



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **THE ROLE OF MCKINSEY & COMPANY IN THE CREATION AND THE BEGINNINGS OF THE CANADA INFRASTRUCTURE BANK**

**Report of the Standing Committee on Transport,  
Infrastructure and Communities**

**Peter Schiefke, Chair**

**NOVEMBER 2024  
44th PARLIAMENT, 1st SESSION**

---

Published under the authority of the Speaker of the House of Commons

**SPEAKER'S PERMISSION**

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Standing Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website  
at the following address: [www.ourcommons.ca](http://www.ourcommons.ca)

**THE ROLE OF MCKINSEY & COMPANY IN THE  
CREATION AND THE BEGINNINGS OF THE  
CANADA INFRASTRUCTURE BANK**

**Report of the Standing Committee on  
Transport, Infrastructure and Communities**

**Peter Schiefke  
Chair**

**NOVEMBER 2024**

**44th PARLIAMENT, 1st SESSION**

## **NOTICE TO READER**

### **Reports from committees presented to the House of Commons**

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

# **STANDING COMMITTEE ON TRANSPORT, INFRASTRUCTURE AND COMMUNITIES**

## **CHAIR**

Peter Schiefke

## **VICE-CHAIRS**

Philip Lawrence

Xavier Barsalou-Duval

## **MEMBERS**

Taylor Bachrach

Vance Badawey

Angelo Iacono

Annie Koutrakis

Stéphane Lauzon

Leslyn Lewis

Dan Muys

Churence Rogers

Brad Vis

## **OTHER MEMBERS OF PARLIAMENT WHO PARTICIPATED**

Dan Albas

Chris Bittle

Kelly Block

George Chahal

Leila Dance

Scot Davidson

Anju Dhillon

Earl Dreeshen

Andy Fillmore

Cheryl Gallant

Garnett Genuis

Majid Jowhari  
Chris Lewis  
James Maloney  
Hon. Joyce Murray  
Jennifer O'Connell  
Pierre Paul-Hus  
Scott Reid  
Maninder Sidhu  
Mark Strahl  
Joanne Thompson

**CLERK OF THE COMMITTEE**

Carine Grand-Jean

**LIBRARY OF PARLIAMENT**

**Research and Education**

Geneviève Gosselin, Analyst  
Alexandre Lafrenière, Analyst

# **THE STANDING COMMITTEE ON TRANSPORT, INFRASTRUCTURE AND COMMUNITIES**

has the honour to present its

## **TWENTIETH REPORT**

Pursuant to its mandate under Standing Order 108(2), the committee has studied the role of McKinsey & Company in the creation and the beginnings of the Canada Infrastructure Bank and has agreed to report the following:





## TABLE OF CONTENTS

---

SUMMARY .....	1
LIST OF RECOMMENDATIONS .....	3
THE ROLE OF MCKINSEY AND COMPANY IN THE CREATION AND THE BEGINNINGS OF THE CANADA INFRASTRUCTURE BANK .....	5
Introduction.....	5
The Influence of Consulting Firms on Public Policy.....	7
Increase in Federal Contracts to McKinsey & Company .....	8
Consulting Firms and the CIB .....	9
The Design and Effectiveness of the Canada Infrastructure Bank .....	9
Measurement of Success.....	12
CIB Procurement Process/Financial Transparency .....	12
Conflict of Interest policy .....	12
Internal Audit Process.....	13
The Creation of the Canada Infrastructure Bank .....	13
Origin.....	13
The Advisory Council .....	14
McKinsey’s Pro Bono Work.....	16
Starting Up the CIB.....	16
Initial Hiring of McKinsey.....	17
Contracts 1 and 2—January and March 2018.....	18
Email With List of Potential Names.....	19
Potential Conflicts of Interest.....	19
Contract 3—May 2020 .....	20
Number of Contracts.....	21
McKinsey Influence on the CIB.....	22
Shared Clients .....	22

Michael Sabia .....	23
CDPQ.....	23
Meeting with Dominic Barton on 23 June 2020 .....	24
Former McKinsey Employees.....	25
APPENDIX A: LIST OF WITNESSES.....	27
REQUEST FOR GOVERNMENT RESPONSE .....	29
SUPPLEMENTARY OPINION OF THE CONSERVATIVE PARTY OF CANADA .....	31
SUPPLEMENTARY OPINION OF THE BLOC QUÉBÉCOIS .....	33
SUPPLEMENTARY OPINION OF THE NEW DEMOCRATIC PARTY OF CANADA .....	35

## SUMMARY

---

Over the course of seven meetings, the House of Commons Standing Committee on Transport, Infrastructure and Communities (the Committee) conducted a study on the influence of global consulting firm McKinsey & Company (McKinsey) on the creation and the beginnings of the Canada Infrastructure Bank (CIB).

Witnesses debated the risks and benefits of the government's use of external consultants, both generally and specifically in relation to the CIB. The Committee also heard testimony on the creation and establishment of the CIB, from its initial proposal in the Liberal Party of Canada's 2015 election platform, through recommendations by the Advisory Council on Economic Growth, the development of initial internal policies assisted by McKinsey consultants, and its first investment.

Witnesses included former cabinet ministers, current and former employees and board members of the CIB, McKinsey representatives, as well as past members of the Advisory Council on Economic Growth. They provided testimony on the influence, both past and present, of McKinsey on the design of the CIB, its operations, as well as its investment decisions.



## LIST OF RECOMMENDATIONS

---

*As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.*

### **Recommendation 1**

**That the Government of Canada avoid the use of pro bono services from private consulting firms when developing or engaging in strategic policy initiatives and ensure any ethical and conflict of interest requirements are in place.**

### **Recommendation 2**

**That the Government of Canada increase its due diligence in relation to the use of private consulting firms by government departments, agencies and Crown corporations to ensure these firms are not unfairly benefiting from government operational knowledge to gain financial benefit through successive contracts with the government or with other clients who might do business with the government.**

### **Recommendation 3**

**That the Auditor General of Canada review the procurement processes in place at the Canada Infrastructure Bank (CIB) and conduct a performance and value for money audit of contracts awarded to all external firms, including a review of the CIB's expenditures on advisory services.**

### **Recommendation 4**

**That the Government of Canada direct the Canada Infrastructure Bank to increase financial transparency by including in its quarterly and annual reports a detailed breakdown of expenditures on consultants and advisory services, including vendor name, amount paid, and the specific project to which the costs are attributed.**

#### **Recommendation 5**

**That the Government of Canada strongly encourage the Canada Infrastructure Bank to minimize reliance on external consultants by looking for ways to maximize its current human resource capacity and developing needed expertise in house as much as possible.**

#### **Recommendation 6**

**That the Government of Canada evaluate international examples of successful public infrastructure banks, including those in the Netherlands, Germany, Finland and Norway, in the process of reforming the mandate of the Canada Infrastructure Bank.**

#### **Recommendation 7**

**That the Government of Canada mandate representation on the Canada Infrastructure Bank's board of directors for municipal, local and Indigenous governments, relevant labour organizations, and infrastructure users.**

#### **Recommendation 8**

**That the Government of Canada make sustainability a requirement for Canada Infrastructure Bank funding and ensure climate mitigation and adaptation are included in all funded projects.**



# THE ROLE OF MCKINSEY AND COMPANY IN THE CREATION AND THE BEGINNINGS OF THE CANADA INFRASTRUCTURE BANK

---

## INTRODUCTION

In the Fall of 2022 and Winter of 2023, media outlets reported on a significant increase in the number of contracts awarded to the consultant firm McKinsey & Company (McKinsey) by the Government of Canada.<sup>1</sup> One CBC article indicated the firm had made 30 times more money from federal contracts in the seven years since the 2015 election than it had in the nine years preceding it, with the vast majority taking place since 2020.<sup>2</sup>

On 18 January 2023, the House of Commons Standing Committee on Government Operations and Estimates (the OGGO Committee) held a [meeting](#) under Standing Order 106(4) and agreed to undertake a study of contracts awarded to McKinsey. The Auditor General of Canada and the Procurement Ombud also began external reviews of this issue, with the President of the Treasury Board and the Minister of Public Services and Procurement performing an internal review.<sup>3</sup>

It was in this context that, on [14 February 2023](#), the House of Commons Standing Committee on Transport, Infrastructure and Communities (the Committee<sup>4</sup>) adopted the following motion:

That, pursuant to Standing Order 108(2), the Committee undertake a study examining the role of McKinsey & Company in the creation and the

---

1 See, for example, Bill Curry and Mahima Singh, [Federal contract outsourcing increased by 24 per cent to \\$14.6-billion last year](#), The Globe and Mail, Updated 30 November 2022.

