, ranking criteria for climate change encourages projects to:

- maximize greenhouse gases (GHG) mitigation efforts through energy efficiency;
- minimize GHG emissions in the construction and operation of the project; and
- employ innovative technologies and practices to minimize GHG emissions.

Performance Measurement, Evaluation and Reporting

Through the CSIF, Infrastructure Canada works to contribute to the broader horizontal and strategic outcomes of the Government of Canada. Figure 1 provides a visual description of how CSIF contributes to related horizontal and strategic outcomes of the Government of Canada.



Figure 1: Links to Canada's Performance

A results-based management and accountability framework (RMAF) has been developed for CSIF that proposes a suite of indicators for projects and data source or methods for collecting the data. As an example, Table 2 provides the performance indicators for projects in the water and wastewater category against which individual projects may be assessed.

Given that these projects will be implemented over a relatively long time frame, the Treasury Board-approved program terms and conditions are in effect until 2013. However, an interim evaluation of the program will be carried out by August 2008 with the summative evaluation scheduled for 2012–2013.



Table 2: Indicators for projects in the water and wastewater category

| Performance Area | Indicators |
|---|--|
| Clean and safe water and wastewater produced and effluents reduced through constructed infrastructure | <ul style="list-style-type: none"> • Percentage change/type of change in effluent quality • Increased treatment, plant efficiency, reduced water loss and use of chemical treatments • Additional litres of potable water produced within the community as added by the facility • Type of change in effluent quality within the community as added by the facility • Change in number of households with new/ improved access to potable water, registered metering • Additional population (households, industries etc.) served via access or improved potable water • Increased wastewater collected • Improved wastewater quality • Reduced methane gas emissions |



Status of the CSIF Program

It is expected that the \$4 billion fund will provide federal support to approximately 40 projects. As of March 2004, contribution agreements have been approved and signed for the following:

- \$222.5 million for the construction of new facility at the Vancouver Convention and Exhibition Centre
- \$60 million for new construction, rehabilitation and improvements to the Trans-Canada Highway in New Brunswick with an additional \$140 million from other federal sources http://www.infrastructure.gc.ca/csif/projects/project1/20020814_e.shtml
- \$120 million to the Province of Manitoba for the expansion of the Manitoba Red River Floodway http://www.infrastructure.gc.ca/csif/projects/project19/20030818_e.shtml (See photo on page 17)
- \$50 million for implementation of the “Quick Start” component of the York Rapid Transit Plan, Regional Municipality of York
- \$30 million for sewage collection systems and sewage treatment plant, Halifax Regional Municipality
- \$25 million to the Canada Opera House Corporation for the construction of the Toronto Opera House (Four Seasons Centre for the Performing Arts: see photo on page 16)
- \$25 million for a wastewater treatment project, City of Thunder Bay
- \$20 million to improve three highway corridors, Northwest Territories
- \$9 million for the Wascana Lake Enhancement Project, City of Regina
- \$3.6 million for the expansion and upgrade of municipal water and sewer systems and sewage treatment facilities in the Town of Stratford, Prince Edward Island

Border Infrastructure Fund (BIF)

This \$600 million fund targets Canada-United States border crossing points and provides funding for investments in physical infrastructure, intelligent transportation system infrastructure and improved analytical capacity. It was created from the recognition that Canada’s border crossings and their highway approaches are vital for economic growth and prosperity.

BIF: Benefits to Canadians

- More efficient facilities capable of handling greater capacities at major border crossings, thereby helping trucks travel across the busiest Canada-US border points more quickly
- Improved Canada-US relations and better movement of goods, thereby contributing to increased trade and production
- Improved border crossing, thereby contributing to federal security and increased safety for all Canadians



Much of the funding is largely or particularly targeted at Canada's six largest surface border crossings:

- Windsor, Ontario – Detroit, Michigan
- Sarnia, Ontario – Port Huron, Michigan
- Fort Erie, Ontario – Buffalo, New York
- Niagara Falls, Ontario – Niagara Falls, New York
- Douglas, British Columbia – Blaine, Washington State
- St.-Bernard-de-Lacolle, Quebec – Champlain, New York

The BIF will support key infrastructure initiatives underlined in the Smart Border Action Plan signed by Canada and the United States in December 2001. Refer to <http://www.dfait-maeci.gc.ca/anti-terrorism/declaration-en.asp> for more information on the Smart Border Declaration.

Some announced projects include improved access to lower mainland border crossings in British Columbia, infrastructure improvements to the Windsor Gateway and the Niagara and Sarnia regions in Ontario, and border improvements at North Portal, Saskatchewan and the St. Stephen and Woodstock, New Brunswick crossings. Complementing BIF investments, additional funding of \$65 million is also being provided through the border component of Transport Canada's Strategic Highway Infrastructure Program (SHIP). Refer to <http://www.tc.gc.ca/programs/surface/highways/SHIP.htm> for more information on SHIP.

Performance Measurement, Evaluation and Reporting

As in the case of CSIF, a results-based management and accountability framework (RMAF) has been developed for BIF, which proposes a suite of indicators for projects and data source or methods for collecting the data.

