

FEDERAL INFRASTRUCTURE FUNDING UPDATE

Under its Economic Action Plan, the Government is accelerating and expanding federal investments in infrastructure with almost \$12 billion in new infrastructure stimulus funding over two years. This is in addition to earlier commitments of \$33 billion through to 2014.

Taking immediate action will provide timely economic stimulus by creating jobs across Canada, particularly in the construction, engineering and manufacturing sectors as well as generating significant economic spinoff activity. Furthermore, these investments will help Canada emerge from this economic crisis with a more modern and greener infrastructure that is the foundation of sustainable long-term economic growth.

The role of the construction industry is paramount in ensuring the success of this stimulus plan and the sector well knows the long-term importance of modern infrastructure.

On June 11, 2009, the Government of Canada tabled its second status report to Parliament and Canadians on Canada's Economic Action Plan. The Plan highlighted the immense progress that has already been made to stimulate the economy through infrastructure investments.

To date, the Government of Canada has committed approximately \$2.8 billion of the \$4-billion Infrastructure Stimulus Fund, and more than 1700 projects **have federal approval** to start work.

INFRASTRUCTURE STIMULUS UNDERWAY

The Government of Canada's 2009 Economic Action Plan is a set of stimulus initiatives that are being implemented in record time, and includes almost \$12 billion in new infrastructure stimulus funding over two years. To date there is significant progress being made on initiatives such as:

- ✓ The new Infrastructure Stimulus Fund
- ✓ An Accelerated Building Canada Fund
- ✓ An Accelerated Provincial/Territorial Base Fund
- ✓ The new Green Infrastructure Fund
- ✓ The Municipal Infrastructure Lending Program

On June 11, 2009, the Government of Canada provided a full update on the Economic Action Plan in its Second Report to Canadians, and will provide its Third Report to Canadians in September.



INFRASTRUCTURE STIMULUS FUND

Canada's Economic Action Plan includes a new \$4 billion Infrastructure Stimulus Fund (ISF):

- ✓ To date, the Government of Canada has committed about \$2.8 billion of the \$4-billion Infrastructure Stimulus Fund.
- ✓ To date, more than 1700 infrastructure projects have been approved across Canada which means they can proceed to tender and construction (In a small number of cases, proponents have been notified that some additional work may be required prior to them starting construction).
- ✓ As of June 6, 2009, about 60 per cent of the funds committed under the ISF are for municipal and community projects.
- ✓ Regulatory and approval processes for infrastructure projects have been streamlined, and this spring the federal government launched a one page infrastructure funding application form for the ISF and the Accelerated Building Canada Fund.

The unprecedented funding for infrastructure projects and the streamlining of processes means the federal government is providing opportunities for the construction sector.

IMPORTANT UPDATES:

In almost all cases, the Infrastructure Stimulus Fund money flows through agreements with provinces and territories, who in turn sign agreements with municipalities for the transfer of funds. **Once projects are announced under the Infrastructure Stimulus Fund, unless the province or territory is notified otherwise, this means that all federal approvals and environmental assessments are complete and project work can begin as soon as your province or territory has signed-off.**

The Government of Canada is also advancing up to 30 per cent of this year's share of all eligible costs for stimulus projects to the provinces and territories. Provinces and territories should be providing these up-front funds as quickly as possible through their agreements with municipal governments. The rest of the federal funding flows as fast as the project is built and claims submitted. Provinces and territories submit expense claims quarterly to the Government of Canada for payment, which usually takes no more than 30 days. Canada provides funding within 30 days to the provinces and territories who are responsible for flowing funds to municipal governments who then pay contractors to reimburse costs incurred.