2 Romain Schué and Thomas Gerbet, [The value of one consulting firm's federal contracts has skyrocketed under the Trudeau government](#), CBC News, 4 January 2023.

3 The following reports have been published since the end of the Committee's study: Treasury Board of Canada Secretariat Organization, [Federal Contracts Awarded to McKinsey & Company \(January 1, 2011, to February 7, 2023\): A Review by the Treasury Board of Canada Secretariat and Public Services and Procurement Canada](#), June 2023; Office of the Procurement Ombud, [Procurement Practice Review of Contracts Awarded to McKinsey & Company](#), March 2024; and Office of the Auditor General of Canada, [2024 Report 5—Professional Services Contracts](#), June 2024.

4 For clarity, the term “the (TRAN) Committee” will be used in proximity to a reference to “the OGGO Committee.” In all other instances, the House of Commons Standing Committee on Transport, Infrastructure and Communities will be referred to as “the Committee.”



beginnings of the Canada Infrastructure Bank, with an examination into the hiring decisions around former McKinsey & Company staff and the consulting contracts awarded to McKinsey & Company by the Canada Infrastructure Bank, examining their effectiveness, management and operation, including the value and service received by the Canada Infrastructure Bank; that the relevant evidence and documents received as part of the Standing Committee on Government Operations and Estimates' study into Federal Government Consulting Contracts Awarded to McKinsey & Company be considered in the committee's study; that the committee schedule meetings to receive witness testimony from the current and former CEOs of the Canada Infrastructure Bank, including the current and former members of the board of directors, and the Minister of Infrastructure; and that the study be comprised of at least four meetings.

On 4 May 2023, the Committee adopted the following motion to issue summonses to certain witnesses, including to McKinsey and CIB officials, a decision the Committee took after several declined to participate in the study:

That, pursuant to Standing Orders 108(1) and (2), in relation to the committee's study examining the role of McKinsey & Company in the creation and beginnings of the Canada Infrastructure Bank (CIB):

- a) summonses be served on Dominic Barton, past Global Managing Director of McKinsey & Co.; Andrew Pickersgill, past Managing Partner of the Canadian Practice of McKinsey & Co.; Janice Fukakusa, Inaugural Board Chair of the CIB; Bruno Guilmette, past Interim Chief Investment Officer and Board Director of the CIB; Steven Robins, Head of Strategy; Bill Morneau, former minister of Finance; Patrick Brown, mayor of Brampton, and Lisa Raitt, Vice-Chair of Global Investment Banking at CIBC requiring each of them to appear at dates and times to be fixed by the Chair;
- b) the Committee strongly urges Annie Ropar, past Chief Financial Officer of the CIB, the Honourable Dominic LeBlanc, Minister of Infrastructure, and Aneil Jaswal, Director, Sector Strategies to appear; and
- c) That the study comprise a total of four meetings in addition to the Tuesday, May 2, 2023 meeting, with a maximum of six witnesses per meeting.



Between 2 May 2023 and 8 June 2023, the Committee held seven meetings on this subject. It heard from twenty-three witnesses.

## THE INFLUENCE OF CONSULTING FIRMS ON PUBLIC POLICY

McKinsey & Company (McKinsey) is a global management consulting firm, established in 1926 and active in Canada for over 50 years<sup>5</sup> with a history of working with previous federal governments.<sup>6</sup> According to Robert Palter, Senior Partner, Office Managing Partner for Canada with McKinsey, “McKinsey has the number one rated infrastructure advisory practice, as assessed independently by Kennedy Consulting.”

Mr. Palter testified before the OGGO Committee that the Government of Canada spent “approximately \$25 billion on external consultants” in the fiscal year 2022–2023. Diane Therrien, Senior Research Officer at the Canadian Union of Public Employees, indicated that McKinsey “has received at least \$116.8 million in federal contracts since 2015.” She expressed deep concern with the policy influence exerted by consultants, arguing that they lack expertise in municipal infrastructure or government service delivery, and have an inherent preference towards the interests of shareholders, rather than those of the public.

John Cartwright, chairperson of the Council of Canadians, echoed her concerns and argued that global accounting and consultancy firms, for whom “(s)uccess is measured in billable hours and the complex deals that are trumpeted regularly”, have been working to shift ownership of infrastructure from public to private interests. Aneil Jaswal, Director of Strategies Sectors at the CIB, similarly identified a difference between the public service, working “on things that deliver impact for the public, for Canadians”, and the private sector, in which “you are sometimes working on different objectives of helping a company sell more of its product or achieve growth.”

Andrew Pickersgill, senior partner with McKinsey, provided a different perspective, describing McKinsey’s commitment to “pro bono work and giving back to the local community”, including a \$2 billion commitment “to social responsibility efforts by 2030.”

---

5 Standing Committee on Transport, Infrastructure and Communities (TRAN), *Evidence*, 44th Parliament, 1st Session: Robert Palter, Senior Partner, Office Managing Partner for Canada, McKinsey & Company.

6 TRAN, *Evidence*: Palter.



## Increase in Federal Contracts to McKinsey & Company

When asked why McKinsey has seen an increase in federal government contracts since 2015, [Mr. Palter](#) pointed to the growing “complexity of the challenges facing the government”, and suggested that his firm’s “global expertise on how others have dealt with those challenges” can provide needed support. Mr. Palter added that the request for proposals (RFPs) to which McKinsey responded, “were competitively offered, procured, and evaluated independently by the government.”

[He](#) further added three points to illustrate the competitiveness of the federal government’s process in awarding contracts. First, that McKinsey’s contracts represent less than 0.5% of the federal government’s total spending on external consultants. Second, that 74% of McKinsey’s contracts with the federal government were awarded through a competitive process, with proposals being made in response to calls by the government and then independently evaluated and scored. And, finally, that the federal government rejects roughly 60% of the bids it receives from McKinsey.

[Mr. Barton](#) made a similar comment in relation to the scale of McKinsey’s contracts with the federal government: “I’m not saying \$100 million isn’t a lot—in that last fiscal year of 2022, \$22.2 billion was given to different consulting firms.” Meanwhile, CIB representatives [Ehren Cory](#), Chief Executive Officer, and [Steven Robins](#), Group Head of Strategy, also pointed to the competitive processes established in procurement policies for the Government of Canada in general, and for the Canada Infrastructure Bank (CIB) in particular.

McKinsey representatives made clear that their firm’s contracts with the federal government were obtained in response to requests for proposals made by the government.<sup>7</sup> [Mr. Pickersgill](#) told the Committee that “McKinsey doesn’t pitch in the Government of Canada. We respond to requests for proposals. We describe our expertise. We follow all procurement guidelines”.

When asked whether he had attended meetings for the purpose of presenting McKinsey as a desirable vendor to the Government of Canada, [Mr. Pickersgill](#) responded: “When invited to describe our credentials and our expertise, of course I do that.” When asked, in the context of McKinsey having provided pro bono support to the Advisory Council on Economic Growth, whether he often sees consulting firms doing volunteer work for government, [Michael Sabia](#), former Advisory Council member, replied: “Yes, I do see that from time to time.”