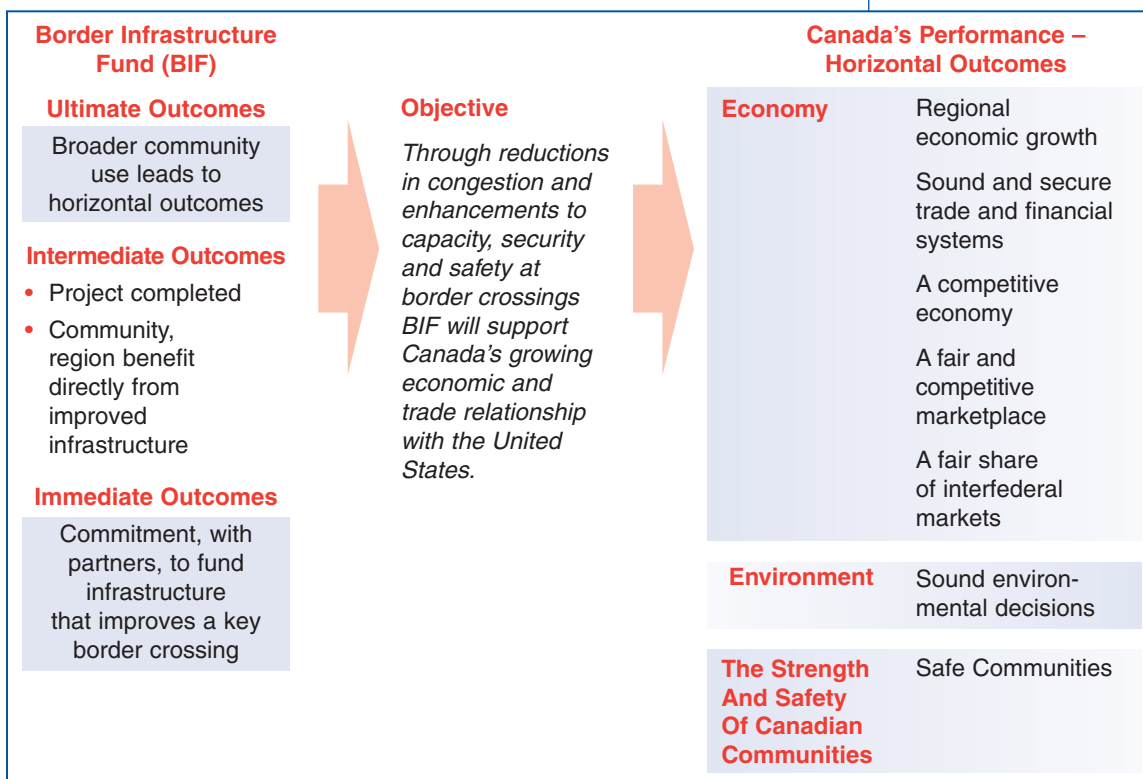
The results of ongoing performance measurement will be used to make the necessary adjustments to the initiative. In addition, the performance measurement strategy will be reviewed on an annual basis.



Given that BIF projects will be implemented over a relatively long time frame, the Treasury Board approved program terms and conditions are in effect until 2013. However, as in the case of CSIF, an interim evaluation of the program will be carried out by August 2008, while the summative evaluation report will be available in fiscal year 2012–2013.

Through the BIF, Infrastructure Canada works to contribute to the broader horizontal and strategic outcomes of the Government of Canada. Figure 2 provides a visual description of how the BIF contributes to related horizontal and strategic outcomes of the Government of Canada.

Figure 2: Links to Canada's Performance



Status of the BIF Program

Treasury Board has approved the terms and conditions for the payments of contributions under this \$600 million program. The negotiation of contribution agreements with the recipients and the seeking of Treasury Board approval for each project will take place over the upcoming fiscal years.



Community-Based Programs

Infrastructure Canada Program (ICP)

The \$2.05 billion ICP was created in 2000 to enhance infrastructure in Canada's urban and rural communities and to improve quality of life through investments that protect the environment and support long-term community and economic growth. To date, virtually all ICP funding has been committed and close to 3,000 ICP-funded projects have been announced.

Consistent with the federal sustainable development objective, green municipal infrastructure is the program's first priority. Examples of eligible projects include those related to:

- water and wastewater systems;
- water management;
- solid waste management and recycling; and
- capital expenditures to retrofit or improve the energy efficiency of buildings and facilities owned by local governments.

Other priorities include:

- local transportation infrastructure (such as urban transit or subway systems);
- cultural and recreational facilities (such as local museums or art galleries, recreational, multicultural and sports facilities, or libraries);
- tourism-related infrastructure (such as convention or trade centres);
- rural and remote telecommunications (such as fibre optic or copper cable, radio or satellite links in rural areas);
- high-speed Internet access (for local public institutions such as schools, museums and libraries, community centres or municipal buildings); and
- affordable housing (construction of rental housing, including related infrastructure).

Delivery Approach

The program is designed and coordinated by Infrastructure Canada, but it is implemented through federal government delivery agencies. The program is also implemented in partnerships with provincial and territorial governments, municipal governments, First Nations, and the private sector.



ICP project contributes to better services, cleaner environment

Thanks to ICP funding, Miramichi, New Brunswick, residents can expect clean water, improvements to waste water treatment, an enhanced environmental situation and improved operating system efficiencies.

Miramichi is completing the third phase of a five-phase project to construct a wastewater collection and treatment facility for the south side of the Miramichi River. An \$8 million ICP contribution was approved in February 2002, under the Canada-New Brunswick Infrastructure Program for the \$13.2 million project.

The project includes laying 25 kilometres of pipe for a new collector system in an unserved area on the south side, which will provide sanitary sewer services to approximately 450 homes, as well as for an aerated lagoon. The undertaking also includes decommissioning two existing lagoons, which will help address concerns regarding the overall health of the Miramichi River.

