

2018-19 to 2022-23

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CANADA   
**INFRASTRUCTURE BANK**

SUMMARY CORPORATE PLAN | SUMMARY OPERATING BUDGET | SUMMARY CAPITAL BUDGET

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## EXECUTIVE SUMMARY

The Canada Infrastructure Bank (CIB) is a new innovative financing tool to help build more infrastructure Canadians need by making public dollars go further. As a Crown corporation, the objective is to use public support to mobilize private sector and institutional investment into revenue-generating infrastructure projects that are in the public interest, and to advance a new partnership model in Canada, where appropriate, that can transform the way infrastructure is planned, funded and delivered.

Since the *Canada Infrastructure Bank Act* established the Corporation on June 22, 2017, significant progress has been made over the first months of its operations, including carrying out the start-up activities listed in the initial corporate plan approved in July 2017. Under the leadership of the Chair and acting Chief Executive Officer, with the support of the Board of Directors appointed in November, accelerated progress was made to begin operations by the end of 2017 and the Corporation has continued to grow its capacity and capability to set the foundation for the long term.

This 2018-19 to 2022-23 Corporate Plan Summary (the Plan) builds on progress made and positions the Corporation for the next stage in its evolution. Planning for the next year and beyond aligns with government priorities and guidance for the new Corporation in the Statement of Priorities and Accountabilities received from the Minister of Infrastructure and Communities in December 2017.

Looking forward, the Corporation will continue to build out its capabilities and expand capacity at an accelerated but manageable pace, and will continue to recruit and on-board new staff with the specialized skills and experience needed to carry out its innovative activities, particularly advising, structuring projects and attracting investment, and developing a centre of expertise to support governments with evidence based decision making around catalyzing this new partnership model.

More specifically, the Corporation's three business lines, advisory, investment, and data and information, are explained in the Plan, and will be supported by a corporate services platform. The Advisory business line will support governments in assessing the suitability of potential projects, and will foster awareness and education on where innovative financing models may be appropriate. The Investment business line will structure proposals, undertake due diligence, manage risk transfer, negotiate agreements and support project delivery as appropriate. The Data and Information business line will report on relevant data to improve analysis and inform investment decision-making.

The Plan also describes the process by which the CIB will consider investments, including how it will ensure alignment with government priorities in prioritizing projects for potential investment. It also describes the role of the Corporate Plan process in reviewing the public interest of potential projects and then providing authority to independently execute projects and make investments.

In addition, the Plan includes a financial overview, which outlines the Corporation's capital and investment plans and financial statements for the next five years. From 2018-19 to 2022-23, the Corporation will seek to ramp up investments each year, as well as its activities around engagement, advisory and expanding its centre of expertise. The plan also reflects the lead time required to develop large, complex infrastructure projects and make investment decisions. Overall, the Plan showcases the promise of a new innovative tool to foster partnerships with governments working with the private sector to build the infrastructure that Canada needs to grow and prosper.

## CORPORATE OVERVIEW

### Mission and Vision

The mission of the Canada Infrastructure Bank (CIB or Corporation) is to work with provincial, territorial, municipal, federal, Indigenous and private sector investor partners to transform the way infrastructure is planned, funded and delivered in Canada by:

- Engaging private sector partners early in the planning and design process;
- Advancing revenue-based business models, where appropriate; and
- Exploring new and innovative approaches to project finance and delivery.

Innovative financing available through the CIB provides an optional tool for government sponsors to further the reach of government support directed to public infrastructure and advance models where users or beneficiaries contribute to funding the project, where it makes sense to do so.

CIB's vision is to help public dollars go further by crowding-in and mobilizing domestic and global private sector and institutional investment to free up government resources for other infrastructure priorities, and by adopting a new model of partnerships to build public infrastructure. Through its advisory role, the CIB will become a "centre of expertise", to provide advice to government partners on projects where private sector investors are making significant investments in revenue-generating infrastructure projects (e.g. fees, tolls, tariffs, land value uplift capture, etc.).

The CIB will also identify a five-year forward-looking public National Project Pipeline of potential bankable projects and promote these investment opportunities in order to catalyze the market to build more infrastructure that Canadians need.

### Mandate and Authorities

The *Canada Infrastructure Bank Act* (CIB Act), sets out the Corporation's mandate as follows:

*The purpose of the Bank is to invest, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada.*

A wide breadth of financial instruments will be used, including loans, equity investments, and where appropriate, loan guarantees to deliver federal support to projects that will mobilize private investment where otherwise no investment would occur. The decision on the use of different types of financial instruments will depend on a transaction's unique characteristics. The CIB model is aimed at mobilizing and leveraging private sector and institutional investment and attaching the financial returns to the usage and revenue risk of infrastructure projects. To crowd-in private sector and institutional investment, support may be provided at below market rates or on a subordinated basis.

Parliament has authorized \$35 billion over 11 years, as needed, and the requisite authorities to participate in complex infrastructure deals in new and innovative ways.

## Governance and Accountabilities

The Corporation is subject to the provisions of the CIB Act and federal legislation and policies that apply generally to Crown corporations, including the *Financial Administration Act* (FAA), the *Official Languages Act*, the *Privacy Act*, the *Access to Information Act*, the *Conflict of Interest Act*, the *Canada Labour Code* and the *Federal Identity Program*. As a Crown corporation, the CIB is subject to Part X of the FAA.

The Corporation is governed by an independent Board of Directors, appointed by the Governor in Council on the advice of the Minister of Infrastructure and Communities. The Directors possess a balance of professional skills, infrastructure expertise and investment experience, and reflect gender, linguistic, cultural and regional diversity. The CIB's Corporate Governance Structure is shown in the Annex. Under the leadership of its CEO, the Corporation will recruit highly qualified employees with the expertise needed to deliver on its strategic objectives.

As a federal Crown corporation, CIB operates at arm's length from Government in delivering on its mandate. Independence ensures that transactions are executed with private sector discipline and high levels of expertise. While independent in its operations, it is accountable to the Government and Canadians. The CIB reports to Parliament through the Minister of Infrastructure and Communities (the designated Minister).

The Government has conveyed its initial high-level investment priorities for the Corporation through a Statement of Priorities and Accountabilities letter sent by the Minister to the Chair in 2017. The letter was made public on April 13, 2018, and can be found on the CIB's website.

Given that CIB is a non-agent Crown corporation except when providing advice and services to the Government of Canada and when performing its data function, its obligations are generally not backstopped by the Government.

The Corporation's financial statements are audited at year end by the Office of the Auditor General of Canada (OAG) and a private sector external auditor. The OAG will also undertake a ten-year special examination to ensure the Corporation's systems and practices provide reasonable assurance that assets are safeguarded, resources are managed economically and efficiently, and operations are carried out effectively.

To ensure the Corporation is delivering on its mandate and government priorities, Parliament will undertake a review of its legislative provisions and operations every five years.

### TRANSPARENCY AND REPORTING

The Corporation will openly report on its activities and operations, and will be responsive and transparent in fulfilling its responsibilities to the designated Minister, the Government, Parliamentarians, and the Canadian public. This open and transparent reporting process will respect the confidentiality of commercially sensitive information obtained from partners as is required under the CIB Act.

Investment plans for potential projects will be approved through the annual corporate plan process, the main vehicle for reporting to the shareholder. The corporate plan is a key instrument to ensure that the Corporation's activities align with government priorities and are in the public interest, and that they fit within its financial and capital plans. The plan is also the mechanism by which the Corporation obtains its authority to invest in potential projects.

Each year, the Corporation's Corporate Plan Summary Report and Annual Report are tabled in Parliament, and made public. Its quarterly financial statements are also made public.

The Corporation will post relevant information to its website to keep the public up-to-date on its operations and activities.

## OPERATING ENVIRONMENT

### Context

Understanding the environment in which the Corporation will be operating helps inform its strategic objectives and operations. The Corporation has also conducted an environmental scan to consider potential strengths, opportunities, risks and challenges that it expects to face over the next five years.

### Infrastructure Gap

Canada is at an important juncture to undertake major infrastructure investments. According to the Canadian Chamber of Commerce, Canada faces a \$570-billion infrastructure gap, but estimates vary and are as high as \$1 trillion (Advisory Council on Economic Growth, 2016).

### Increased Investment

To address these infrastructure needs, the federal government launched the *Investing in Canada plan*, providing more than \$180 billion over 12 years. Closing the national infrastructure gap through public finances alone would place an unsustainable burden on taxpayers. Leveraging private capital will allow more projects to be built than public funds alone would permit. By increasing the participation of private and institutional investors, more government contribution dollars can be directed to projects that can only be funded through public sources.