---

7      TRAN, *Evidence*: [Palter](#); and [Andrew Pickersgill](#), Senior Partner, McKinsey & Company.

[Mr. Pickersgill](#) confirmed that McKinsey is not a registered lobbyist. [He](#) also confirmed that no engagements between McKinsey and the Government of Canada were registered with the Office of the Commissioner of Lobbying of Canada.<sup>8</sup>

## Consulting Firms and the CIB

Specifically in relation to the use of external consultants by the CIB, [Ms. Therrien](#) stressed the need for accountable and transparent low-cost financing to municipalities, arguing that this cannot be achieved when consultants like McKinsey are primarily accountable to their shareholders. Similarly, [Mr. Cartwright](#) suggested that it is reasonable to expect that corporate entities will seek to shift public policy in their own interest: “there's no such thing as free money. Somebody doesn't come along and give you \$26 billion for free. There are strings attached. They want a huge return on investment.”

[Mr. Cory](#) stated that the CIB's financial statements track expenditures on external advisory services under two categories. The first, “investment-related external advice,” refers to services such as transaction advisors, power market advisors, and legal advice. The second, “corporate external advice” refers to specialists such as auditors and human resources specialists. In explaining the CIB's need for outside consultants, [he](#) indicated that the “vast majority” of money spent falls under the first category, and relates to expertise needed for specific infrastructure projects. This expertise, [he](#) further added, could not be maintained internally, given the variety of projects with which the CIB is involved.

One example that [Mr. Cory](#) provided is the Lake Erie Connector project<sup>9</sup>, which required an analysis by a third party firm. [He](#) confirmed that this analysis is proprietary but indicated that the CIB's website provides “the thesis for why we made the investment”.

## THE DESIGN AND EFFECTIVENESS OF THE CANADA INFRASTRUCTURE BANK

The Canada Infrastructure Bank (CIB) was announced in the [2016 Fall Economic Statement](#) as a way to attract private sector investment in Canadian infrastructure. It

---

8 According to the Office of the Commissioner of Lobbying of Canada's [website](#), “The Lobbying Act [...] provides for the public registration of those individuals who are paid, by an employer or a client, to communicate with public office holders (POHs) with regard to certain matters as described in the legislation.”

9 [Mr. Cory](#) confirmed that this project was ultimately not approved as it was found not to be a good value for money, given cost increases due to supply chain disruptions.



was established as a Crown corporation the following year by the [Canada Infrastructure Bank Act](#) (CIBA).

According to section 6 of the CIBA, the CIB's purpose 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.

The CIB's [Corporate Plan Summary, 2020–21 to 2024–25](#) lists the corporation's three responsibilities as advising on, investing in, and developing knowledge and research about new infrastructure investment in Canada. The CIBA authorizes the CIB to contribute to infrastructure projects through equity investments, loans and loan guarantees. It also provides a budget of up to \$35 billion.

In May 2022, the Committee presented its report entitled [The Canada Infrastructure Bank](#), which was subsequently concurred in by the House of Commons on 26 October 2023. This report reflected witness testimony of the CIB's slow progress in advancing infrastructure projects and included a single recommendation: "That the Government of Canada abolish the Canada Infrastructure Bank."

While acknowledging a "fairly slow start", [Mr. Sabia](#) told the Committee that he considered that that the CIB was "really beginning to hit its stride." Several other witnesses referred to a positive change over the past two years.<sup>10</sup> [Mr. Cory](#) specifically referred to the Committee's report, pointing out that that particular study had taken place in March 2021. [He](#) reported that, as of his testimony before the OGGO Committee on 6 February 2023, 27 of the CIB's projects had reached financial close, of which 19 were in active construction.

While acknowledging that no projects had yet been completed, [Mr. Cory](#) argued that "(i)nfrastructure projects, by their definition, take time to engineer, design and build." [He](#) further added that the purpose of the CIB was not to finance "shovel-ready projects", but rather projects that are "truly shovel-worthy but stuck." [Mr. Cory](#) added that some

---

10 TRAN, *Evidence*: [Hon. Catherine McKenna](#), former Minister of Infrastructure and Communities (as an Individual); [Bruno Guilmette](#), Former Interim Chief Investment Officer, Canada Infrastructure Bank; [Hon. Lisa Raitt](#), Co-Chair, Coalition for a Better Future (as an Individual); [Ehren Cory](#), Chief Executive Officer, Canada Infrastructure Bank, [Palter](#); and [Tamara Vrooman](#), chairperson, Canada Infrastructure Bank.

projects are shorter or longer than others, ranging from multiple years to 24 months. He said explicitly: “These are long-term investments we're making in our country.”

Some witnesses referred to the idea behind the CIB of leveraging or attracting more private investment, even at a 5:1 ratio, through lower-interest public loans.<sup>11</sup>

[Ms. Therrien](#) argued that this focus on attracting private capital was not in the initial concept of a Canadian infrastructure bank, but was the result of the influence of consultant firms like McKinsey and BlackRock. She also referred to the promised 5:1 ratio as “pie in the sky,” suggesting that over the past five years, “the bank has been struggling to maintain even a 1:1 ratio of public-to-private dollars.”

As [Patrick Brown](#), Mayor of Brampton (appearing as an individual) and [Mr. Cory](#) clarified, the CIB does not offer grants, but rather loans. A fully grant-based system, [Mr. Palter](#) argued, would be beyond the fiscal capacity of the federal government. [Hon. Catherine McKenna](#), former Minister of Infrastructure and Communities (appearing as an individual) estimated the CIB to be “a smart model. It's not for everything, but there's a limited amount of money so we need to figure out how to stretch it.”

Meanwhile, though he agreed that “tax dollars are finite”, [Mr. Cartwright](#) maintained that “every dollar diverted away from creating public assets and public infrastructure is a dollar misspent.” He recommended that the CIB be either abolished or, preferably, “reformed to focus solely on the public good” in order to maintain the talent and skill it has already attracted. [Ms. Therrien](#) was also “cautiously optimistic” about reforming the CIB, rather than abolishing it. She recommended that the initial proposals for the CIB prior to the involvement of external consultants, be revisited, shifting the focus to low-cost financing for infrastructure projects, rather than attracting private capital.

Meanwhile, [Hon. Lisa Raitt](#), Co-Chair of the Coalition for a Better Future (appearing as an Individual), stated that “Canada has to use every lever it possibly has to ensure there is the adequate financing of projects necessary for our economic growth”, which includes government funding in various possible forms. [She](#) added, however, that in her estimation, “a lot more could have been accomplished in the period of time since 2015, and with the same outcomes, through the vehicle of (Public-Private Partnerships) Canada.”

---

11      TRAN, *Evidence*: [Cory](#); [Dominic Barton](#), Former Global Managing Director of McKinsey & Co (as an Individual); [Guilmette](#); and [Hon. Bill Morneau](#), former Minister of Finance (as an Individual).



## Measurement of Success

On the question of how best to measure the CIB's success, [Tamara Vrooman](#), chairperson at the Canada Infrastructure Bank, stated that its "role is to get infrastructure built more quickly than it would be otherwise. The measure of our success will ultimately be that the infrastructure is in use for the benefit of Canadians." [Mr. Cory](#) expressed a similar view, suggesting a two-fold measurement of success. Firstly, "getting more stuff built", with a measurement in the "flow of dollars". He pointed to the CIB's current commitments of \$9.7 billion on \$27 billion worth of projects. His second measurement of success "is what outcomes that infrastructure delivers."

## CIB Procurement Process/Financial Transparency

[Frédéric Duguay](#), General Counsel and Corporate Secretary at the CIB, explained that, as a Crown corporation, the CIB is not subject to Treasury Board policies and regulations governing procurement activities. It is therefore responsible for establishing its own procurement policies. These, he told the Committee, "follow best practices in public-sector corporate governance to ensure that purchases are made in a fair and transparent manner and the CIB receives the best value for goods and services." [Mr. Duguay](#) also clarified that the CIB's current procurement process was approved by the CIB's board of directors in January 2019, after the CIB's first two contracts with McKinsey, which will be discussed further in this report.