ICP: Benefits to Canadians

- Enhancement of the quality of the environment (water and wastewater management, solid waste management, more efficient energy use)
- Support for long-term economic growth (increasing economic opportunity in communities, access to the new economy through improved telecommunications, and tourism opportunities)
- 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)
- Increased innovation, and use of new approaches and best practices, and the more efficient use of existing infrastructure



Performance Measurement, Evaluation and Reporting

A federal governance and accountability framework for ICP was completed and made available to program stakeholders. In addition, an audit framework and a program evaluation framework provide the necessary due-diligence processes and controls to ensure proper spending of federal funds, as well as monitoring of results.

Infrastructure Canada is currently working on the development of an approach for the interim federal evaluation of the Infrastructure Canada Program, scheduled for 2004–2005.

Project tracking and monitoring is supported by the **Shared Information Management System for Infrastructure (SIMSI)** – http://www.infrastructure.gc.ca/simsi-spgii/index_e.shtml?menu7.

The system assists management and stakeholders of the Infrastructure Canada Program (municipalities, provinces and federal implementing agencies) by managing the thousands of projects in the program, and providing on-line project registration, status information, milestone monitoring, benefits tracking and payment tracking.

Status of the ICP

The ICP is well underway and projects are ongoing across the country. Most of the funding has either been committed to approved projects or notionally allocated to those that have been approved and are under review.



Bruce County Museum and Archives, Ontario – upgrade and expansion with ICP funding of \$500 thousand.

Municipal Rural Infrastructure Program (MRIF)

The February 2004 Speech from the Throne underlines the importance of urban and rural growth. A reflection of this importance is the Municipal Rural Infrastructure Program. Budget 2003 included \$1 billion for smaller scale municipal infrastructure projects designed to improve the quality of life and economic opportunities, particularly of smaller communities. It also includes a component addressing the infrastructure needs of First Nations communities.

In Budget 2004, the Government of Canada accelerated the funding available for the Municipal Rural Infrastructure Fund from the original 10-year period to five years. This effectively doubles the amount of funding available to Canadian municipalities under this program for the first five years. Access to the funds (for contributions to the projects and administrative costs) as well as the terms and conditions for the contribution program will require approval of the Treasury Board. Similar to the ICP, contribution agreements will be entered with the provinces and territories. The new fund will be cost-shared, with the Government of Canada contributing, on average, one-third of the project's eligible costs.

MRIF's focus will be on projects that support sustainable development and the quality of life. A minimum 50 percent of federal expenditures will be devoted to projects for water and wastewater infrastructure, municipal environmental energy improvements, solid waste infrastructure, and public transit infrastructure.

The \$1 billion fund has been structured to provide a balanced response to local infrastructure needs in urban and rural Canada, and will ensure that all Canadians, whether they live in large, small or remote communities, will share in the benefits of infrastructure investments.

Status of the MRIF Program

On February 12, 2004, the Honourable Andy Scott, former Minister of State (Infrastructure), announced negotiations with each province and territory to provide Canadians with better public infrastructure through the Municipal Rural Infrastructure Fund.

Negotiations will be concluded as rapidly as possible, and the first projects should be announced four to six months following the signing of an agreement with each province or territory. For more information, please consult the news release "**Federal Infrastructure Program Helps Smaller Cities and the Environment**" at <http://www.infrastructure.gc.ca/>.

These negotiations will lead to a formal application process that municipalities will have to follow to apply to the Municipal Rural Infrastructure Fund.

MRIF: Benefits to Canadians

- Improved and increased stock 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
- Improved quality of life and economic opportunities for smaller communities and First Nations



Looking Ahead

One of the most important challenges facing the Department is the need to identify and prioritize projects for funding based upon the degree to which they would benefit Canadians, taking into consideration the government's key themes of a strong social foundation, a 21st century economy and Canada's place in the world. Related to this, the Department will contribute to the creation of better proposals, with a greater likelihood of success, by implementing frameworks and guidelines to assist clients. Increasingly, the Department will focus on policy leveraging and leveraging greater contribution investments from its partners as part of the negotiating process.

Once a project is selected for funding, it is critical that the Department ensure that Canadians are getting 'value for money' through due diligence and strict adherence to the funding agreement. At every stage, the Department must work to ensure that projects move ahead in a timely manner. This entails anticipating and addressing issues that might delay project timing; focusing on equitable treatment of clients; and communicating information that has been adapted to the needs of clients.

Priority 2: Enhancing Knowledge and Outreach on Infrastructure Issues

Of fundamental importance to the success of the Department's work is providing and fostering integrated, horizontal knowledge, capacity-building and expertise on infrastructure issues. This is essential for evidence-based policy and decision-making and for delivering on the federal government's infrastructure priorities. This challenge encompasses both research and outreach activities.

In addressing these two key areas, Infrastructure Canada works with its partners to foster knowledge generation, the building of a stronger research community and knowledge transfer and to pursue innovative communications approaches designed to help Canadians understand the critical role of infrastructure in benefiting their communities and their quality of life.



Knowledge

While much progress has been made in recent years, experts both within the Government of Canada and elsewhere agree that there remains a significant lack of knowledge and understanding of Canada's infrastructure. There are three key dimensions:

- gaps in knowledge and understanding of Canada's public infrastructure needed to support and improve policy and decision-making and communications on infrastructure issues;
- an under-developed network for generating, disseminating and communicating research and other kinds of knowledge about infrastructure; and
- a narrow understanding of infrastructure as a public policy issue on the part of citizens generally, and a tendency, by at least some segments of the population, not to see it as a high priority.