### **WHY PRIVATE INVESTMENT IN PUBLIC INFRASTRUCTURE?**

#### *SUSTAINABLE PUBLIC SUPPORT*

Closing the national infrastructure gap through public finances alone would place an unsustainable burden on taxpayers. Bringing in private capital to infrastructure funding will allow more projects to be built than public funds alone would permit. Many domestic and international investors are looking to participate more in infrastructure to manage their long term portfolios. By increasing participation of private and institutional investors, governments will be able to allocate a greater share of infrastructure investment towards other projects, including those that have limited ability to attract private investors and will continue to be supported through traditional models.

#### *PROVIDING ADDITIONAL OPTION*

The CIB is an additional option or tool to governments in how they fund and finance their infrastructure projects. In contrast to Canada's availability-based P3 model where governments repay the cost of private sector capital through performance-based contracts on construction and operation, the CIB alternative involves funding from revenue directly related to infrastructure usage, and thus reduces pressure on governments. It allows for governments to partner differently with private sector players by investing and managing infrastructure together and building more infrastructure projects, where appropriate.

#### *ALIGNING INCENTIVES*

This new model is an innovative approach with advantages that go beyond alternative financing, by increasing economic efficiency. It is focused on transferring risk to those parties best able to manage it and on building partnerships that address infrastructure needs with new and innovative solutions. Tailor-made investments will harness the capacity of the private sector to make efficient use of financial resources, such as planning and building the right infrastructure, while also delivering on the service expectation of Canadians. When the risks and incentives of public and private infrastructure investors, builders, and operators are aligned, more high quality infrastructure projects are executed with greater commercial discipline to ensure sound planning decisions.

#### *INCREASING EFFICIENCY AND INNOVATION*

The CIB model will encourage innovation and efficiency in meeting infrastructure needs by involving the private sector earlier when scoping the project for the needs of a jurisdiction. By putting investors' money at risk, it will bring out their creativity in planning and designing projects to respond to the needs of users, and an ability to consider upfront the best way to manage the infrastructure asset across its entire lifespan. New funding models also allow for usage of infrastructure to be priced by those who benefit the most, allowing for efficient demand management of certain classes of infrastructure.

#### *ATTRACTING INVESTMENT*

The CIB model is aimed at mobilizing and leveraging private sector and institutional investment, both domestic and international, and attaching the financial returns to the usage and revenue risk of infrastructure projects. It is also a mechanism to deliver federal support to projects that generate a revenue stream which could be used to fund the asset but where the revenues are insufficient to attract private investment without public support. To crowd-in private sector and institutional investment, federal support may be provided at below market rates or on a subordinated basis.

## Engaging Investors

Many private and institutional investors are seeking to invest capital in assets that provide long-term, relatively predictable revenues. Infrastructure is an asset class that can provide these return characteristics for investors who are willing to absorb risk. Based on estimates of the Advisory Council on Economic Growth, public and private pension funds currently hold US\$170 billion worth of infrastructure capital globally, and there is a potential to increase this level of investment.

## Planning: Earlier Involvement of the Private Sector

Private investors are part of a broader consortium of developers, operators, and other contractors that come together to respond to a public sector solicitation for the design, building, financing, operation and maintenance of a particular infrastructure asset. Early involvement of the private sector in certain projects can improve due diligence in the project scoping and structuring phase and capital right-sizing. Private investors will play a role in competitively selecting construction firms, operators and other parties, resulting in innovative project structures and models. Private investors will also have a strong interest in innovating to the extent that they share the revenue and demand risks. By participating in the planning and procurement process, private investors will be able to apply their innovation and expertise to identify and develop the optimal solutions to infrastructure challenges.

## The CIB Model Compared with Public Private Partnerships

The approach Canada has taken to building public infrastructure to date has involved the private sector, whether it has been responsible for the design and build in a traditional procurement model, or through the entire lifecycle in availability-based Public-Private Partnerships (P3s). Over the past several years, Canada has developed a mature and stable availability-based P3 market, a performance-based approach in which the private sector is contracted by the public sector to assume responsibility not only for risks and financing, but also for integrated design, construction and long-term operations and/or maintenance. P3s contribute to meeting Canada's demand for infrastructure investments by leveraging private sector capital and expertise, but are typically paid for by the public sector through general tax revenues.

### *FUNDING VERSUS FINANCING*

Financing refers to the money borrowed for the upfront costs of building public infrastructure, whereas funding refers to the source used to repay that initial borrowing or spending, and to pay for the operation and maintenance of the infrastructure after it is built.

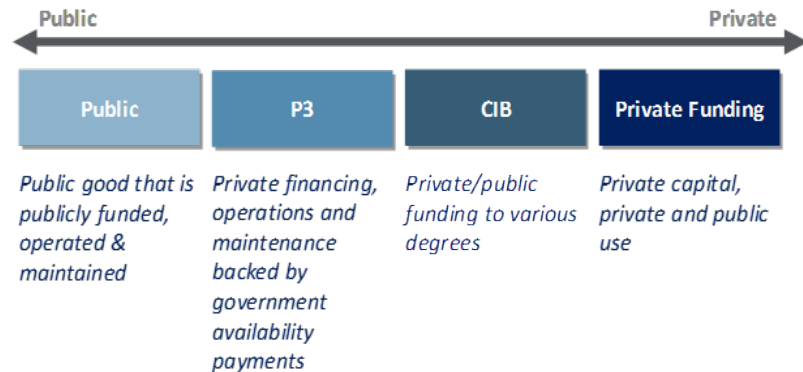
Rather than relying solely on tax revenue for the funding of public infrastructure, the CIB model is appropriate where at least part of the funding come from revenue directly related to infrastructure usage, shifting the funding off of the tax base and onto those who use and benefit from the infrastructure. The new approach offered by the CIB will promote a new funding model to help finance public infrastructure.

The CIB model would push the involvement of the private sector one step further by having them invest directly in infrastructure where the funding model involves revenues from the project. Under this mechanism, the private sector takes on a significant portion of the demand and revenue risk for the project, which is tied directly to revenue. As detailed in the Statement of Priorities and Accountabilities, the CIB will assess projects on their own merits and strive to be open to projects from across the country; however, given the specific focus on projects that are revenue-generating, the CIB model may not be appropriate for all projects.

Incentives: Risk Transfer

The CIB’s approach to funding revenue-generating infrastructure projects will represent an evolution in risk transfer, as shown in Figure 1. By transferring some or all of the revenue risk and associated demand risk to the private sector, in addition to the construction and operating risk, private investors are incentivized to ensure that projects are efficiently planned, developed, executed and managed.

**FIGURE 1: THE PUBLIC/PRIVATE SPECTRUM**



Opportunity to address market needs

The infrastructure gap and the limited ability to fund public infrastructure through tax revenues alone is creating demand among partner governments for new tools and new ways to partner with the federal government and private investors to get more infrastructure built, including transformational infrastructure projects, in order to ensure that Canadians have access to high-quality, efficient infrastructure within the existing fiscal constraints. The CIB model is an optional tool that will create new opportunities for such partnerships, especially given the amount of long term capital, such as pension funds and other asset managers, seeking stable investments and opportunities for partnerships.

The CIB will partner with all orders of government and leverage the capital and expertise of the private sector to build more new public infrastructure in a manner that is fiscally sustainable through effective risk transfer to the private sector over the lifecycle of an asset. Projects that receive CIB support will overall require less public funding than would be necessary to build the assets through full government support and federal cost sharing.

Funding large assets through revenue-based models is the key means to crowd-in more risk-bearing capital and investors, which will in turn have an incentive to ensure these risks don’t materialize through prudent planning, design and operation. However, the introduction of a new model, or new approach to the delivery of public infrastructure requires consideration and learning by both private and public sector participants. The CIB has undertaken the following environmental scan to assist in the development of its strategy for the 2018-19 planning period.