[Mr. Cory](#), in his testimony before the OGGO Committee, assured members that the CIB currently has "very clear procurement policies around best value for money."

[Mr. Pickersgill](#) and [Mr. Barton](#) both stated that McKinsey had followed appropriate procurement processes in its dealings with the CIB.

## Conflict of Interest policy

[Mr. Cory](#) also described the CIB's conflict of interest policy, which applies to all employees and covers both real and perceived conflicts of interest. [Mr. Duguay](#) added that the CIB's directors are subject to the *Conflict of Interest Act*. He further explained steps taken to ensure that directors are not involved in decisions in which they may have a conflict. Directors are provided a project list in advance of board meetings to allow them to identify potential conflicts and recuse themselves. In such a case, the director in question would not receive any materials relating to the discussion or vote.

## Internal Audit Process

[Mr. Cory](#) explained that the CIB's audit process includes both internal and third-party reviews of all financial statements. [Mr. Duguay](#) added that the internal audit process includes an annual risk-based audit plan, which covers both governance and compliance with policies, including procurement. [He](#) also indicated that the CIB is subject to annual audits by the Auditor General of Canada, in addition to a joint external auditor, and to a special examination requirement every ten years.

## THE CREATION OF THE CANADA INFRASTRUCTURE BANK

### Origin

As several witnesses told the Committee<sup>12</sup>, the concept of an infrastructure bank was included in the Liberal Party of Canada's 2015 election platform.<sup>13</sup> [The Hon. Bill Morneau](#), former Minister of Finance (appearing as an individual) suggested that the concept "was a long time in development," as he had himself, in 2012, been involved in efforts by the Government of Ontario to establish an independent pension organization for the purpose of consolidating smaller pension funds to invest in infrastructure. Some witnesses also pointed to international examples of similar organizations, notably in the United Kingdom and Australia,<sup>14</sup> with [Mr. Cory](#) referring to the concept of an infrastructure bank as "really ubiquitous".

[Mr. Cartwright](#) suggested that the proposal of an infrastructure bank was "an attempt by the Liberal government to replace the discredited Public-Private Partnerships Canada established by Stephen Harper". [Mr. Morneau](#), however, denied this reasoning, telling the Committee that the purpose was to attract capital investments in Canadian infrastructure, adding that "[i]t wasn't criticizing what had come in the past. It was ramping up so that we could be much more impactful in the future."

When asked whether McKinsey had any involvement in designing the Liberal Party of Canada's 2015 platform, [Mr. Palter](#) replied "No."

In 2016, an Advisory Council on Economic Growth (hereinafter, the Advisory Council, though some witnesses also referred to it as the growth council) was established by

---

12 TRAN, *Evidence*: [Cory](#); [Palter](#); [Pickersgill](#); [Janice Fukakusa](#), Inaugural Board Chair of the Canadian Infrastructure Bank (as an Individual); and [Barton](#).

13 Liberal Party of Canada, *Real Change, A New Plan for a Strong Middle Class*, 2015, p. 15.

14 TRAN, *Evidence*: [Cory](#); [Palter](#); [Pickersgill](#); and [Fukakusa](#).



then-Minister of Finance, the Honourable Bill Morneau. The Advisory Council, which was comprised of 14 business and academic leaders, made recommendations among which was the establishment of an infrastructure bank.<sup>15</sup>

As [Janice Fukakusa](#), inaugural board chair of the CIB (appearing as an individual), related in her testimony, the Canada Infrastructure Bank was subsequently announced in the Government of Canada's *Fall Economic Statement 2016*<sup>16</sup> The [Canada Infrastructure Bank Act](#) was included in the [Budget Implementation Act, 2017, No.1](#), which received royal assent on 22 June 2017.

In her testimony, [Ms. Therrien](#) suggested that the initial focus of the infrastructure bank as it was proposed in 2015 was "to provide low-cost loans to local governments to finance new public infrastructure and strengthen their communities". However, [she](#) alleged that a change had taken place by the time the Canada Infrastructure Bank was established:

After McKinsey's and its affiliate BlackRock's involvement in the development of the CIB, there was a major shift in mandate. The objective shifted to focus on leveraging private capital to finance infrastructure projects, and to invest and seek to attract investment from private sector investors and institutional investors, which would supposedly generate revenue.

[Mr. Cartwright](#) echoed this concern, speaking of a "closed door meeting with top officials and McKinsey and BlackRock that helped shape some of the thinking around CIB." He also referenced a report published by the Canadian Union of Public Employees, which found that "[i]n effect, the Liberal government turned over bank design and development to the very investors who would profit most from it: the largest private sector and pension investment funds in the world, such as BlackRock."<sup>17</sup>

## The Advisory Council

[Mr. Morneau](#) told the Committee that the purpose of the Advisory Council was to provide the Government of Canada with "advice and ideas on long-term economic policies that could advantage Canada." When asked why he chose to rely on an external advisory council rather than the public service for this type of advice, [he](#) replied that his government wanted "to make sure we had advice from all sectors of the economy as we

---

15 TRAN, *Evidence: Cory; Palter; Pickersgill*; and [Michael Sabia](#), Member, Advisory Council on Economic Growth.

16 Government of Canada, [A Plan for Middle Class Progress: Fall Economic Statement 2016](#), 2016, p. 26.

17 Thomas Marois, [A Public Bank for the Public Interest: Recommendations for the Canada Infrastructure Bank five-year review](#), Canadian Union of Public Employees, October 2022, p. 5.



considered our economic plans.” [Mr. Barton](#) also indicated that he had previously participated in similar advisory councils in 2010 and 2013 at the request of, respectively, then-Prime Minister Stephen Harper, and then-Minister of Finance Jim Flaherty, suggesting they were not uncommon.

[Mr. Sabia](#) recalled the purpose of the Advisory Council being “to enhance Canada’s potential rate of economic growth, particularly on a per capita basis.” [Mr. Morneau](#) confirmed that one of the topics considered by the council was the idea of an infrastructure bank, as had been proposed in the 2015 election platform, to determine “how best we might be able to activate that.”

Dominic Barton, who was McKinsey’s director of global affairs at the time, was selected by then-Minister Morneau to be chair of the Advisory Council. [Mr. Barton](#) clarified that he took on this position as a private individual, not in his capacity as a McKinsey representative. [He](#) added:

This is voluntary work. I think we were given one loonie for each year that we did it, but it was an honour to serve the country. There was zero aspect of this being an opportunity for McKinsey.

When asked how long he had known Mr. Barton when he selected him to be chair, [Mr. Morneau](#) replied:

I didn’t know Dominic. I certainly knew of Dominic’s strong reputation as one of Canada’s leading international business people. I had pretty limited exposure to him prior to my time in office. I can’t remember if I’d ever actually met him, but certainly I was delighted that he was willing to come on board and be part of our advisory council.

[Mr. Barton](#) described his role within the 14-member Advisory Council as being “to make sure we were covering the right areas and that we were able to get specific and actionable programs the government could review.” He recalled the group’s “key drivers” in relation to infrastructure being Mark Wiseman, Michael Sabia, and Ken Courtis.

[Mr. Sabia](#) confirmed that he served on the Advisory Council on a volunteer basis, with his primary employment remaining as the CEO of the Caisse de dépôt et placement du Québec (CDPQ). [Mr. Morneau](#), while indicating he had no specific recollection of asking Mr. Sabia to join the council, confirmed that he “held Michael Sabia in high regard and would have been supportive of him joining the advisory council because of the expertise he brought to the table as a former public servant and as someone who had been a CEO.” [Mr. Sabia](#) indicated that he had “no specific recollection” of signing documents committing him to avoiding real or perceived conflicts of interest, but that such a step likely took place as “it would be a normal course of activity.” In the discussion around



perceived conflict of interest, Committee members also had questions around whether Mr. Sabia's role on the Council may have later had influence on the first investment of the CIB in a transit project managed by the CDPQ. This is discussed in greater detail later in this report.