The Government of Canada has made an important change with respect to the completion of projects under the Infrastructure Stimulus Fund. **Only projects that can be built by March 31, 2011 are eligible** and proponents must attest to this in their application. However, if a project is not completed by March 31, 2011, the federal government will no longer seek a repayment of its contribution paid to date provided that the municipality commits to completing the project at their expense as soon as possible. **The federal government will pay its share of costs incurred up to March 31, 2011.** It will not provide any funding beyond this date. This addresses concerns that failure to complete a stimulus project by that date would result in a 100 per cent claw-back of federal funding.

Further information on the ISF and all projects announced to date can be found at www.creatingjobs.gc.ca. Canada will continue to communicate and advise municipalities and their associations of further intakes for municipal projects under the Infrastructure Stimulus Fund.

ACCELERATED BUILDING CANADA FUND

Canada's Economic Action Plan includes a strategy to accelerate spending from the 7-year Building Canada Fund (BCF).

- ✓ Since January 2009, the federal government has announced over \$2 billion for 62 major infrastructure projects, and has now allocated 65% of the major project funding envelope.
- ✓ Examples include the Evergreen Line in Vancouver, Telus World of Science in Calgary and the Desjardins water treatment facility in Lévis.
- ✓ Since January 2009, over \$1 billion in federal funding has been approved for over 1000 projects in smaller communities under 100,000 people, as part of the Communities Component.



COMMUNITIES COMPONENT OF THE BUILDING CANADA FUND

Canada's Economic Action Plan provides up to \$500 million over two years to top up the \$1.1-billion Communities Component of BCF, which provides targeted support to small communities that have unique infrastructure needs. To access this top-up, provinces and territories must use their original share of the Communities Component of the Building Canada Fund.

This initiative is progressing at rapid speed. Calls for proposals have now closed in all provinces except Quebec, which has a continuous intake. The top-up funding has been fully approved in seven of ten provinces, including Nova Scotia (\$14 million for 38 projects); Manitoba (\$18 million for 22 projects) Alberta (\$52 million for 40 projects), Newfoundland and Labrador (\$7.4 million for 18 projects), Prince Edward Island (\$2.1 million for 1 project), Ontario (\$194 million for 182 projects) and Saskatchewan (\$15.1 million for 46 projects).

PROVINCIAL/TERRITORIAL BASE FUND

In Canada's Economic Action Plan, the federal government is also accelerating infrastructure spending under the **Provincial/Territorial Base Fund**.

- ✓ Since January, the Government of Canada has transferred \$430 million under the Provincial/Territorial Base Fund to provinces for construction projects.

GREEN INFRASTRUCTURE FUND

Canada's Economic Action Plan includes a new \$1-billion Green Infrastructure Fund (GIF), which will provide \$1 billion over five years to spend on green infrastructure that will improve the quality of the environment and lead to a more sustainable economy over the longer term.

- ✓ The Government of Canada officially launched the new Green Infrastructure Fund in May, and is contributing up to \$71 million towards Yukon's Mayo B hydro and Carmacks-Stewart transmission project.

WORKING TOGETHER

The Government of Canada recognizes the important role the construction industry plays in ensuring the success of stimulus initiatives. This is an enormous, unprecedented undertaking that is moving forward thanks to construction workers across the country whose contributions ensure that shovels are in the ground and will continue to be there for the next two years and beyond.

Together, we can keep Canada's Economic Action Plan moving forward, creating jobs and building communities.



The Government of Canada and the Canadian Construction Association are committed to keeping members informed on the progress of federal funding. If you have any questions, please contact the CCA's Department of Government Relations & Public Affairs at bferreira@cca-acc.com, or Infrastructure Canada at info@creatingjobs.gc.ca.

For more information on federal infrastructure initiatives, please visit www.creatingjobs.gc.ca and www.actionplan.gc.ca.

Speech by John Baird, Canada's Minister of Transport and Infrastructure, on June 8, 2009, to the Federation of Canadian Municipalities' 72nd Annual Conference:

<http://www.creatingjobs-creerdesemplois.gc.ca/media/speeches-discours/2009/20090608whistler-eng.html>