## Reporting on Progress and Future Direction

### Milestones

#### 2016

<b>Fall</b>	November 1, 2016 – Fall Economic Statement announced intention to establish the CIB
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#### 2017

<b>Winter</b>	CIB Transition Office opened at Infrastructure Canada Budget 2017 announced accelerated implementation of the CIB and the addition of the data role to its functions
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<b>Spring</b>	Proposed enabling legislation tabled in Parliament Process launched for CIB leadership positions Location of headquarters announced Royal Assent of Canada Infrastructure Bank Act received on June 22, 2017
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<b>Summer</b>	Appointment of Designated Minister (Order in Council) Appointment of Chair (Order in Council) Designation of headquarters (Order in Council) July 31, 2017 – Initial corporate plan approved
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<b>Fall</b>	CIB opened its offices Summary of corporate plan tabled in Parliament Appointment of Board of Directors (Order in Council) Ministerial Statement of Priorities and Accountabilities letter received December 14, 2017 – Appointment of interim Chief Investment Officer Canada Infrastructure Bank website launched
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#### 2018

<b>Winter</b>	Adoption of by-laws and corporate policies
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<b>Spring</b>	Appointment of the Chief Financial Officer (CFO) and Chief Administrative Officer (CAO) Appointment of Chief Executive Officer (Order in Council)
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## Progress

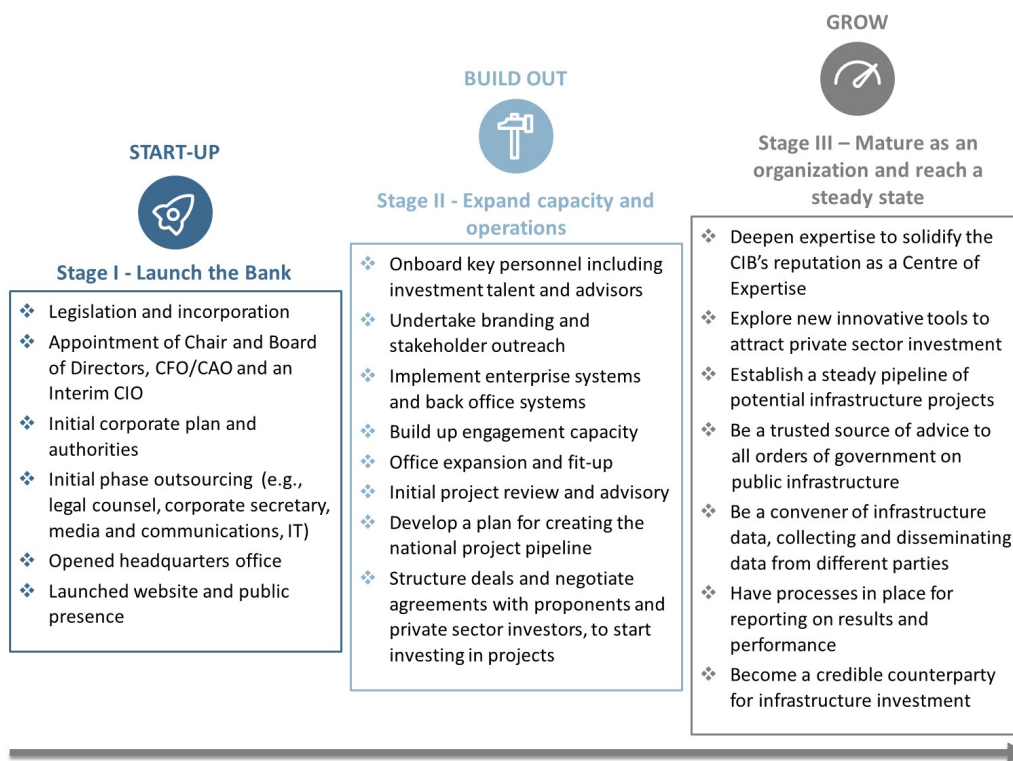
The Corporation has made considerable progress in fulfilling the planned steps set out in the initial corporate plan, approved on July 31, 2017. It has focused on establishing its governance mechanisms, beginning with board structures following the appointment of the Board of Directors, key corporate services capabilities and initial strategies regarding review of potential infrastructure investments.

## Looking Ahead

With the appointment of the Board of Directors and interim Chief Investment Officer in December 2017, the Corporation became operational and completed the start-up phase. In early 2018, the Corporation began ramping up Stage II of its implementation strategy, as shown in Figure 2. It has been expanding its capacity by implementing critical systems and on-boarding personnel to fill key roles; it currently has 17 employees and contract staff, including pending hires. Moving into 2018-19, a key focus will be delivering on its business lines, including its Investment activities, such as the further analysis of individual projects and potential investments, as appropriate, some of which began prior to the end of the 2017-18 fiscal year.

In addition to the focus on specific projects, the Corporation will establish the appropriate structures and methodologies for all stages of the investment process, from intake to execution, as described more fully in other sections of this Corporate Plan. Likewise, the Corporation will be taking key steps in 2018-19 to further establish its Advisory and Data and Information business lines, continuing its engagement with key players nationally and internationally, where appropriate. As the Corporation matures towards the end of 2018-19 and into 2019-20, it will reach a steady state with the ability to further refine its approaches through lessons learned over time.

**FIGURE 2: ORGANIZATIONAL EVOLUTION**



The Corporation recognizes the challenges it faces in finding the specialized competencies needed to deliver on highly complex projects. Therefore, it is developing a comprehensive human resources (HR) and staffing strategy to ensure it has the right mix of skill sets and technical expertise in place. The Corporation will provide further details to the government on its HR and staffing strategy in the course of 2018-19. The staffing strategy will permit the Corporation to resource the essential skills needed in a timely and cost-effective manner. Its ability to follow up on proposals and engage in all activities, including in its advisory role, will depend on its internal capacity, which will take time to develop fully.

The Corporation has identified critical positions required to carry out its planned activities. In 2018-19, it will expand its staffing complement. The expectation is to increase the number of personnel (including contractors) to 42 by the end of the 2018-19 fiscal year, which will include the Chief Executive Officer.

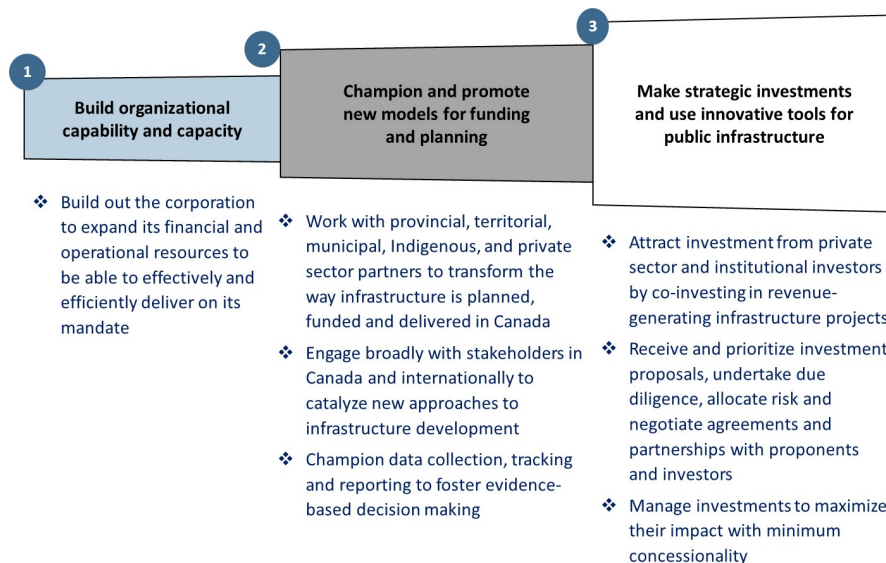
## STRATEGIC OBJECTIVES, ACTIVITIES AND RESULTS

The Corporation has established its strategic priorities for the five-year planning period, as well as the activities it will undertake to address these priorities in the early period of its operation. Details regarding the planned strategic objectives and activities can be found in the following section.

### Strategic Objectives

There is a unique opportunity to significantly enhance federal support for infrastructure, by leveraging private capital, and freeing up public dollars to build more infrastructure that Canadians need. It is within this context, taking into account the opportunities and challenges identified in the environmental scan, that the Corporation’s strategic objectives have been developed. CIB’s objectives are focused on three main areas: building organizational capability and capacity; championing and promoting new models for funding and planning; and making strategic investments and using innovative tools for public infrastructure. Specific activities that will be undertaken to address these strategic objectives can be found in Figure 3.