## McKinsey's Pro Bono Work

According to [Mr. Pickersgill](#), in 2016, the Advisory Council "approached McKinsey to see if we'd provide pro bono support, and I helped lead that team and coordinate our expertise from around the world." [Mr. Sabia](#), [Dominic Barton](#), Former Global Managing Director of McKinsey & Co (appearing as an individual), and [Mr. Pickersgill](#) described the McKinsey secretariat team as playing primarily a research role for the council members. All three witnesses told the Committee that the McKinsey employees were not responsible for providing recommendations. [Mr. Barton](#) stated that "It was agreed to up front with the Deputy Minister and Minister of Finance that we were doing this, so it was all clear."

[Mr. Barton](#) added further that "the deliberations were done only with the council. There was no one from McKinsey in those sessions." When questioned about his own presence in deliberation sessions, as both chair of the Advisory Council and McKinsey's director of global affairs, [he](#) replied:

Yes. I was the chair of the council, moving things forward. I don't think that had any linkage to what the secretariat team was doing. Every single member of the council would have had some sort of potential conflict, if you will, but I didn't see any issue with that, nor did the secretariat that we were working with.

[Mr. Barton](#) suggested that the "very serious debates" that took place among "a group of very strong-minded individuals" guarded against these potential conflicts of interest.

The secretariat team was provided by McKinsey on a pro bono basis, meaning that they were paid by McKinsey, at no charge to the Advisory Council.<sup>18</sup> When asked how many people were involved and what the value of their participation was, [Mr. Barton](#) replied: "I don't know. I have no idea what that was. That wasn't the point of it. It was just about getting support. No cost-benefit analysis was done."

## Starting Up the CIB

According to [Mr. Sabia](#), following the recommendation that an infrastructure bank be created, neither he, nor the Advisory Council, played a role in establishing the Canada

---

18      TRAN, *Evidence*: [Barton](#).

Infrastructure Bank. [Mr. Morneau](#) also told the Committee that, following the appointment of Dominic Barton as chair, he “had no exposure (...) to any decisions that the Canada Infrastructure Bank took on how it was going to determine the best way to execute its mission.”

The Committee heard from Ms. Fukakusa, who was the inaugural chair of the CIB’s board of directors, as of July 2017,<sup>19</sup> and from Bruno Guilmette, who served first as a member of the board, then as the CIB’s interim chief investment officer from December 2017 until June 2018.<sup>20</sup> In effect, Mr. Guilmette was the CIB’s first, and for a time its only, employee.<sup>21</sup> [He](#) indicated that his “priorities were to establish the foundation for the Canada Infrastructure Bank’s investment function, including the development of investment criteria and project evaluation criteria.” According to [Ms. Fukakusa](#), in these early stages of the CIB’s establishment, she “received support from Infrastructure and Communities Canada, in particular the CIB transition office”, with her principal contact being the assistant deputy minister, Glenn Campbell.

Both [Mr. Guilmette](#) and [Ms. Fukakusa](#) pointed to the need for hiring external consultants, given their task of establishing a new infrastructure bank from the ground up with minimal initial staff. They told the Committee that a number of consulting firms were considered ([Ms. Fukakusa](#) recalled specifically approaching “McKinsey & Company, the Boston Consulting Group and PricewaterhouseCoopers”), before hiring McKinsey.

## Initial Hiring of McKinsey

According to [Mr. Cory](#) and [Ms. Fukakusa](#), the CIB’s initial procurement process allowed invitational procurement, without a formal request for proposals (RFP). [Ms. Fukakusa](#) indicated that fewer than three bidders were permitted under this initial process, “in the case of urgent necessity.” She explained that three bids were initially received, from McKinsey, Boston Consulting Group and PricewaterhouseCoopers. However, she explained that the latter “didn’t have the scope or the capacity”. [She](#) justified the use of the “urgent necessity” provision by explaining:

there was a lot of funding available, but without having proper governance around how the money was being decisioned and spent, we couldn’t be positive, given the

---

19      TRAN, *Evidence*: [Fukakusa](#).

20      TRAN, *Evidence*: [Guilmette](#).

21      TRAN, *Evidence*: [Cory](#); [Guilmette](#); and [Frédéric Duguay](#), General Counsel and Corporate Secretary, Canada Infrastructure Bank.



independent board we had at the time, that we were making the right decisions on behalf of Canada.

[Hon. Amarjeet Sohi](#), former Minister of Infrastructure and Communities (appearing as an individual), told the Committee that the CIB's day to day decisions were independent by design. As such, [he](#) indicated that he wouldn't have been involved or aware of this process. [Mr. Morneau](#) also testified that he was not aware of the contracts or procurement processes of the CIB.

According to [Ms. Fukakusa](#), McKinsey was selected at that time, "(o)n the strength of (their) infrastructure advice and practice," for two contracts, for a total value of \$940,000. [Mr. Cory](#), who was also formerly a partner at McKinsey, provided his opinion that "McKinsey is not a surprising choice for that, given the range of their experience in infrastructure work and their global reach."

## Contracts 1 and 2—January and March 2018

The first contract between McKinsey and the CIB was for the purpose of providing advice on investment criteria.<sup>22</sup> Its value was \$390,000.<sup>23</sup> [Mr. Duguay](#) explained that the Minister of Infrastructure had provided the board of directors with a statement of priorities and accountabilities as a basis for drafting the CIB's corporate plan. McKinsey was selected to assist the board in developing a definition of "investment criteria," a further step towards establishing this corporate plan, which would then allow the CIB to begin making investment decisions.

[Mr. Palter](#) explained that McKinsey reviewed international examples to arrive at a "set of specific operational choices needed for the CIB to accept project proposals." McKinsey consultants then presented design options which were reviewed and approved by the board of directors.

The second contract, awarded in March 2018, focused on the development of a governance and risk management policy,<sup>24</sup> for a value of \$550,000.<sup>25</sup> [Mr. Palter](#) explained that McKinsey consultants looked at international best practices and identified 47 types of potential risk in order to develop structures, systems and processes to manage them.

---

22 TRAN, *Evidence*: [Fukakusa](#); and [Guilmette](#).

23 TRAN, *Evidence*: [Duguay](#).

24 TRAN, *Evidence*: [Fukakusa](#); and [Guilmette](#).

25 TRAN, *Evidence*: [Duguay](#).

## Email With List of Potential Names

Some witnesses were asked about an email exchange in 2018, in which Mr. Pickersgill provided Ms. Fukakusa with a list of names for potential hire by the CIB. [Mr. Palter](#) contextualised this list, indicating it was sent in the early days of the CIB when Ms. Fukakusa “was in the market looking for people, and she asked us if we had any relationships with qualified people who could potentially be hired into the CIB as staff.”

[Mr. Pickersgill](#) and [Mr. Palter](#) both stressed that the individuals recommended in the email were not McKinsey employees, but rather “senior advisors” who, based on their own experience, provide contracted advice to McKinsey. These senior advisors, [Mr. Palter](#) further explained, are covered by McKinsey’s conflict of interest policy. Excerpts from this email exchange were read out to [Mr. Pickersgill](#) and [Mr. Palter](#) by a committee member. These excerpts included one in which Mr. Pickersgill would have suggested to the CIB the idea of loaning a McKinsey Engagement Manager for 4–6 months, as well as the following passage: “Lots of ways to do this including remaining on our books but loaned to you, paid direct by you and on your books, comes with occasional McKinsey bursts of support like we’ve contemplated in Risk and in Phase 2 Mandate work, or just comes stand alone.”

[Ms. Fukakusa](#) told the Committee that she had made several requests “across the network” for names of qualified candidates to establish a candidate pool. She clarified that no one on the McKinsey list was hired by the CIB (this was confirmed by [Mr. Palter](#)) and that candidates for senior positions were later found through a search firm.

