



BACKGROUND PAPER

OVERVIEW OF CANADA'S LONG-TERM INFRASTRUCTURE PLAN

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Geneviève Gosselin
Emmanuel Preville
Economics, Resources and International Affairs Division
Parliamentary Information and Research Service

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Overview of Canada's Long-term Infrastructure Plan
(Background Paper)

Publication No. 2019-38-E

Ce document est également publié en français.

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EXECUTIVE SUMMARY

Through the Investing in Canada plan, the Government of Canada has committed to providing more than \$187 billion in infrastructure funding over 12 years, including through bilateral agreements with the provinces and territories. Infrastructure Canada is the government agency responsible for coordinating the Investing in Canada plan and reporting on results; however, the investments made through the plan will be delivered by 14 federal departments and agencies.

In addition to the infrastructure programs in place prior to Budget 2016 (representing approximately \$92 billion in funding), phases I and II of the Investing in Canada plan outlined investments of \$14.4 billion and \$81 billion, respectively. Accelerated spending in phase I sought to stimulate short-term economic growth, while phase II spending was intended to establish a longer-term infrastructure plan. Funds through the Investing in Canada plan are aligned with the following five priority investment streams:

- public transit;
- green infrastructure;
- social infrastructure;
- rural and northern communities; and
- trade and transportation infrastructure.

In phase II of the plan, Infrastructure Canada added two new requirements for projects costing \$10 million and over. Going forward, proponents must take into account how the project will affect climate change and must set targets for community employment benefits for under-represented groups. The September 2019 update from Infrastructure Canada indicated that 48,700 projects have been approved to date as part of the Investing in Canada plan.

In the fall of 2016, the government announced that it would be providing \$35 billion in federal funding over 11 years to the newly established Canada Infrastructure Bank (CIB), also as part of the Investing in Canada plan.

The Parliamentary Budget Officer (PBO), the House of Commons Standing Committee on Transport, Infrastructure and Communities and the Standing Senate Committee on National Finance have all reviewed the federal government's infrastructure spending. They identified that the federal funds allocated during phase I of the plan lagged behind the timeline established in Budget 2016. According to one PBO report, these delays were largely due to implementation delays at the provincial or municipal level.

OVERVIEW OF CANADA'S LONG-TERM INFRASTRUCTURE PLAN

1 INTRODUCTION

Public infrastructure is “the set of basic facilities and systems required for a country, city or community to function” and includes public transit networks, electricity grids, clean water systems, and health care, sports and recreational facilities.¹ Infrastructure is critical to the economic vitality of a country and the well-being of its population. In Canada, the various levels of government share responsibility for establishing and maintaining public infrastructure, as well as replacing aging facilities that have reached the end of their useful life.

The Government of Canada has invested in infrastructure across the country in a number of ways, including through the Office of Infrastructure Canada, established in 2002; the Gas Tax Fund, established in 2005 to transfer funds to municipalities for infrastructure projects; the Building Canada Plan of 2007; and the New Building Canada Plan of 2014. More recently, as part of the Investing in Canada plan launched in 2016, the Government of Canada committed to investing more than \$187 billion over 12 years in infrastructure, including through bilateral agreements with the provinces and territories. Of this total amount, approximately \$95 billion is new investments and just over \$92 billion comes from existing programs.²

Infrastructure Canada is the government agency responsible for coordinating the plan and reporting on results; however, the investments are to be delivered by 14 different federal departments and agencies. The Canada Infrastructure Bank, created as part of the Investing in Canada plan, also invests in infrastructure projects and has been allocated \$35 billion in federal funding over 11 years.³

The Investing in Canada plan was implemented in two phases, launched through Budget 2016 and Budget 2017, respectively. The accelerated spending in phase I sought to stimulate short-term economic growth and focused on public transit projects and water and wastewater systems. Phase II funding is divided into five priority streams: public transit, green infrastructure, social infrastructure, trade and transportation, and rural and northern communities.

This paper provides an overview of the Investing in Canada plan, with a focus on the programs administered by Infrastructure Canada.

2 INVESTING IN CANADA PLAN

2.1 PHASE I

In Budget 2016, the Government of Canada introduced its new infrastructure plan, called “Investing in Canada.” Phase I of the plan outlined investments of approximately \$11.9 billion over five years, beginning in 2016, in green infrastructure, clean water and wastewater treatment systems, public transit networks and social infrastructure.⁴ The funding breakdown was as follows:



\$3.4 billion over three years for public transit;



\$5.0 billion over five years for green infrastructure and clean water and wastewater infrastructure projects; and



\$3.44 billion over five years for social infrastructure.