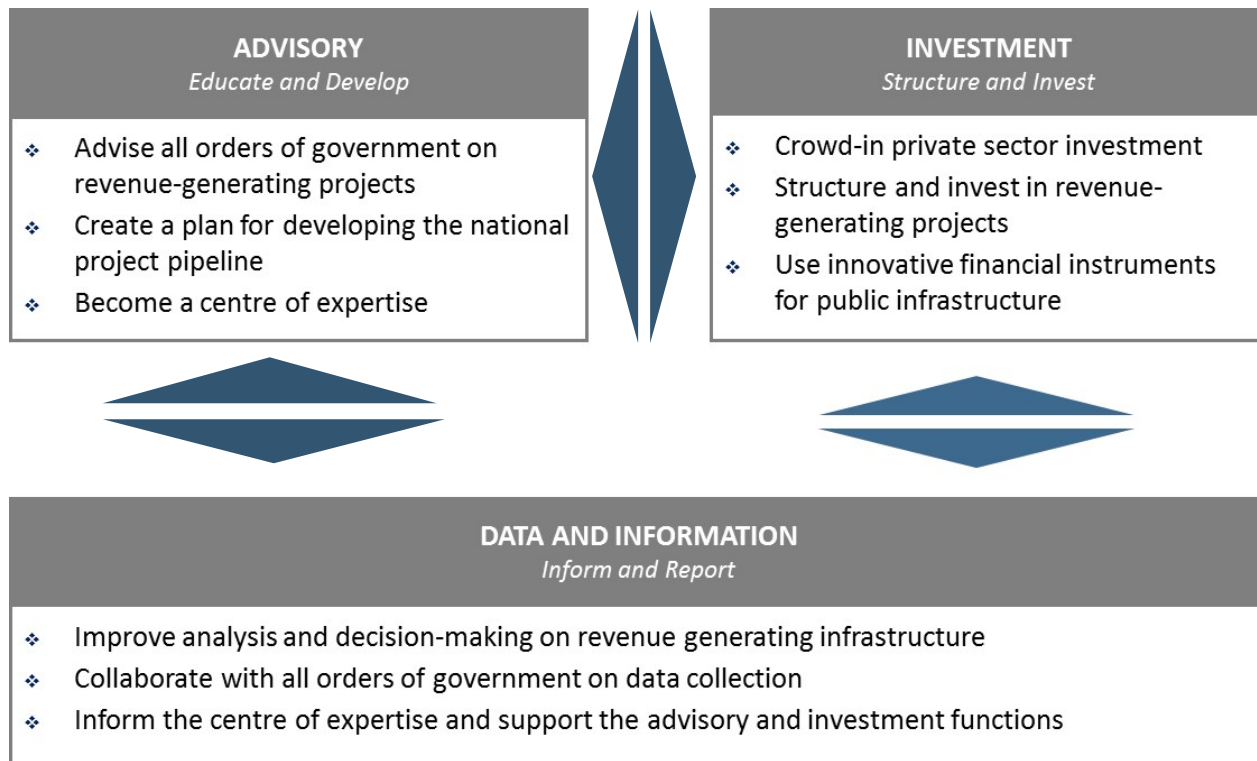
**FIGURE 3: STRATEGIC OBJECTIVES AND SUPPORTING ACTIVITIES**



The strategic objectives and activities will be achieved through the three business lines. Each of the three business lines have their own functions.

The three areas of business are mutually re-enforcing, and collaboration between the business lines will therefore be required to meet the strategic objectives. For example, the Advisory and Data and Information business lines will work together to provide insights into potential projects for investment and the knowledge to support sound decision-making by the Corporation and proponents. At the same time, the Investment business line will provide valuable experience on infrastructure analysis, financing and procurement, which will in turn support the other two business lines. This collaboration will support the development of ideas and new approaches to project development and financing, which will shape the market for private investment in public infrastructure and spur innovation. A summary of CIB’s three lines of business and their relationships can be seen in Figure 4.

**FIGURE 4: SUMMARY OF BUSINESS LINES**



While the business lines will have important links to one another, steps will also be taken to ensure the separation of certain duties to avoid internal bias in corporate decisions (e.g. duties regarding the provision of advisory and project development services, and duties regarding project investment decisions).

Further details regarding each of these business lines can be found within the next three sections of the document, including the expansion of each business lines’ capabilities and capacity over the Corporate Plan’s five-year timeframe. The advisory business line is described first, given its importance in helping proponents bring projects forward for CIB investment consideration, followed by the Investment business line, and finally Data and Information.

## Advisory

The Corporation's Advisory business line aims to:

- Provide advice on revenue-generating projects to all orders of government;
- Create a plan for developing the five-year forward-looking national project pipeline; and
- Act as a centre of expertise for infrastructure projects with significant private investment.

The Advisory business line focuses on engagement and relationship building with CIB's stakeholders, including representatives from the various orders of government, private sector investors, institutional investors, Indigenous groups and others. Specifically, the advisory role is an important function to bring greater awareness of the CIB model and its application to potential projects. Where it makes sense, the business line will support project development by assisting in preliminary evaluation of financial structures and bankability of potential projects. It will focus on revenue-generating projects that would otherwise be cost shared and where the revenue may be insufficient to attract private investment without CIB support.

Advisory support would typically be given in the early stages of project development, without prejudice, to help proponents or sponsors determine if a project is appropriate for CIB investment consideration or if another delivery model is more appropriate. CIB would engage in dialogue with government sponsors about the amount and nature of government support to the project, taking into account cost sharing and expected revenue.

As the Corporation represents a new and innovative tool, its initial focus has been on outreach and awareness activities. It is engaging with a number of different representatives from provinces, territories, Indigenous governments and municipalities to build awareness and be a catalyst for project sponsors to begin consideration of potential projects.

The Corporation will further develop its advisory service offerings through 2018-19 and will present a detailed plan to the Government of Canada in the next corporate plan on how it will continue to provide advice to all orders of government on assessing the suitability of projects for revenue models and the financial structures for potential projects. It will also develop a mechanism for governments and other prospective partners to request advisory services and outreach from the CIB, and a more formal mechanism for bringing forward project proposals.

The key function of the advisory role is to work with potential proponents to analyze whether a proposed project might be appropriate for the CIB model. This could include discussing steps the proponent would need to take to have a potentially bankable project – such as identifying requirements for the development of a business case and possible scenarios regarding revenue-generation. Engagement with potential proponents will continue to be done in such a way as to keep project development costs that the Corporation will incur to a reasonable level at this early stage in the project process.

As capacity grows, the Corporation will continue to build relationships with potential public and private-sector investment partners, as well as others such as procurement agencies, consultants, and subject matter experts. This will include developing and managing an outreach program to further communicate CIB's role to stakeholders, and to explain the services available and criteria for investments.

The Advisory business line will have a number of key roles:

- Building up the centre of expertise;
- Engagement and collaboration with proponents;
- Infrastructure market development;
- Reporting and transparency to the public; and
- Providing advice to all levels of government.

## Investment

The Investment business line aims to:

- Crowd-in investment from private sector and institutional investors;
- Structure and invest in revenue-generating infrastructure projects; and
- Use innovative financial instruments for public infrastructure.

The Investment function benefits from the upfront development work described in the Advisory business line. The Investment role will structure, negotiate and execute complex infrastructure investment transactions. Investments will be made alongside private sector and institutional investors, and other public sponsors, as appropriate, in projects that would otherwise not be viable and that require public support to proceed.

To ensure public dollars go as far as possible, and that the risks, rewards and costs of a project are appropriately shared among parties, the CIB will develop market mechanisms to generate competition for investments, and to ensure that competitive tension is present in the negotiation and structuring of all projects receiving CIB support. Focus is on crowding-in private sector investment, and the CIB will not undertake investments that compete with private sector capital where the capacity to invest already exists.

In the 2018-19 planning period, the CIB will refine its processes and methodologies for reviewing potential projects. As efforts continue to engage on specific project proposals, the CIB will consider the type and level of information required at each stage. This supports the development of a comprehensive process for public and private partners. In 2018-19, steps will be taken to further demonstrate the value of the CIB model.

The process through which projects are considered is based on different criteria at appropriate stages. As shown in Figure 5, this project flow process includes the following key phases: Project Origination; Early Assessment; Priority Setting; Corporate Plan; Negotiation and Structuring; and Execution and Delivery.

**FIGURE 5: PROJECT FLOW PROCESS**



## Project Origination

The Corporation will have an early and active role in discussing project proposals with proponents through its advisory function. This early engagement will ensure that the benefits of private sector innovation and due diligence in all elements of a project's lifecycle can be explored.

Project proposals seeking CIB support will originate from three broad sources:

- (i) provincial, territorial, municipal and Indigenous governments;
- (ii) unsolicited (i.e. private sector); and
- (iii) federal government.

As outlined in the Minister's Statement of Priorities and Accountabilities, projects must be in the public interest and guided by federal infrastructure policy objectives, as outlined in the Investing in Canada plan and the Pan-Canadian Framework on Clean Growth and Climate Change. Therefore, projects advanced for CIB consideration will be informed by the criteria for projects supported under an existing Government of Canada program, plan or stated policy priority, as well as federal practices related to consideration of climate impacts and community benefits.

Projects appropriate for CIB consideration should be aligned with the priorities of the Government, namely, in the areas of public transit, trade and transportation infrastructure, and green infrastructure. Consideration will also be given to whether projects are generally eligible for cost-sharing under federal infrastructure support programs and whether potential projects are appropriate for the new private partnership and revenue-based funding model.

To fully harness private sector innovation, the Corporation is open to receiving unsolicited project proposals from the private sector, although such projects are expected to involve both the private sector and government sponsors.

Given the unique characteristics of unsolicited proposals, in 2018-19, a process for proposal intake will be developed, including project development and investment decision-making to ensure that these proposals are subject to competitive tension so that the risk-adjusted return for the investor is appropriate and reflective of the fair market value.

## Early Assessment

The Corporation has established preliminary submission requirements for potential projects. It will assess and identify projects for further exploration that meet the requirements of the CIB Act; specifically, that a project has potential to be "bankable" (i.e. revenue-generating, attract private investment), and is in the public interest. The Corporation will work cooperatively with governments to make an early determination on whether a proposed project is expected to be considered in the public interest. Consideration will also be given to whether projects are new infrastructure or infrastructure with new elements, and focus on identifying large potential projects and investment opportunities. This process will be informed by the Government of Canada's infrastructure priorities.