## Potential Conflicts of Interest

During their testimony, some witnesses were asked about a perceived conflict of interest in McKinsey receiving the first contracts with the CIB, considering the interactions between the firm and the Advisory Council that had recommended the bank’s creation, both through the pro bono secretariat and Mr. Barton. To this question, [Mr. Morneau](#) replied:

I was pleased, as I mentioned earlier, to have Dominic Barton take the role of chair of my advisory council. The fact that he did that on a pro bono basis was important, and I saw that as a good contribution to what we were trying to achieve.

I had no exposure following that to any decisions that the Canada Infrastructure Bank took on how it was going to determine the best way to execute its mission. I have no knowledge of any contract you’re speaking of, so I really have no way to respond.



[Mr. Cory](#) replied that he didn't see "anything untoward" in the way in which McKinsey's contracts were awarded by the CIB. [He](#) added that he didn't "think there is a direct relationship between the growth council and the hiring of McKinsey." [Mr. Palter](#) and [Mr. Pickersgill](#) both indicated that the first contract was awarded 18 months after the Advisory Council had made its recommendations.

Mr. Pickersgill was asked specifically about a 2018 contract proposal in which McKinsey claimed to have a "deep understanding" of the CIB. [He](#) replied:

I believe we were speaking to our expertise globally, as Mr. Palter described, in our knowledge of other markets. That's why we were approached by the chair through a process that, as we heard from Mr. Cory, was competitive. It was based on our expertise.

On the same topic, [Mr. Sabia](#) referred to McKinsey's international experience with infrastructure issues, including on increasing investment in infrastructure. He said that "(w)ith access to that kind of deep expertise, it was a way for us to save a lot of time in finding ways to accelerate the bank's activities."

[Mr. Cory](#) sought to provide context by informing the Committee that the \$1.43 million awarded by the CIB to McKinsey represented approximately 5% of its cumulative expense on professional service fees and constituted "specialized analysis that the CIB was not in a position to prepare on its own in those very early days of the bank's existence." Both [he](#) and [Mr. Guilmette](#) indicated that they were satisfied with the value for money gained by McKinsey's services.

### Contract 3—May 2020

The third and, to date final, contract was awarded in May 2020 with a value of \$490,000.<sup>26</sup> [Mr. Cory](#) indicated the purpose of this contract was to obtain consulting services from McKinsey on how the CIB could "turbocharge its investment activity, and do that in light of the rapidly changing world it faced." Two main contextual issues were identified in the contract: the COVID-19 pandemic and the green transition. [He](#) added that McKinsey's work "was used to develop the \$10 billion growth plan that was announced in October 2020<sup>27</sup> to invest in major infrastructure initiatives."

---

26 TRAN, *Evidence*: [Duguay](#).

27 For more information, see: Canada Infrastructure Bank, [Prime Minister announces infrastructure plan to create jobs and grow the economy](#), 1 October 2020.

This third contract was awarded directly to McKinsey in a single-sourced process that [Mr. Duguay](#) indicated was “in accordance with the exceptions allowed under CIB policies in force and applicable free trade agreements.” [Mr. Cory](#) explained:

It was immediately in the aftermath of the shutdown of the infrastructure world. Given their global expertise in infrastructure, and given the first two studies they had done in 2018 and their understanding of the investment approach the CIB was taking, they were deemed a natural partner to that work, so that work was single-sourced.

[Mr. Sabia](#) maintained that, in order to accelerate the CIB’s progress, particularly through the growth plan, he considered it to be “quickest and most economical” to “use some of the people from McKinsey who had been involved in the initial thinking around the Infrastructure Bank, to draw on their accumulated knowledge of this so that we wouldn't have to start from ground zero.” He added that he considered the CIB’s successful improvements since then as evidence that this strategy worked.

On the question of McKinsey’s involvement in developing the growth plan, [Mr. Cory](#) clarified that, based on his review of the records, McKinsey provided “important insight” but that the idea of the growth plan originated from the CIB’s board of directors and management team. [Mr. Palter](#), meanwhile, fully denied that McKinsey did any work on the growth plan, stating that their work in 2020 “was on the onset of COVID.” [He](#) added that McKinsey did not in fact finish all of the work originally envisioned in the 2020 contract, as only one of three potential phases were complete.

## Number of Contracts

Some witnesses were asked to clarify the total number of contracts that had been awarded to McKinsey by the CIB since its inception. [Mr. Duguay](#) confirmed that, in response to an Order Paper question that asked for details on all contracts to McKinsey, the CIB had provided five invoices relating to work undertaken by McKinsey for the CIB. He acknowledged that this could lead to the conclusion that there had been five contracts, but maintained that there had been only three, with two each being divided into two phases.

During his testimony before the OGGO Committee, [Mr. Cory](#) similarly indicated that McKinsey has been awarded “three separate contracts” by the CIB, of which “(o)ne had two phases to it”. During his subsequent testimony before the (TRAN) Committee, [he](#) corrected himself, stating that two of the three contracts each had “a phase A and a phase B,” for a total cost across all contracts of \$1.43 million. [Mr. Palter](#) and [Mr. Pickersgill](#) both indicated that McKinsey had undertaken three specific engagements or mandates with the CIB.



## MCKINSEY INFLUENCE ON THE CIB

In reference to potential conflicts of interest in the interactions between McKinsey and the CIB, [Mr. Cory](#) acknowledged that there were “connections”, particularly with regard to former McKinsey employees (himself included) working at the CIB, and to initial advice provided by McKinsey to help establish the CIB. However, he did not believe these connections to be problematic, claiming these types of connections to be “natural”.

[Ms. Fukakusa](#) told the Committee that McKinsey did not provide any project-specific advice and confirmed that she would not have accepted such advice if it had been offered.

[Mr. Morneau](#) told the Committee that he had “no exposure at all to any commercial meetings with McKinsey during (his) entire time in office,” with the sole exception being through working with the Advisory Council. [Mr. Barton](#) similarly claimed to have had “no involvement whatsoever in any awarding of paid work to McKinsey by the federal government, including the CIB” since 1996. He also stated:

In joining the public service as ambassador to China in 2019, I underwent a thorough conflict of interest process with the Ethics Commission to ensure that my prior roles with McKinsey and elsewhere would not conflict with my public service obligations.

## Shared Clients

In response to a question during his testimony before the OGGO Committee, [Mr. Cory](#) stated that he was not aware of any McKinsey clients who had received money from the CIB, but indicated that he was not sufficiently aware of McKinsey’s client list to provide a proper answer.

[Mr. Palter](#) told the Committee that “McKinsey never reviewed nor provided advice on any investment the CIB completed.” More specifically, [he](#) claimed he was not aware of any work for the Government of Quebec or the Government of Alberta on files that could have enabled those governments to seek funding from the CIB. [He](#) also stated that “McKinsey has not been involved in any investments that the CIB has seen or with any potential proponents bringing investments to the CIB since its inception.” Finally, when asked about McKinsey clients receiving investments from the CIB, [Mr. Palter](#) responded that McKinsey provides a wide range of services to a variety of clients, including strategy and organisation, and digital transformation, stating that McKinsey has “done no work supporting any proponents from Canada approaching the CIB on any of their potential infrastructure projects.”



## Michael Sabia

When he was President and CEO of the Caisse de dépôt et placement du Québec (CDPQ), [Mr. Sabia](#) recalled being asked by then-Minister of Finance Bill Morneau to take over as chair of the CIB, in the hope of accelerating its “quite slow” pace during its first three years. He added that Mr. Morneau had “asked whether in working with the management of the bank and outside advisers we could accelerate the activity of the bank and, what was called at the time, the growth plan for the bank.” When asked whether he directed Mr. Sabia to hire outside consultants, [Mr. Morneau](#) replied that he was not involved in “the management or the direction of the Canada Infrastructure Bank. That would be separate from the role of minister of finance.”