Infrastructure Canada is addressing this "knowledge deficit" through a Research Strategy. This strategy focuses on three components:

1. Knowledge generation – creating integrated knowledge on key horizontal infrastructure issues.
2. Community-building – helping to build a strong, diverse and multi-disciplinary research community interested in infrastructure.
3. Knowledge transfer – ensuring the uptake of research and knowledge by policy and decision makers.

The Department is currently planning to establish new activities to generate and transfer horizontal policy research on key infrastructure priorities such as the state of infrastructure in Canada; the economic, social and environmental impacts of federal investments in infrastructure; alternative financing mechanisms for infrastructure investment; and lessons learned from international experiences on infrastructure policy.

Current Research

Infrastructure Canada's knowledge generation, community-building and knowledge transfer activities are currently focused on themes such as the following:

- The state of infrastructure in Canada
- The impacts (economic, social and environmental) of infrastructure investments
- Financing infrastructure
- Asset management
- Innovation and infrastructure
- Water and wastewater infrastructure
- Data to support research and policy- and decision-making on infrastructure
- Transformative infrastructure, or infrastructure for the future



These new activities will include collaborative research projects involving key experts from across the research community and capacity-building initiatives for infrastructure research. Infrastructure Canada also plans to participate in other activities such as feasibility studies related to complex project proposals and to undertake studies of lessons learned from specific infrastructure projects and policies and pilot projects. In addition, the Department is putting in place mechanisms to provide ongoing advice on research priorities and on implementation of the Department's Research Strategy.

The Department is also promoting vehicles for the dissemination of knowledge, such as publications, networks, seminars and conferences. The creation and continued enhancement of the Department's web-based portal, The Gateway to Infrastructure Research (<http://www.infrastructure.gc.ca/research>) is already playing a key role in disseminating research results and helping to build a vibrant, multi-disciplinary research community interested in infrastructure issues across Canada.

All these activities are done in partnership with key stakeholders, such as other federal departments and agencies, provinces, territories, municipalities, professional associations, universities, think tanks and other organizations and will allow Infrastructure Canada to enhance knowledge about Canada's public infrastructure; help create a larger, stronger and more actively engaged research community; and promote the sharing of knowledge internally, within the research community, and externally with other stakeholders, including Canadians.

Outreach

The communications function is a new priority for the Department. Polling has shown that most Canadians do not have a clear understanding of infrastructure issues and the federal government's role with respect to infrastructure. In consequence, the Minister of State and the Department are working on ways to increase understanding of these issues and the important role played by infrastructure.



To reach out to stakeholders and Canadians, the Department will address the current 'communications gap' by:

- informing Canadians living in communities benefiting directly from infrastructure investments, of the Government of Canada's role, including Infrastructure Canada's role, in ensuring Canadians have access to and benefit from world-class public infrastructure (The plan will focus on communicating the concrete benefits of infrastructure investments in communities across the country);
- participating at conferences to help inform stakeholders about all aspects of infrastructure;
- focusing on communicating how infrastructure investments support other Government of Canada priorities such as sustainable development, health, First Nations, cities, Canada-US relations, federal-provincial-territorial relations, and learning;
- continuing to implement the Service Improvement Initiative and delivering programs in a citizen-centred manner by providing accessible information through the Internet and the 1-800 O Canada service to respond to concerns and requests from Canadians; and
- working with delivery agencies to maximize communications opportunities around significant milestones of projects.

Planned Results

The overall planned results Infrastructure Canada expects to achieve are:

- Enhanced research, knowledge and outreach on infrastructure issues to support policy- and decision-making in priority areas
- Improved, timely access by the Department to experts, research and knowledge to support policy- and decision-making in priority areas
- Increased partnerships and engagement with other government departments, researchers, other governments, key partners and other stakeholders
- Effective communication and dissemination and improved sharing and coordination of infrastructure research and knowledge with other government departments, researchers, other governments, key partners and other stakeholders

Knowledge and Outreach: Benefits to Canadians

- Greater understanding of the role and significance of infrastructure and infrastructure issues
- More informed policy and decision making
- Increased knowledge on infrastructure, including infrastructure development, governance arrangements, best practices, interfederal experiences and emerging challenges and opportunities
- Better promotion of ongoing public communications and outreach initiatives to demonstrate the Government of Canada's intent, and role and results achieved in supporting Canada's infrastructure



Performance Measurement, Evaluation and Reporting

As part of ongoing implementation and enhancement of the Department's Research Strategy, the results being achieved under it are continuously monitored and an annual report is considered by the Department's Management Committee. The Department is currently also developing mechanisms to provide for regular evaluation of its research activities and annual research plans.

In addition, the Department continuously monitors awareness, knowledge and information dissemination and outreach activities. Infrastructure Canada also employs media monitoring as well as some public opinion research to monitor public views on infrastructure issues.

Looking Ahead

There are two main priorities for Infrastructure Canada in addressing the "knowledge gap" in 2004–2005. The first is to more directly engage researchers beyond the federal family in its Research Strategy and its collaborations with federal departments and agencies. This includes other levels of government, university-based researchers, professional associations and other organizations with interests and expertise in multi-disciplinary infrastructure research. The second priority is to create new opportunities for engaging researchers in all sectors in the Department's knowledge generation, community-building and knowledge transfer activities, including new kinds of collaborative research activities to address key knowledge gaps and to improve understanding of infrastructure projects, as well as a wider variety of mechanisms for strengthening capacity in Canada for infrastructure research.