The Corporation will also evaluate the extent to which private sector capital is crowded-in, whether there is appropriate revenue risk transferred to the private sector, and if the asset is structured as a partnership model with co-ownership with a government sponsor in addition to the private sector.



## Priority Setting

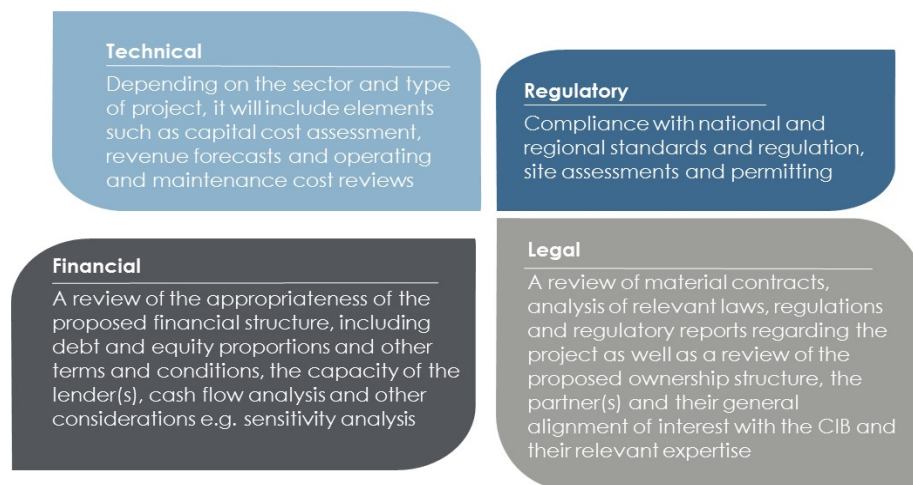
The Corporation independently prioritizes projects to commit resources for additional review based on its own processes and project screening criteria. This review and analysis provides the initial screening to prioritize projects into a list for further evaluation.

The Corporation identifies any early issues with regard to a project's financial details that may require further examination. In this analysis, consideration is given to estimated funding and financing sources, revenue-generation potential, investor interest and bankability.

## Negotiation and Structuring

After the approval of the Corporate Plan, the Corporation will, through the negotiation and structuring phase, conduct more detailed assessment and independently negotiate a deal for financial close with other counterparties. In 2018-19, a methodology will be developed for conducting detailed assessment on projects and investment partners prior to the decision to invest, including examining the risks associated with construction, operations, and revenue. This will maximize the ability to make the best and most informed investment decision. Detailed assessment of projects will focus on factors shown in Figure 6.

**FIGURE 6: AREAS INCLUDED IN THE DETAILED ASSESSMENT**



Working collaboratively with partner governments, projects will be structured such that the risks, returns, and costs of the projects are appropriately shared among the parties. Work will be done with partners to perform financial modelling and analysis to assess the level of investment required. The CIB will negotiate with its counterparty to ensure public dollars go as far as possible, and that there is protection for the Corporation and the public in the event of financial stress related to the projects.

In structuring a deal with partners, the Corporation has a broad range of financial instruments at its disposal, including loans, equity investments, hybrid instruments, and subject to the Minister of Finance's approval, loan guarantees. The specific financial tool used will depend on what makes the most sense for any given project. Given the CIBs partnership model, it is not intended to be a majority shareholder in any of the projects in which it invests.



As outlined in the Statement of Priorities and Accountabilities, CIB's investments, in the form of debt, equity or other innovative tools, may be on concessionary terms (e.g., below market or subordinated) to attract private sector investment to projects that otherwise would not be viable. Any concession offered will be the minimum necessary to make the project viable.

Based on the detailed assessment and results of negotiations and structuring, the CIB Board approves investments in specific projects.

### Execution and Delivery

The Corporation will work with procurement agencies, public sponsors, financial institutions, external advisors and private partners as it moves towards the execution of the project procurement process. It will work to understand the various procurement approaches taken by these agencies and the evaluation criteria and methodologies they employ, and will develop procurement processes that consider these approaches.

Once all partners have obtained their respective approvals, project documents will be finalized and signed. Processes with regard to timelines for these approvals, and availability of funds for financial close, will be comparable to its private sector partners. Depending on the role of the CIB in the project, it may be involved in the monitoring of project construction, operation and maintenance, as well as engaging with partners to evaluate and report on the project's management performance throughout its lifecycle.

The Corporation may choose to have representatives on certain boards of directors when it owns a significant portion of equity. All projects will be subject to ongoing reporting and evaluation activities to ensure accountability and to collect data on project performance and investment outcomes.

## Data and Information

The third business line, Data and Information, aims to:

- Improve the analysis and investment decision-making process around projects that involve private sector partners and revenue-generating infrastructure assets;
- Collaborate with all orders of government on data collection; and
- Inform the centre of expertise and support the advisory and investment functions.

In 2018-19, the Corporation will begin its work with Infrastructure Canada, Statistics Canada, and provincial, municipal and territorial governments, to facilitate the collection and dissemination of data on revenue-generating infrastructure and infrastructure that has, or could potentially have, private sector involvement.

Under the Data and Information business line, the Corporation focuses on assessing the market of current revenue-generating infrastructure projects throughout Canada, developing knowledge to support its advisory and investment roles, and identifying projects for inclusion on the national project pipeline. Additionally, it assesses what data is currently being collected across Canada to help identify data gaps and will begin to work with partners to develop a strategy to fill those gaps. The primary roles of the Data and Information business line is to work with partners to gather and collect data, to provide advice and direction on data needs and to report and inform on data metrics.

Over time, as data capacity grows, the Corporation will work with partners to develop new sources of data on revenue-generating infrastructure and refine the existing data sources so that they are clearer, more useful and easier to integrate into investment decisions. To keep the public and stakeholders informed on the changing state of Canada's infrastructure, the Data and Information function, alongside the Advisory and Investment business lines could develop reports on the state of Canada's infrastructure with a focus on revenue-generating projects.

Reports developed by the Data and Information function on the state of Canada's infrastructure could help draw conclusions on best practices, areas where more investment is needed, infrastructure assets where specific revenue-generating models are working particularly well, and innovative ways to use data to inform the infrastructure investment decision-making process.

The Data and Information function works closely with the Advisory business line to foster evidence-based decision-making in the infrastructure investment process, as data is inherently linked to providing evidence-driven advice on what projects should be pursued and which projects may be eligible for investment. This evidence-based approach also supports the investment function in order to help assess where investments are most needed and can have the greatest impact.

## The National Project Pipeline

Through collaboration across all of its three business lines, the Corporation will launch a five-year forward-looking National Project Pipeline to promote transparency and long-term planning and to generate investor interest and innovation with regard to potential projects. The National Project Pipeline showcases investments based on the long-term plans of provinces, territories and municipalities and on the priorities of Indigenous governments, creating open dialogue with investors on the best method to provide support to these projects. It may also include those projects that could be considered by the CIB. In some cases, project proposals that move through the project flow process under the Investment business line, but require additional development, could be put back on the Pipeline for consideration by other governments, or for future consideration by the CIB after they are more developed.

In developing a plan for creating the National Project Pipeline in 2018-19, the CIB will consider the type and level of information that is required, the process for adding and removing projects, and how the pipeline can be promoted domestically and globally. To begin this work, the CIB will collaborate with provincial procurement agencies to determine how the pipeline can support their needs. It will continue to review existing pipelines and will collaborate with other domestic and global partners such as the Global Infrastructure Hub.

As identified in the Statement of Priorities and Accountabilities, the CIB will put in place mechanisms to explore whether and how it may support investment in smaller projects, or bundling of projects that may not individually have scale to attract investors, such as bundles of municipal projects. Also, the CIB will put in place mechanisms to explore whether the CIB model could effectively complement the Government's investments in broader infrastructure categories, including whether there is a market for attracting more private sector investment into these types of projects.

## Results and Performance

The results and level of performance that the Corporation achieves will be directly tied to its three business lines. For this reason, it is developing a comprehensive performance measurement framework, which will course correct annually as required, for reporting on its activities. It will work to further refine its approach to monitoring and evaluation, establishing baselines, and collecting data and information to ensure transparency in its operations and the projects in which it is investing. The framework presented in this plan provides a starting point for the Corporation’s objectives, performance measures and targeted outcomes.

During 2018-19, the Corporation will further develop longer-term performance measures and identify concrete, measurable targets to judge success in meeting its strategic objectives. As an example, work will be done to review the most appropriate performance measures for the Investment business line. Examples might include: average project size; pace of funding drawdown, including in the context of the degree of private capital participation; the number of projects analyzed; an appropriate efficiency ratio (such as staffing costs per million dollars of investment); and, an appropriate measurement to judge an optimal utilization of capital.

The Corporation has developed its initial performance measures around four main areas: overall objectives for the Corporation as a whole, and objectives in each of its three main business lines – Advisory, Investment, and Data and Information. The specific objectives, key performance measures and target outcomes are outlined in Figures 7, 8, 9, 10, and 11 respectively.