[Mr. Morneau](#) had no specific recollection but believes that he would have spoken directly to Mr. Sabia about taking over as chair. [He](#) indicated that the CIB was viewed as a joint responsibility of both the ministries of infrastructure and finance, and that he would have been best suited to have a discussion with Mr. Sabia, given their connection through the Advisory Council. When asked why he was personally involved in the hiring process, [Mr. Morneau](#) replied that this would have been appropriate for leadership positions, as “there's also an element of trying to convince people that they should be part of this.”

[Mr. Sabia](#) was chair of CIB's board of directors from April 2020 to December 2020.

## CDPQ

From 2008 until February 2020, Mr. Sabia was the president and CEO of the Caisse de dépôt et placement du Québec (CDPQ), a global investment fund whose initial purpose was to manage the funds of the Québec Pension Plan.<sup>28</sup> As previously mentioned, he was in this position at the CDPQ while serving in a volunteer capacity with the Advisory Council.

[Mr. Sabia](#) acknowledged that the very first investment made by the CIB was a [\\$1.28 billion investment](#) in the Réseau express métropolitain (REM), which was itself run by the CDPQ. He maintained, however, that the CIB's investment decision was “completely unconnected” to his work on the Advisory Council. [He](#) also denied the appearance of a conflict of interest.

---

28 For more information, see: CDPQ, [Our history](#).



He also stated that “the Government of Canada decided that an appropriate vehicle for that investment would be the Canada Infrastructure Bank.” When asked whether he, as minister of Finance, was involved in the REM investment decision, Mr. Morneau replied “No”. Several witnesses repeated that the CIB was designed to operate independently and at arm’s length from the Government of Canada.<sup>29</sup>

Mr. Sabia acknowledged that the CDPQ had contracts with McKinsey while he was CEO.

### **Meeting with Dominic Barton on 23 June 2020**

Mr. Sabia and Mr. Barton both confirmed that they participated in a meeting by telephone on 23 June 2020, at which time Mr. Barton was serving as Canada’s ambassador to China. Mr. Barton indicated that Mr. Sabia had requested the call and confirmed that he was not compensated for it.

Mr. Barton described the call as “a conversation with Michael Sabia and Mark Wiseman about him (Mr. Sabia) taking on the new role as chair.” Mr. Sabia viewed it as Mr. Barton “essentially doing us the favour of providing some of his thoughts as we worked on how we could accelerate the performance of the Canada Infrastructure Bank.”

When asked whether the CIB had the internal capacity to provide advice on this issue, Mr. Sabia replied:

in the making of policy or in the making of decisions in large corporations or small corporations, you always reach outside. You always want to talk to other people. You always want to gather the greatest number of ideas and perspectives that you can, because the world is a complex place. You always want new ideas, different thinking and different perspectives, because that's how you make good decisions.

When asked about the involvement of McKinsey staff in scheduling and conducting the call, Mr. Barton told the Committee that he did not consider the call to be a McKinsey seminar, but simply a conversation at the request of Michael Sabia. He also indicated that he was not aware of the presence of McKinsey staff on the line.

Mr. Sabia denied “even the potential for a conflict” in this conversation. Mr. Barton confirmed that he did not feel the need to report the call to the ethics commissioner, as it was held at the request of Mr. Sabia.

---

29      TRAN, *Evidence*: McKenna; Morneau; Hon., Amarjeet Sohi, Former Minister of Infrastructure and Communities (as an Individual).

Mr. Sabia also confirmed having participated in a McKinsey summit, the global infrastructure initiative, while he was chair of the CIB's board of directors. He said this type of conference is "about getting out, getting ideas and contributing ideas. For Canada, it's about Canada being part of these global conversations on big issues, which is always to the benefit of the country."

## Former McKinsey Employees

Mr. Cory confirmed that four CIB employees had previously worked at McKinsey: himself, his executive assistant Lisa Burkitt, Steve Robins, and Aneil Jaswal.

In his testimony before the OGGO Committee, Mr. Cory confirmed that "not since any former McKinsey employees have worked at the CIB has McKinsey been hired to do a dollar's worth of work." Mr. Pickersgill confirmed this, telling the Committee that McKinsey's "work with the CIB ended in 2020, before Ehren Cory became the CEO. We have not done any work with the CIB since 2020, and we have done no work with former McKinsey colleagues who have worked at the CIB."

Mr. Cory told the OGGO Committee that, after working for McKinsey, he worked in the public service, including for Infrastructure Ontario. He was contacted by an executive search firm and hired in his current role as CEO of the CIB through a competitive process.

Mr. Robins recalled first working with Mr. Cory at McKinsey in 2011, and subsequently at Infrastructure Ontario in 2013 and 2014. He indicated that Mr. Cory discussed his joining the CIB as head of strategy in late 2020. Mr. Cory confirmed being involved in hiring Mr. Robins.

Mr. Robins and Mr. Cory confirmed that Mr. Jaswal was hired through an open and competitive process, led by Mr. Robins, to whose department Mr. Jaswal is assigned. Mr. Jaswal confirmed that he worked at McKinsey from August 2016 to February 2018, after which he joined the public service. He applied to a position with the CIB through a posting on LinkedIn.



## APPENDIX A: LIST OF WITNESSES

---

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<b>Canada Infrastructure Bank</b> Ehren Cory, Chief Executive Officer Frédéric Duguay, General Counsel and Corporate Secretary	2023/05/02	65
<b>Canadian Union of Public Employees</b> Diane Therrien, Senior Research Officer	2023/05/02	65
<b>The Professional Institute of the Public Service of Canada</b> Jennifer Carr, President	2023/05/02	65
<b>Canada Infrastructure Bank</b> Ehren Cory, Chief Executive Officer Frédéric Duguay, General Counsel and Corporate Secretary Aneil Jaswal, Director, Strategies Sector Steven Robins, Group Head, Strategy Tamara Vrooman, Chairperson	2023/05/09	67
<b>As an individual</b> Hon. Catherine McKenna, P.C., Former Minister of Infrastructure and Communities Hon. Amarjeet Sohi, P.C., Former Minister of Infrastructure and Communities	2023/05/11	68
<b>Council of Canadians</b> John Cartwright, Chairperson	2023/05/11	68

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>McKinsey &amp; Company</b> Robert Palter, Senior Partner and Office Managing Partner for Canada Andrew Pickersgill, Senior Partner	2023/05/11	68
<b>As an individual</b> Patrick Brown, Mayor of Brampton Hon. Lisa Raitt, P.C., Co-Chair, Coalition for a Better Future	2023/05/16	69
<b>Advisory Council on Economic Growth</b> Michael Sabia, Member	2023/05/16	69
<b>Canadian Union of Public Employees</b> Diane Therrien, Senior Research Officer	2023/05/16	69
<b>As an individual</b> Dominic Barton, Former Global Managing Director of McKinsey & Company Janice Fukakusa, Inaugural Board Chair of the Canadian Infrastructure Bank Hon. Bill Morneau, P.C., Former Minister of Finance	2023/05/18	70
<b>Canada Infrastructure Bank</b> Bruno Guilmette, Former Interim Chief Investment Officer	2023/05/18	70
<b>As an individual</b> Hon. Bill Morneau, P.C., Former Minister of Finance	2023/06/08	74

## REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 65 to 70, 74, 98, 132 and 133](#)) is tabled.

Respectfully submitted,

Peter Schiefke  
Chair





## Supplementary Report of the Conservative Party of Canada

Conservative Members of the Standing Committee on Transport, Infrastructure and Communities would like to thank the witnesses who made themselves available to share their important perspectives and information with the Committee on the investigation into the role of McKinsey & Co in the creation and beginnings of the Canada Infrastructure Bank. As well, we would like to thank the analysts for their excellent work in compiling and synthesizing the wide-ranging witness testimony.

Conservatives would like to express their disappointment that certain key witnesses, when asked to appear before the Committee, initially declined to participate. Those with key knowledge about the McKinsey contracts – former and current executives from the Canada Infrastructure Bank, McKinsey, and former Liberal Government Cabinet ministers – either did not respond or repeatedly declined to appear before the Committee. This meant that Conservatives, with support from other Opposition Committee members, had to put forward a summons motion in order to compel testimony. This issue only served to underscore Conservatives’ longstanding concerns around lack of transparency at the CIB and the lack of accountability at the top – with the government ministers responsible.