Infrastructure Canada will also intensify its efforts to address the "communications gap". The Department will be communicating with the external research community about its role and the importance of policy-relevant infrastructure research. It also plans to strengthen its efforts to increase knowledge and understanding by the general public of Canada's infrastructure and of the role and involvement of both the Government of Canada and Infrastructure Canada.

The Government will continue to elaborate a comprehensive, integrated communications strategy to ensure Canadians, stakeholders, partners and other orders of government are aware of the extent of its existing engagement in cities and communities and of its New Deal for Cities and Communities. In the short term, the Government will demonstrate the importance of the cities and communities agenda, and set realistic expectations for what can be delivered and when.



Priority 3: Building an Effective Organization

As a relatively new department, Infrastructure Canada continues to strive to be a modern, innovative and effective organization to deliver on the Government of Canada's infrastructure objectives for the benefit of Canadians.

Key to the future of the organization is ensuring that the necessary management structures and processes are in place to effectively support its activities. Infrastructure Canada is committed to building a learning organization with the capacity to understand the diverse needs of stake holders and develop necessary competencies.

Key functional areas within the organization have been staffed including policy, program operations, research and communications and promotion. Infrastructure Canada is working to effectively deliver on its policy and program responsibilities. This includes ensuring that it continues to strive for excellence in planning, managing risk, measuring performance and communications.

Because the organization is relatively small, and in order to optimize the use of shared services and realize cost-efficiencies, a number of services (such as information technology, accounting, financial systems, administration, security and translation) have been contracted to a service provider and/or performed by locally shared support services.

Operational Review

Infrastructure Canada will be undertaking an operational review in 2004–2005 to ensure its delivery model is appropriate. This review will assist in determining whether the Department is designed, structured and resourced optimally to meet its present and future operational challenges. The review will also determine whether any administrative or operational improvements are needed in the implementation of the programs that are under Infrastructure Canada's responsibility. This review will include integrating the Cities Secretariat into the department.



Partners and Shared Results

Infrastructure Canada is building a results-based and efficient organization that reflects Public Service values and promotes due diligence and value for money in the use of infrastructure funds.

To do so, it is working closely with the Treasury Board Secretariat, Public Works and Government Services Canada and the new Public Service Human Resources Management Agency to implement the Government of Canada's management frameworks and initiatives (e.g., Results for Canadians Management Framework, Management and Accountability Framework, Modern Comptrollership, and Government On-Line).

Contribution to Government Themes and Management Initiatives

The following government themes and management initiatives are an integral part of the Department's management agenda:

- **Management Accountability Framework:** The Department is working to improve its management practices in many areas as reflected in this Framework. This occurs through the Modern Comptrollership Initiative, integrated risk management, service improvement, the modernization of human resource management, and other initiatives.

An Effective Organization: Benefits to Canadians

- Improved collaborative working relationships with key stakeholders, including provincial, territorial and local governments, First Nations, the private sector, universities and other centres of expertise
- Increased leadership in co-coordinating Government of Canada policies and priorities on the New Deal for Cities and Communities and on matters associated with Infrastructure
- Assurance that Canadians are getting value for their money and that Government of Canada investment at the local level is as effective and efficient as possible



- **Modern Comptrollership:** Following a Capacity Assessment, a comprehensive Action Plan is being developed. The plan will assist managers in their daily activities and ensure that modern management principles and behaviours are ingrained within the culture of the Department, and the appropriate tools and mechanisms are in place to implement and sustain them. The action plan includes the implementation of strong audit and evaluation functions. Audit/risk management and evaluation responsibilities are an inherent part of Infrastructure Canada's framework for the management of its contribution programs.
- **Values and Ethics:** Infrastructure Canada will ensure that its values and ethics reflect those of the Public Service and are embedded in the behaviours of staff and the overall organizational structure. Towards this end, the Department will develop guiding principles and will conduct regular awareness sessions on the federal values and ethics code for all staff. The Department will also establish and communicate a formal and confidential process for receiving and reviewing disclosure of wrongdoing. Infrastructure Canada's efforts in this area will be guided by the Treasury Board Secretariat's Values and Ethics Code and by the recently tabled Report of the Working Group on the Disclosure of Wrongdoing.
- **HR Modernization:** Work is underway to develop Infrastructure Canada's HR Framework and Plan and to put in place a Learning and Training Framework, Learning Policy and related Implementation Plan. The Learning and Training Framework will assist managers to identify the needs of the organization and put in place the appropriate kinds of training at a variety of levels such as corporate, functional specific and program related.
- **Government On-Line:** An important aspect of Infrastructure Canada's mandate is the enhancement of the federal infrastructure knowledge base and the creation of better operations management and investment decision-making tools. SIMSI (Shared Information Management System for Infrastructure) is an on-line information management tool that now provides the backbone technology for the e-management of infrastructure programs. It was originally developed to facilitate the management of shared cost projects between the three orders of government under the Infrastructure Canada Program.



The innovative Web-based system conforms to the Government On-Line commitment, and meets the higher standards of openness and transparency, due diligence and reporting demanded by Canadians. The system enables provinces, territories and municipalities to apply on-line for project funding, monitor project status and access benefits and payment information throughout the life of a project. It also provides Canadians with project information via the Infrastructure Canada Web site.