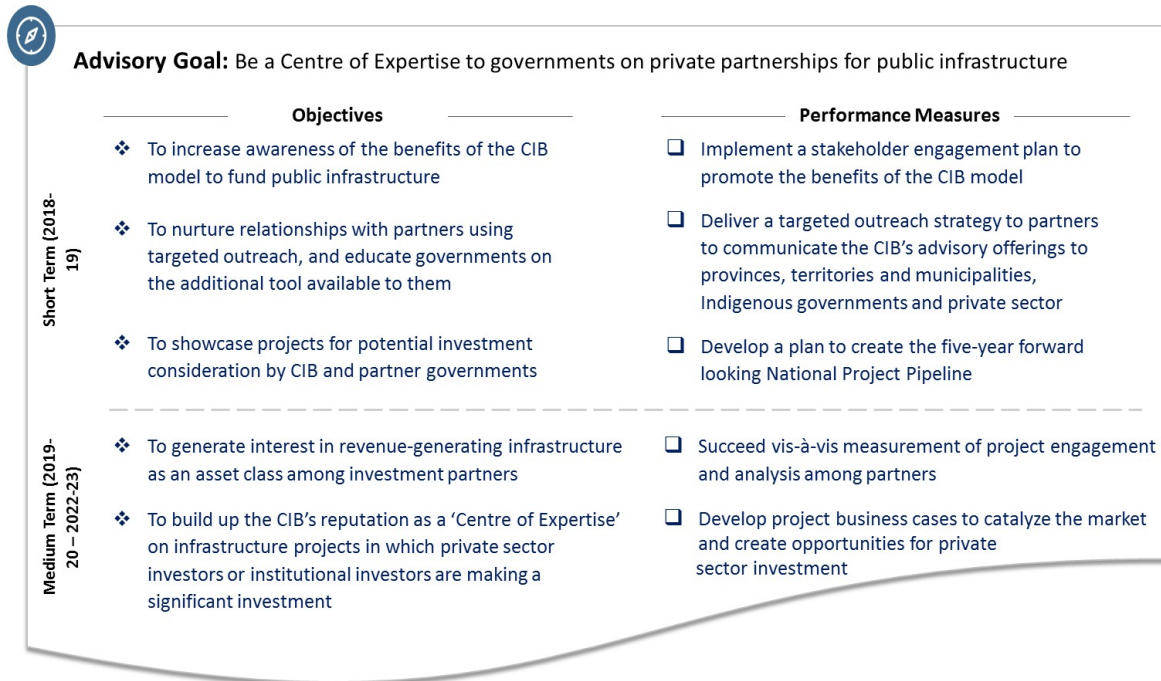
**FIGURE 7: CORPORATE OBJECTIVES AND PERFORMANCE MEASURES**



The Corporation has also established both short- and medium-term objectives across its three main areas of business, and related performance measures to gauge its success in meeting its objectives.

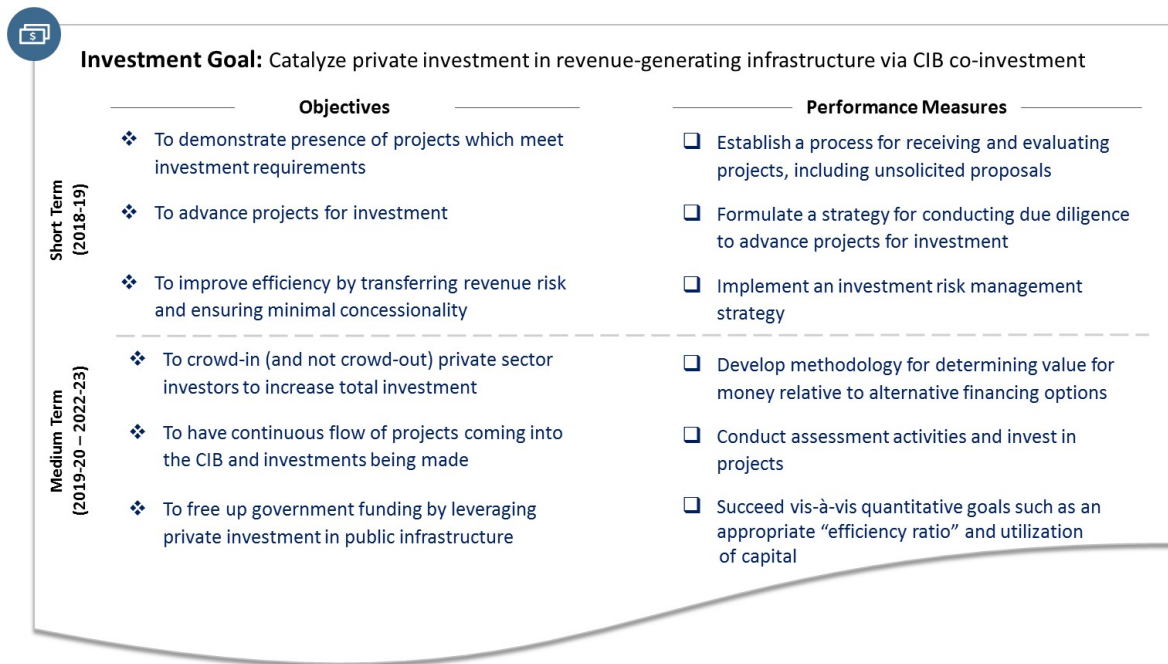
In delivering on its Advisory role, the Corporation aims to be a centre of expertise to governments on using the CIB model and attracting private sector investors to public infrastructure.

**FIGURE 8: ADVISORY OBJECTIVES AND PERFORMANCE MEASURES**



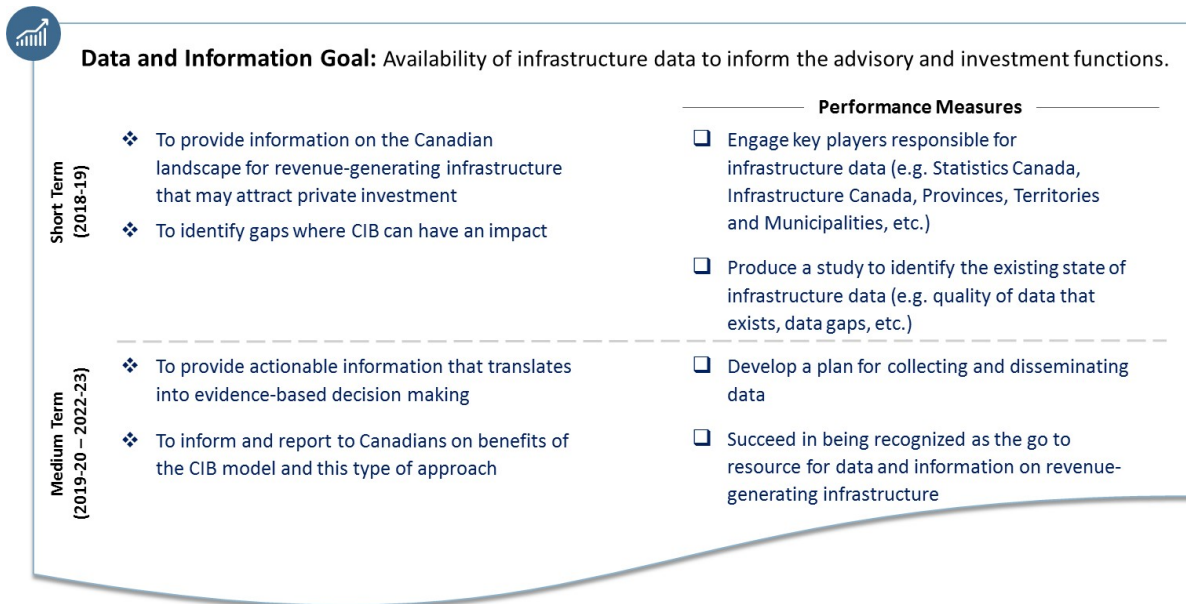
In delivering on the Investment business line, the CIB aims to catalyze private investment in revenue-generating infrastructure by co-investing with private sector and public partners.

**FIGURE 9: INVESTMENT OBJECTIVES AND PERFORMANCE MEASURES**



In delivering on the Data and Information business line, the Corporation aims to work with governments and other partners to help capture infrastructure data to inform its advisory and investment functions.

**FIGURE 10: DATA AND INFORMATION OBJECTIVES AND PERFORMANCE MEASURES**



The expected outcomes for the Corporation are shown in Figure 11, along with some key performance indicators to gauge success in meeting its expected outcomes. In 2018-19, the Corporation will attach concrete, measurable targets and timelines to measure its success in meeting its strategic objectives.