Over the course of the last 9 years, we have seen the current government dramatically increase its reliance on external consultants across departments and agencies. When this study began in 2023, it was on the public record that the government had already awarded \$22 billion dollars in contracts to outside consulting firms. That is an amount equalling \$1,400 a year per Canadian household. The Auditor General has since then found that McKinsey & Co was awarded \$209 million in contracts with 90 percent of the contracts awarded without following the appropriate guidelines. She specifically noted that for two contracts awarded by the Canada Infrastructure Bank, “no evaluation criteria were included in the request for bids or used in the evaluation of bids. No explanation was documented to support why McKinsey & Company was selected.”<sup>1</sup>

Evidence submitted to the Government Operations and Estimates Committee (OGGO), which was also investigating the government’s use of McKinsey consultants, included documents from the Canada Infrastructure Bank. These records revealed some of the internal contract negotiations and the specific access that McKinsey & Co had with CIB executives in its first few years. Because this evidence was not submitted to the Transport Committee, certain excerpts could not be included in the main report. Therefore, Conservatives wish to highlight in this supplementary report what those documents reveal.

Firstly, the records point to the close working relationship between McKinsey and the CIB in its initial stages. This even included looking to McKinsey for hiring recommendations, which

---

<sup>1</sup> Office of the Auditor General of Canada, [2024 Report 5—Professional Services Contracts](#), June 2024.

prompted a suggestion that the CIB consider hiring a McKinsey manager (this is referenced on pg. 29 of the report).

Secondly, there is evidence of a significant conflict of interest – or, at the very least, the appearance of one – around Dominic Barton’s involvement with McKinsey while he was Ambassador to China. As the Committee’s report explains, Mr. Barton was the government-appointed Chair of the Minister’s Advisory Council on Economic Growth when he was the Global Managing Partner of McKinsey. That Council had recommended the creation of the CIB, which proceeded to award contracts to McKinsey when it was set up. A few years later, when Dominic Barton was no longer working for McKinsey but was serving as Canada’s Ambassador to China, he was invited to participate in a McKinsey-hosted workshop for the CIB. While Mr. Barton denied that he was aware of McKinsey involvement and instead described it as a call or “conversation” with the CIB, documents submitted to OGGO contradict Mr. Barton’s testimony. Emails indicate McKinsey staff had knowledge of Mr. Barton’s schedule, and a memo to the CIB, written on McKinsey letterhead, summarizes “two working sessions with leading thinkers in Canadian infrastructure to gather thoughts on the CIB’s mandate and potential strategic vectors.” The McKinsey memo states that the second session was with Dominic Barton and Mark Wiseman.

In conclusion, Conservatives wish to underscore that while we support most of the report’s recommendations that call for a reduction of the use of consultants and for more transparency and accountability at the CIB, Conservatives ultimately remain in agreement with the sole recommendation of the third report of the Committee – that the Canada Infrastructure Bank be abolished. After 7 years, the CIB has failed to deliver on its core mandate and promised value; it has spent more on salaries and bonuses than on infrastructure projects; it has made several investment decisions that call into question the ability of the CIB to make sound investments that result in built infrastructure serving the best interests of Canadian communities; and it has failed to meet the expected levels of transparency for a publicly funded bank.

Supplementary opinion of the Bloc Québécois to the Report of the Standing Committee on Transport, Infrastructure and Communities (TRAN) on the role of McKinsey & Company in the creation and beginnings of the Canada Infrastructure Bank (CIB).

The Bloc Québécois notes the extent to which a private firm such as McKinsey can exert influence on the direction of public policies for which the federal government is responsible. It is to such a degree that this private firm, by interfering in the government apparatus, drew up the outlines of the CIB and then placed its employees in the latter's organizational chart.

In a democracy, it is up to elected officials to decide on political directions and for the civil service to support their implementation. Not up to employees of private companies whose integration into the civil service has been imposed at great expense.

It is clear that the firm McKinsey and the CIB are in a blatant conflict of interest. Indeed, leaders of one or the other of these organizations play key roles at the head of government offices or at the head of private sector offices and are even found in the organizational chart of Canadian diplomacy.

Like revolving doors between high spheres of influence, these actors position themselves sometimes in a position of public influence, sometimes in a position of private influence. It goes without saying that the proximity between these stakeholders and decision-makers is worrying.

The federal government's incursions into areas of jurisdiction are legion. That the CIB has dealt with the firm McKinsey is not surprising and stems from this mania of the Canadian government. The Bloc Québécois believes that this desire for federal interference in Quebec's jurisdictions will only cease with the status of a sovereign state for the nation of Quebec.



## **NDP SUPPLEMENTARY REPORT ON THE ROLE OF MCKINSEY & COMPANY IN THE DEVELOPMENT AND EARLY STAGES OF THE CANADA INFRASTRUCTURE BANK**

The New Democratic Party agrees with most of the findings and recommendations of the Committee's report which details the influence of McKinsey & Company on the creation and early stages of the Canada Infrastructure Bank(CIB). Specifically, the NDP supports the conclusion drawn by many witnesses that McKinsey's influence in the creation and early operations of the CIB presents a troubling conflict of interest. The NDP also agrees with the recommendations calling on the government to, avoid the use of pro bono services from private consulting firms, increase its due diligence around conflicts of interest, minimize the CIB's reliance on internal consultants by increasing internal capacity, and establish a sustainability requirement for all CIB projects.

This supplementary report aims to highlight further witness testimony detailing the systemic problems with both the use of external consultants, and the public-private-partnership (P3) model, that is central to the CIB's mandate.

While the NDP supports the concept of an infrastructure bank, the Liberals' chosen model for the CIB is inherently flawed, costs taxpayers more, leads to worse project outcomes, and increases the risk of to corruption. The committee heard from multiple witnesses who recommended that the CIB be reformed to a fully public model.

*"The CIB must change its core mandate and reorient back towards a truly public model, wherein the beneficiaries are citizens, community members and Canadians across the country."*- [Diane Therrien, Senior Research Officer, Canadian Union of Public Employees](#)

These witnesses pointed out that, despite the assertions by the government and P3 advocates that P3s save the taxpayer money and offload risk onto private corporations, in reality, this model costs taxpayers more, reduces transparency and accountability, has poorer project outcomes, and leaves taxpayers holding the risk when projects fail.

*"Independent audit studies that have looked at the P3 experiences have almost universally said this actually costs more and delivers less, whether they're cutting corners, whether they're reducing the wages of workers or whether it's the precarity of workers. What we do know is that we used to have a huge pool of capital to support infrastructure investment. It was called the Canada pension plan. That money was available at cost. Government bonds are lower than the normal prime interest rate. That's what supported municipalities, regions and provinces in the past."*- [John Cartwright, Chairperson, Council of Canadians](#)

*“With regard to P3 models, we've seen and have experience with the fact that, again, it puts municipalities in particular in a precarious situation when they have reliance on these private corporations, if anything goes wrong. We've seen examples of that across the country. There was one in Edmonton where private waste collectors went bankrupt, and then trash wasn't picked up for a couple of weeks until the municipal government and the public works figured out a strategy to do that.” - [Diane Therrien, Senior Research Officer, Canadian Union of Public Employees](#)*

In conclusion, given that the majority of research has shown that P3s are a more costly and risky model for citizens; and that with its current mandate, the CIB has not only been heavily influenced by corporate interests but has failed to live up to the promises made by the Liberal government, the NDP recommends that the core mandate of the CIB be reformed to a fully public model, designed to benefit the Canadian public rather than corporate interests.

#### **NDP Recommendation**

**That the Government of Canada reform the core mandate of the Canada Infrastructure Bank to a public model, wherein the beneficiaries are citizens, community members and Canadians across the country, rather than private corporations and shareholders.**