- **Service Improvement Initiative:** As the Department evolves, it will continue its efforts to better inform, engage and serve citizens using current means, described earlier in this report under Outreach, and in new ways, employing new technologies.

Performance Measurement, Evaluation and Reporting

Departmental operations and performance will be tracked through financial systems, program performance monitoring, and audit and evaluation, and will be reported annually through the Departmental Performance Report. Important indicators of success will include:

- Implementation of Modern Comptrollership
- Implementation of the Service Improvement Initiative through IM/IT
- Implementation of systematic results-based planning and reporting
- Representative staffing of positions
- Compliance with all required authorities
- Being recognized as an employer of choice



Looking Ahead

One of the leading challenges in sustaining the Department is to attract and retain the best individuals. This includes specialists with expertise not only in infrastructure issues, but also with strong client service values, effective team-building skills, excellent communication skills and the ability to work in a high-pressure environment with tight timelines and transitioning programs.

In order to successfully achieve its broad-ranging goals, Infrastructure Canada must also have in place an effective organizational structure and management processes as well as professional and highly motivated people who can face the challenges of continuous improvement. The planned Operational Review, previously noted, will further support the attainment of these goals.

Infrastructure Canada is determined to be a workplace of choice by current and prospective employees. The Department will focus on becoming a learning organization, an organization respecting the career aspirations of its people, seeking their views, involving them in cross-horizontal and government-wide initiatives, and recognizing their achievements. Initiatives in these areas will be founded within a values and ethics framework.

As Infrastructure Canada evolves into a more mature and stable organization, it will aggressively focus on becoming a model for modern public service management and for implementing the principles of the government's Management Accountability Framework and Modern Comptrollership. These principles are aligned with a vision associated with results for Canadians and clear expectations for high organizational performance. The implementation of the Modern Comptrollership Action Plan will provide the structure for moving forward in these areas.

Under the Minister of State (Infrastructure and Communities), the Department will be called upon to provide a greater breadth of policy advice in order to support the New Deal for Cities and Communities. In the short-term, this will require the smooth integration of the Cities Secretariat into the Department. In the longer-term, strategic consideration will be given to the development of this new aspect of the Department's work.





SECTION V – Organization

Organization and Accountabilities

Following the government restructuring announced by the Prime Minister on December 12, 2003, Infrastructure Canada and five Crown corporations reported to the newly created Minister of State (Infrastructure) under the Environment portfolio. In July 2004, the Prime Minister announced further changes by replacing this position with a new Minister of State (Infrastructure and Communities) and appointing the Honourable John Godfrey. At the same time, responsibility for one of the five Crown corporations, the Canada Mortgage and Housing Corporation, was transferred to the Minister of Labour and Housing.

As part of the announcement of the new position of Minister of State (Infrastructure and Communities), the Cities Secretariat joined the Department. The Secretariat was established at the Privy Council Office in December 2003 in order to improve policy integration on a broad range of socio-economic, environmental, infrastructure and cultural issues related to cities and communities. As the focal point for work on the Government's cities and communities agenda, it will advise and serve the Minister of State, Infrastructure and Communities, and the Prime Minister on urban issues of national importance, and to provide support to the External Advisory Committee on Cities and Communities.

The Department is headed by André Juneau, Deputy Head, supported by an Executive Director of Organizational Development, Andrew Siman. A Senior Assistant Deputy Minister, Guy Bujold, leads the Policy and Communications Branch, and an Assistant Deputy Minister, Cécile Clérout, leads the Program Operations Branch. The arrival of the Cities Secretariat brings a new ADM-level position to the Department, Yazmine Laroche, Head, Cities Secretariat.



Policy and Communications

The Policy and Communications Branch contributes to the mandate of the Department by developing policy strategy concerning infrastructure in Canada. The Branch is responsible for research on all subjects concerning infrastructure. Through in-depth analysis, priorities are set and policies are developed. The Branch is also responsible for the communications function of the Department and, in conjunction with this, develops and maintains an active network both within and outside the federal government. The Policy and Communications Branch oversees the Department's corporate services functions. Under the General Director, Policy and Communications, the Crown Corporation Secretariat (CCS) is responsible for portfolio management of four Crown corporations and advises the Deputy Head on public sector governance issues and strategic business concerns.

Policy and Priorities

Infrastructure Canada's mandate calls upon the Department to provide leadership, strategic advice, and policy and program direction on infrastructure matters. As such, the Department maintains a strong policy function that identifies and assesses infrastructure needs, priorities and funding pressures on a federal level. This work necessitates a high degree of collaboration with other federal departments and agencies, as well as provinces, territories, municipalities and the private sector. Establishing and maintaining efficient working relationships with these partners is an inherent part of the policy unit's responsibilities.

The policy group also reviews, analyzes and makes recommendations to the Minister on individual projects under the different infrastructure programs. It also takes the lead on preparing specific policy documents, such as Memoranda to Cabinet and Aide-Memoires.



Crown Corporation Secretariat

Crown corporations operate at arm's length from the government and are accountable to Parliament through the appropriate Minister. The Crown Corporation Secretariat (CCS) assists the Deputy Head in providing policy advice to the Minister on matters pertaining to the four Crown corporations in his portfolio, coordinates portfolio activities on horizontal issues, and provides administrative, logistical, and analytical coordination and support including:

- providing briefings and advice on submissions and reports by portfolio organizations;
- identifying emerging portfolio issues and coordinating responses;
- providing integrated administrative, communications and other support; and
- organizing and providing secretariat support to the Minister on Crown corporation issues.