**FIGURE 11: EXPECTED OUTCOMES AND KEY PERFORMANCE INDICATORS**

Strategic Objective	Expected Outcomes	Key Performance Indicators (KPIs)
Build organizational capability and capacity	Expand financial and operational resources to be able to effectively and efficiently deliver on its mandate	<ul style="list-style-type: none"> <li>Demonstrate efficient and well-run operations</li> <li>Employee effectiveness, engagement and satisfaction (e.g. retention, surveys)</li> </ul>
Champion and promote new models for funding and planning	Work with public and private sector partners to transform the way infrastructure is planned, funded and delivered in Canada	<ul style="list-style-type: none"> <li>Demonstrate broad engagement with partners (e.g. # advisory interactions)</li> <li># of projects where the CIB assisted proponents in project development and in determining if the project is bankable</li> </ul>
	Catalyze new approaches to infrastructure development through broad engagement in Canada and internationally	<ul style="list-style-type: none"> <li>Demonstrate market leadership (e.g. # of presentations delivered, stakeholder meetings, events)</li> <li>Demonstrate value of private partnerships and, where appropriate, new revenue models to fund infrastructure</li> </ul>
	Foster evidenced-based decision making through data collection, tracking and reporting	<ul style="list-style-type: none"> <li>Demonstrate ability to influence decision-making (e.g. # of publications/reports disseminated; usage of CIB data for project planning and policy development)</li> </ul>

Strategic Objective	Expected Outcomes	Key Performance Indicators (KPIs)
Make strategic investments and use innovative tools for public infrastructure	Attract investment from private sector and institutional investors by co-investing in revenue-generating infrastructure projects	<input type="checkbox"/> Demonstrate CIB effectiveness (e.g. ratio of leverage of investment; efficient utilization and active deployment of capital) <input type="checkbox"/> Demonstrate fairness, transparency in infrastructure investment <input type="checkbox"/> Demonstrate effective delivery of federal support
	Receive and prioritize investment proposals, undertake due diligence, allocate risk and negotiate agreements and partnerships with proponents and investors	<input type="checkbox"/> Demonstrate sound processes (# projects of innovative and transformative nature) <input type="checkbox"/> Demonstrate effective risk management and innovative use of financial instruments <input type="checkbox"/> Demonstrate a diverse range of partnerships with investors and government sponsors and proponents
	Maximize impact with minimum concessionality through sound management of investments	<input type="checkbox"/> Demonstrate impact (e.g., total value of investments, and average project size) <input type="checkbox"/> Demonstrate competitive tension in attracting and pricing investment

## Corporate Risk Management

In order to account for operational risks, CIB is developing an Enterprise Risk Management (ERM) Framework and investment risk management practices. The framework will be established in the context of a key set of risks reflecting the Corporation’s unique positioning in Canada’s infrastructure sector and will ensure that risks are identified and assessed consistently and are properly managed. The framework will mitigate key risks such as reputational, operational and regulatory risks; investment risks (from project origination through to provision of capital); and governance and strategic risks.

Each year, the internal audit function will identify the areas of highest risk for review and recommend an audit plan to the Board’s Finance and Audit Committee. The strategic risk assessment will be updated annually. The Corporation is committed to undertaking further work to enable it to provide more robust and substantive plans and risk mitigation strategies in the next corporate plan.

Risks will be monitored continuously, with results communicated to internal and external stakeholders regularly, as appropriate.

## FINANCIAL OVERVIEW

### Pro-forma Financial Statements (Unaudited)

CIB Corporate Plan - STATEMENT OF FINANCIAL POSITION						
As at March 31						
\$ CAD	Estimated	Planned				
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>ASSETS</b>						
Current Assets						
Cash and Cash Equivalents	4,127,433	447,433	567,433	687,433	807,433	927,433
Prepaid Expenses						
Total	4,127,433	447,433	567,433	687,433	807,433	927,433
Non-Current Assets						
Computer	100,000	80,000	60,000	40,000	20,000	0
Leaseholds	1,000,000	900,000	800,000	700,000	600,000	500,000
Investments (gross)	0	450,000,000	1,380,000,000	3,840,000,000	6,675,000,000	10,140,000,000
- fair value provision	<u>(142,815,000)</u> *	<u>(372,730,467)</u>	<u>(765,266,867)</u>	<u>(1,378,604,867)</u>	<u>(2,456,462,867)</u>	<u>(4,024,054,867)</u>
Investments (net)	<u>(142,815,000)</u>	<u>77,269,533</u>	<u>614,733,133</u>	<u>2,461,395,133</u>	<u>4,218,537,133</u>	<u>6,115,945,133</u>
Total	(141,715,000)	78,249,533	615,593,133	2,462,135,133	4,219,157,133	6,116,445,133
<b>Total Assets</b>	<b><u>(137,587,567)</u></b>	<b><u>78,696,966</u></b>	<b><u>616,160,566</u></b>	<b><u>2,462,822,566</u></b>	<b><u>4,219,964,566</u></b>	<b><u>6,117,372,566</u></b>
<b>LIABILITIES AND EQUITY</b>						
Current Liabilities						
Accounts Payable	0	0	0	0	0	0
Non-Current Liabilities						
	0	0	0	0	0	0
Shareholder's Equity						
Share Capital	100	100	100	100	100	100
Contributed Surplus (Appr)	11,366,000	488,650,533	1,461,114,133	3,968,776,133	6,866,918,133	10,398,326,133
Retained Earnings	<u>(148,953,667)</u>	<u>(409,953,667)</u>	<u>(844,953,667)</u>	<u>(1,505,953,667)</u>	<u>(2,646,953,667)</u>	<u>(4,280,953,667)</u>
	(137,587,567)	78,696,966	616,160,566	2,462,822,566	4,219,964,566	6,117,372,566
<b>Total liabilities and shareholder's equity</b>	<b><u>(137,587,567)</u></b>	<b><u>78,696,966</u></b>	<b><u>616,160,566</u></b>	<b><u>2,462,822,566</u></b>	<b><u>4,219,964,566</u></b>	<b><u>6,117,372,566</u></b>

\* As the CIB did not invest in 2017-18, the \$149 million budget allocation, less operating costs—shown as fair value provision, may be moved to future years on the decision of the Minister of Finance.



**CIB Corporate Plan - STATEMENT OF COMPREHENSIVE INCOME**  
For the fiscal year ended March 31

\$ CAD	Estimated 2017-18	Planned				
		2018-19	2019-20	2020-21	2021-22	2022-23
<b>Total Revenue</b>	<b>46,333</b>	<b>tbd</b>	<b>tbd</b>	<b>tbd</b>	<b>tbd</b>	<b>tbd</b>
<b>Total Operating Expenditures</b>	<b>6,185,000</b>	<b>31,084,533</b>	<b>42,463,600</b>	<b>47,662,000</b>	<b>63,142,000</b>	<b>66,408,000</b>
<b>Net Operating Loss</b>	<b>(6,138,667)</b>	<b>(31,084,533)</b>	<b>(42,463,600)</b>	<b>(47,662,000)</b>	<b>(63,142,000)</b>	<b>(66,408,000)</b>
<b>Fair Valuation Provision</b>	<b>(142,815,000)</b>	<b>(229,915,467)</b>	<b>(392,536,400)</b>	<b>(613,338,000)</b>	<b>(1,077,858,000)</b>	<b>(1,567,592,000)</b>
<b>Comprehensive Loss</b>	<b>(148,953,667) *</b>	<b>(261,000,000)</b>	<b>(435,000,000)</b>	<b>(661,000,000)</b>	<b>(1,141,000,000)</b>	<b>(1,634,000,000)</b>

\* As the CIB did not invest in 2017-18, the \$149 million budget allocation, less operating costs—shown as fair value provision, may be moved to future years on the decision of the Minister of Finance.

**CIB Corporate Plan - CASH FLOW STATEMENTS**  
For the fiscal year ended March 31

\$ CAD	Estimated 2017-18	Planned				
		2018-19	2019-20	2020-21	2021-22	2022-23
<b>OPERATING ACTIVITIES</b>						
Net Loss	(148,953,667)	(261,000,000)	(435,000,000)	(661,000,000)	(1,141,000,000)	(1,634,000,000)
Fair Valuation Provision	142,815,000	229,915,467	392,536,400	613,338,000	1,077,858,000	1,567,592,000
Depreciation		120,000	120,000	120,000	120,000	120,000
Change in Working Capital	0	0	0	0	0	0
<b>Operating Cash Flow</b>	<b>(6,138,667)</b>	<b>(30,964,533)</b>	<b>(42,343,600)</b>	<b>(47,542,000)</b>	<b>(63,022,000)</b>	<b>(66,288,000)</b>
<b>FINANCING ACTIVITIES</b>						
Share Capital	100	0	0	0	0	0
Operating Appropriations	9,985,000*	27,284,533*	42,463,600	47,662,000	63,142,000	66,408,000
Capital Appropriations	<u>1,381,000</u>	<u>450,000,000</u>	<u>930,000,000</u>	<u>2,460,000,000</u>	<u>2,835,000,000</u>	<u>3,465,000,000</u>
	11,366,100	477,284,533	972,463,600	2,507,662,000	2,898,142,000	3,531,408,000
<b>INVESTING ACTIVITIES</b>						
Investments	0	(450,000,000)	(930,000,000)	(2,460,000,000)	(2,835,000,000)	(3,465,000,000)
Capital Equipment	<u>(1,100,000)</u>	0	0	0	0	0
	(1,100,000)	(450,000,000)	(930,000,000)	(2,460,000,000)	(2,835,000,000)	(3,465,000,000)
<b>Change in cash</b>	<b>4,127,433</b>	<b>(3,680,000)</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>
<b>Cash, beginning of year</b>	<b>0</b>	<b>4,127,433</b>	<b>447,433</b>	<b>567,433</b>	<b>687,433</b>	<b>807,433</b>
<b>Cash, end of year</b>	<b>4,127,433</b>	<b>447,433</b>	<b>567,433</b>	<b>687,433</b>	<b>807,433</b>	<b>927,433</b>

\* \$3.8 million of funds drawn down from 2017-18 statutory appropriations were to cover expenditures in the first quarter of 2018-19.