The value of a portfolio management approach is better policy coordination, such that the synergies and horizontal benefits of portfolio groupings can be better realized, and so that Crown corporations better contribute to the Government's strategic objectives.

Research and Analysis

A research function supports the policy activities and ensures that a more comprehensive knowledge foundation is developed to support and inform policy decision-making and program activities.

The Research and Analysis Division has several roles:

- Undertaking research on priority issues and ensuring the results are disseminated to key policy and decision makers
- Fostering improved communication, coordination and collaboration with researchers inside and outside government on priority issues
- Developing research partnerships with organizations inside and outside government to address leading knowledge gaps
- Providing leadership for the development of an active, more comprehensive and more coherent multi-disciplinary research community on infrastructure issues across Canada
- Ensuring the use of research is reflected in the practices and organizational culture of Infrastructure Canada and other policy and decision makers



Communications and Promotion

The communications function of the Department supports the Minister by coordinating and delivering federal communications on infrastructure, promoting the federal role with federal stakeholders, supporting federal delivery agencies and key federal departments, and by providing guidance to ensure consistency of messaging and communications approaches.

Several communications services are provided internally. Project announcements, ministerial speeches, the Web site, advertising and a departmental presence at stakeholder conferences are some of the means employed to tell the infrastructure story.

Corporate Services

The corporate services function delivers client-oriented services including business planning, financial and materiel management, human resources, security and administrative services, and departmental audit and evaluation. The corporate services function is also responsible for monitoring the implementation of policies and strategies to safeguard the integrity of financial planning and management programs.

Infrastructure Canada's operating philosophy is to contract out, or "outsource," activities such as employee pay and benefits, accounts payable, and financial and human resource systems. This allows the organization to maintain a relatively small corporate services unit focused on adding value to Infrastructure Canada through strategic services.

Program Operations

The Program Operations Branch contributes to the mandate of the Department by developing collaborative working relationships with key stakeholders, including provincial, territorial and local governments, First Nations, the private sector, universities and other centres of expertise. It is responsible for Canada's national infrastructure investment program delivery, involving the Infrastructure Canada Program, the Canada Strategic Infrastructure Fund, the Border Infrastructure Fund and the Municipal Rural Infrastructure Fund. The Program Operations Branch oversees the Department's national infrastructure program delivery frameworks, mechanisms and systems.



Intergovernmental Operations

The Intergovernmental Operations Group is responsible for ensuring the implementation of programs and specific major projects announced by the Government of Canada. This involves establishing and overseeing the frameworks, mechanisms and systems under which all funds are managed and administered. As the majority of projects delivered under these funds involve other project proponents – provinces, territories, and municipalities; First Nations; the private sector; and NGOs – it is essential that the Department work in a collaborative, equitable manner with partners and stakeholders. This is achieved primarily through the negotiation and management of contribution agreements.

Issues Management

The Issues Management Group provides a horizontal linkage and business overview focused on the identification of trends and developments in physical infrastructures, innovative construction methodologies and materials, and alternative project implementation strategies. The work undertaken by the Issues Management Group increases the strategic investment capacity of the Department, by addressing key aspects, such as risk analysis; business process improvement and automated systems enhancement; environmental stewardship and sustainability; operational and action research; and, innovative engineering, financing and implementation.

The Group is also responsible for the monitoring of the program operations contribution programs to ensure that the Department's accountabilities are respected through a solid oversight mechanism and due diligence. This includes conducting evaluations of the programs and ensuring that recipients of contributions have complied with the terms and conditions applicable.

Information Management/Information Technology

The Information Management/Information Technology Division is responsible for providing an integrated technology framework to support and advance the Department's business agenda, and increase federal visibility for Infrastructure Canada. It is also responsible for advising and briefing the ADM, Program Operations, and Senior ADM, Policy and Communications, on IM/IT-related opportunities and issues, including the cyber implications of physical infrastructure projects and agreements.



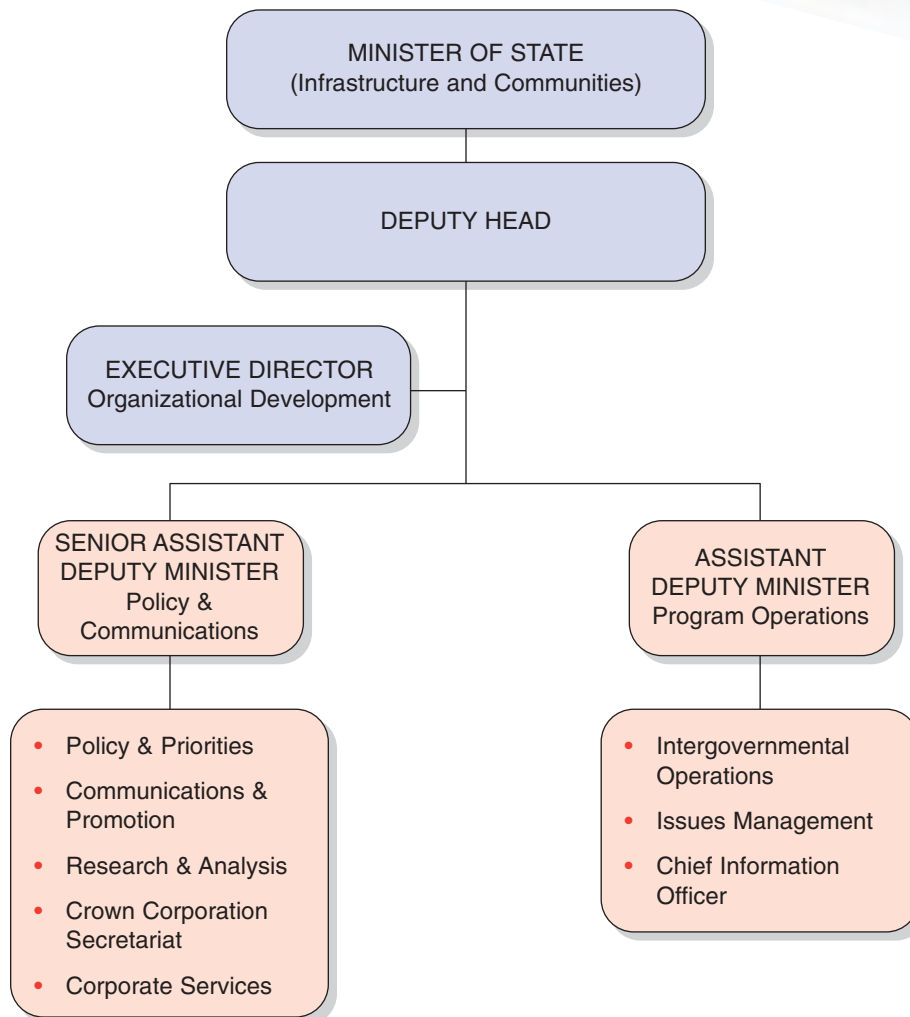
Departmental Planned Spending

| (\$ thousands) | Forecast Spending 2003–2004 | Planned Spending 2004–2005 | Planned Spending 2005–2006 | Planned Spending 2006–2007 |
|--|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Infrastructure Programming | 16,080 | 418,298 | 621,996 | 614,523 |
| Crown Corporation Secretariat ^(see note 2) | 0 | 0 | 0 | 0 |
| Departmental Administration | 7,816 | 5,807 | 5,776 | 5,761 |
| Total Main Estimates | 23,896 | 424,105 | 627,772 | 620,284 |
| <i>Adjustments:</i> | | | | |
| Contributions under the Canada Strategic Infrastructure Fund | 92,165 | 44,763 | 131,063 | 267,199 |
| Contributions under the Border Infrastructure Fund | 9,695 | 0 | 0 | 0 |
| Contributions under the Municipal-Rural Infrastructure Fund | 0 | 125,000 | 150,000 | 250,000 |
| Adjustments to the Operating Budget | 1,330 | (346) | (346) | (346) |
| <i>Total Adjustments</i> | 103,190 | 169,417 | 280,717 | 516,853 |
| Net Planned Spending | 127,086 | 593,522 | 908,489 | 1,137,137 |
| Plus: Cost of services received without charge | 1,111 | 1,473 | 1,482 | 1,491 |
| Net cost of Program | 128,197 | 594,995 | 909,971 | 1,138,628 |
| Full Time Equivalents | 92 | 127 | 130 | 130 |

Notes:

- 1) Infrastructure Canada's spending will increase significantly over the next few years. This is attributable to the implementation of three new programs – the Canada Strategic Infrastructure Fund, the Border Infrastructure Fund, and the Municipal-Rural Infrastructure Fund.
- 2) This table does not include dollars or FTEs for the Crown Corporation Secretariat. Resources will be transferred in Supplementary Estimates 2003-04
- 3) This table does not include dollars or FTEs for the Cities Secretariat. Funding will be transferred at a later date.

Infrastructure Canada Organization Chart



- 1) This organization chart does not yet reflect new responsibilities related to the Cities Secretariat.
- 2) Effective March 29, 2004, the control and supervision of the Crown Corporation Secretariat was transferred to Infrastructure Canada. This group provides policy advice to the Minister of State for the Canada Mortgage and Housing Corporation, Canada Lands Company Limited and its subsidiaries and Queens Quay West Land Corporation.
- 3) Effective July 20, 2004 responsibility for the Canada Mortgage and Housing Corporation was transferred to the Minister of Labour and Housing.



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SECTION VI – Annexes

A. Summary of Transfer Payments

| (\$ thousands) | Forecast Spending 2003–2004 | Planned Spending 2004–2005 | Planned Spending 2005–2006 | Planned Spending 2006–2007 |
|---|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Contributions Infrastructure Investments and Information | | | | |
| Contribution to the Federation of Canadian Municipalities | 5,191 | 1,925 | 0 | 0 |
| Contributions under the Canada Strategic Infrastructure Fund | 92,165 | 376,736 | 623,606 | 784,241 |
| Contributions under the Border Infrastructure Fund | 9,695 | 72,714 | 119,559 | 99,556 |
| Contributions under the Municipal Rural Infrastructure Fund | 0 | 125,000 | 150,000 | 250,000 |
| Total Contributions | 107,051 | 576,375 | 893,165 | 1,133,797 |

B. Details on Transfer Payments

CSIF and BIF are described in Section IV (page 15). The Horizontal Templates for those programs have been posted on the TBS Horizontal Results Web site at http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp.



C. Net Cost of Program for the Estimates Year

| (\$ thousands) | |
|---|----------------|
| Net Planned Spending | 593,522 |
| <i>Plus: Services Received without Charge</i> | |
| Accommodation provided by PWGSC | 935 |
| Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS | 538 |
| <i>Less: Non-respendable Revenue</i> | 0 |
| 2004–2005 Net cost of Program | 594,995 |