**CIB Corporate Plan - STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY**  
For the fiscal year ended March 31

\$ CAD	Estimated 2017-18	Planned				
		2018-19	2019-20	2020-21	2021-22	2022-23
SHARE CAPITAL	100	100	100	100	100	100
<b>Balance, end of year</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
CONTRIBUTED SURPLUS (APPROPRIATIONS)						
Balance, beginning of year	0	11,366,000	488,650,533	1,461,114,133	3,968,776,133	6,866,918,133
Operating appropriations	9,985,000	27,284,533	42,463,600	47,662,000	63,142,000	66,408,000
Capital appropriations	<u>1,381,000</u>	<u>450,000,000</u>	<u>930,000,000</u>	<u>2,460,000,000</u>	<u>2,835,000,000</u>	<u>3,465,000,000</u>
Total	11,366,000	477,284,533	972,463,600	2,507,662,000	2,898,142,000	3,531,408,000
<b>Balance, end of year</b>	<b>11,366,000</b>	<b>488,650,533</b>	<b>1,461,114,133</b>	<b>3,968,776,133</b>	<b>6,866,918,133</b>	<b>10,398,326,133</b>
RETAINED EARNINGS (DEFICIT)						
Balance, beginning of year	0	(148,953,667)	(409,953,667)	(844,953,667)	(1,505,953,667)	(2,646,953,667)
Net loss	<u>(148,953,667)</u>	<u>(261,000,000)</u>	<u>(435,000,000)</u>	<u>(661,000,000)</u>	<u>(1,141,000,000)</u>	<u>(1,634,000,000)</u>
<b>Balance, end of year</b>	<b>(148,953,667)</b>	<b>(409,953,667)</b>	<b>(844,953,667)</b>	<b>(1,505,953,667)</b>	<b>(2,646,953,667)</b>	<b>(4,280,953,667)</b>
ACCUMULATED OTHER COMPREHENSIVE INCOME (AOCI)						
Balance, beginning of year	nil	nil	nil	nil	nil	nil
Fair Valuation Provision *	nil	nil	nil	nil	nil	nil
Balance, end of year	nil	nil	nil	nil	nil	nil

\* It is assumed that valuation provisions will not be recorded as Other Comprehensive Income.

## ANNEX: CORPORATE GOVERNANCE STRUCTURE

### Corporate Governance Overview

The Corporation is governed by an independent Board of Directors composed of the Chair and no fewer than 8, but not more than 11, other directors, appointed by Governor in Council on the advice of the designated Minister. The Board of Directors is responsible for the management and the business activities and affairs of the Corporation, subject to the *Canada Infrastructure Bank Act* and Part X of the *Financial Administration Act*. The Board has delegated to management the authority to manage the day-to-day business of the Corporation, subject to oversight of the Board.

The Board welcomed 10 new directors on November 16, 2017, following an open, transparent and merit-based selection process that attracted proven business and community leaders with extensive experience from across Canada. Together, the directors possess a balance of professional skills, infrastructure expertise and investment experience, and reflect gender, linguistic, cultural and regional diversity.

The Canada Infrastructure Bank's board members are:

- Janice Fukakusa, Chair
- Kim Baird
- Jane Bird
- Dave Bronconnier
- James Cherry
- Michèle Colpron
- Christopher Hickman
- Poonam Puri
- Stephen Smith
- Patricia Youzwa
- Bruno Guilmette\*

*\* Bruno Guilmette served as interim Chief Investment Officer and stepped down from his board position while serving in this role. He returned to the Board as of June 1, 2018.*

In January 2018, pursuant to subsection 114(1) of the *Financial Administration Act*, the Board of Directors adopted by-laws that regulate the business affairs of the Corporation. The by-laws were designed with the assistance of a third-party governance expert to capture best practices from public and private sectors. The by-laws were submitted to both the Minister of Infrastructure and Communities and the President of the Treasury Board in February 2018.

The Board has established the following Board committees:

- **Investment Committee:** At this time, the investment committee will be a “committee of the whole” comprising all members of the Corporation's Board of Directors.
- **Finance and Audit Committee:** This committee is responsible for reviewing the Corporation's financial statement and budgets, and if appropriate, recommending them to the Board for approval. It is also responsible for fulfilling oversight responsibilities to the Crown under the *Financial Administration Act*, including the internal controls, external audit, risk management information systems, complaints related to accounting or auditing matters, and other matters relating to finance and accounting.

- **Human Resources and Compensation Committee:** This committee is responsible for recommendations to the Board regarding human resource-related principles and organizational structures, the compensation and benefits approach, target compensation levels, and the hiring of senior management. Additionally, this committee is responsible for making recommendations to the Board related to the performance evaluation, compensation, and succession planning of the Chief Executive Officer.
- **Governance Committee:** This committee is responsible for reviewing applicable corporate governance trends and best practices, and recommending changes to the Board related to corporate governance policies, practices, procedures, and by-laws, as appropriate. This committee also oversees director orientation and continuing education, director evaluation, and board committee mandates, and makes recommendations as to members of Board committees.

In addition to by-laws, various corporate policies including a code of conduct, a conflict of interest policy, a committee appointments policy, director orientation and continuing education policy, and director expense policy have been developed. These documents were informed by the best practices in the public and private sector. Furthermore, the Corporation is developing practices related to alignment with applicable government directives.

Going forward, the Board will oversee the Corporation and will continue to monitor and develop performance measures around its governance, making the changes needed as the Corporation matures, to ensure it delivers on its mandate and effectively manages public resources.

## Organizational Structure

The Chief Executive Officer (CEO) is responsible for the management and operation of the Corporation, and reports to the Board of Directors.

The Corporation's business lines will serve as the foundation around which the Corporation's organizational structure is designed. The design will be guided by the following:

- 1) Delivering on its key roles: Advisory, Investment, and Data and Information, and the corresponding activities.
- 2) Supporting the development of a deeply specialized technical expertise that is required to deliver on the Corporation's mandate:
  - Articulating the roles and accountabilities within the Corporation for the management of relationships with federal, provincial, municipal, and territorial governments; Indigenous governments; private and institutional investors; and the public.
  - Ensuring capacity and depth of expertise that can easily grow as the Corporation matures and the scope and scale of its operations evolve.

The Corporation is developing its corporate services to support its operational needs, build the capacity to engage stakeholders for their advisory needs, create the functional capability to allow for the review

of infrastructure investments, inform and report on data, and ensure integrity in its project development and investment functions.

A dedicated corporate function will be created for Government Affairs and External Relations (GAER), which will report to the CEO, and will help to build and maintain ties with the Government of Canada, in particular Infrastructure Canada and other key federal departments, as well as other orders of government nationwide – provinces, territories, municipalities and Indigenous governments. It will also be responsible for handling corporate communications, regulatory and public affairs, and relationships and outreach with industry and key external stakeholders.

This will be an important function of the Corporation, ensuring that the CIB is attuned to national as well as regional priorities from both a policy and political perspective. It will ensure, within the scope of the Corporation's arm's length relationship with Ottawa, that priorities and strategies are well understood at the federal level. It will ensure that the Corporation, while judging projects on their merits, is closely attuned to the priorities of governments across the country. And it will ensure, given that the CIB model is only an option for potential project sponsors, that the Corporation maintains a service-oriented approach towards building Canadian infrastructure in the most effective and efficient manner possible.



## HOW TO LEARN MORE

To learn more about the  
Canada Infrastructure Bank,  
please visit the website:

[www.canadainfrastructurebank.ca](http://www.canadainfrastructurebank.ca)

or contact the Bank at:

1-833-551-5245

[contact@canadainfrastructurebank.ca](mailto:contact@canadainfrastructurebank.ca)