Phase I also included \$500 million over five years to improve broadband services in rural and remote communities and \$2 billion over three years for infrastructure for post-secondary institutions. These investments are in addition to the \$11.9 billion mentioned above, representing a total of \$14.4 billion in new funding.⁵

2.1.1 Federal Contributions

Phase I of the plan featured an accelerated funding process for infrastructure projects involving public transit and access to clean water and wastewater treatment systems through the Public Transit Infrastructure Fund (PTIF) and the Clean Water and Wastewater Fund (CWWF).⁶ Bilateral agreements were signed between Infrastructure Canada and its provincial and territorial counterparts beginning in April 2016.⁷ The agreements outlined the proposed amounts under both programs for each province and territory, the project selection and approval criteria, and federal payment conditions.⁸

In general, federal infrastructure contributions are made through cost-sharing agreements with other levels of government.⁹ To benefit from the PTIF and CWWF programs, the provinces and territories must work with municipalities to identify eligible projects and submit a list of projects to Infrastructure Canada for approval. The provinces and territories are responsible for submitting a claim for eligible expenses for all projects undertaken.

Under the terms of the CWWF and PTIF programs, the total federal contribution cannot exceed 50% of eligible expenditures for projects in the provinces, or 75% of eligible expenditures for projects in the territories. Initially, the provinces and

territories had until 31 March 2018 to incur eligible expenditures under the two programs, but at their request the federal government agreed to give them until 31 March 2020.

Budget 2016 forecast that phase I of the Investing in Canada plan and other budget measures would raise the level of real Gross Domestic Product (GDP) by 0.5% for 2016–2017 and by 1.0% for 2017–2018, which was expected to create or save 43,000 jobs in 2016–2017 and 100,000 jobs in 2017–2018. The impact of infrastructure investments was forecast to be 0.2% of the 0.5% total impact on real GDP in 2016–2017, and 0.4% of the 1.0% total real GDP growth in 2017–2018.

2.1.2 Parliamentary Budget Officer Reports

In a report published on 29 March 2018, entitled *Status Report on Phase I of the New Infrastructure Plan*, the Parliamentary Budget Officer (PBO) indicated that “more than half [\$7.2 billion] of the money intended for short-term stimulus will now be spent beyond 2016-17 and 2017-18.” According to the PBO, this delay in infrastructure spending significantly reduced the intended economic impact of phase 1:

Based on the updated profile provided in Budget 2018, we estimate that Budget 2016 infrastructure spending raised the level of real GDP by 0.1% in 2016-17 and 2017-18, increasing the overall level of employment by between 9,600 and 11,100 jobs in 2017-18.¹⁰

In a 22 August 2018 report entitled the *Status Report on Phase I of the Investing in Canada Plan*, the PBO said that data had been requested from the departments and agencies responsible for implementing phase I of the Investing in Canada plan, and that they provided details on \$13.7 billion in spending, or 95% of the total phase I budget of \$14.4 billion. The balance was attributed to the inability of some departments to provide the requested information and to Infrastructure Canada’s decision to transfer just over \$0.2 billion from phase I to phase II.¹¹

The PBO also noted in its August 2018 report that the “spending delays are largely attributable to implementation delays by provincial and municipal governments.” According to the PBO, the most recent data seem to indicate that “Phase I infrastructure investment in 2017-18 increased GDP between 0.13 and 0.16 per cent and created between 9,700 and 11,600 jobs.”¹²

In another report published on 13 March 2019, entitled *Infrastructure Update: Investments in Provinces and Municipalities*, the PBO concluded that funding granted through the Investing in Canada plan did not result in increased provincial capital spending. The introduction of the plan may have displaced investments or caused the provinces to postpone or cancel capital spending.¹³ In a report published on

9 April 2019, entitled *Infrastructure Update: Investments in Territories*, the PBO also concluded that the introduction of the Investing in Canada plan did not result in increased territorial capital spending.¹⁴

However, the analysis of the incremental impact of the Investing in Canada plan included in the PBO's report of 13 March 2019 appears to indicate that municipal spending on capital was higher in 2017-2018 than it would have been without the investments made under the plan.

2.1.3 Progress Billing

As mentioned above, federal infrastructure contributions are usually made through cost-sharing agreements with municipalities or with the provinces and territories. The provinces and territories must submit claims to Infrastructure Canada to receive the federal contribution associated with various projects.

In Budget 2019, the Government of Canada recognized that “the pace of spending under the Investing in Canada Plan has been slower than originally anticipated” for a number of reasons, including delays between construction activity and receipt of claims for payment, and some jurisdictions being slower to prioritize projects than expected.¹⁵ The government has said that it is working with the provinces and territories to streamline the process to prioritize projects for funding and to improve financial reporting so that it is clear when federal funds will flow to the recipients.

Infrastructure Canada also indicated in a news release in December 2018 that a pilot project on progress billing would be developed with the provinces and territories to “ensure payments are made as construction takes place.”¹⁶

2.2 PHASE II

In the 2016 Fall Economic Statement, the government provided further details on phase II of the Investing in Canada plan. It announced additional investments of more than \$81 billion over 11 years, beginning in 2017–2018 (in addition to the \$14.4 billion outlined in Budget 2016).¹⁷ If the existing infrastructure programs (\$92 billion) and the new investments announced as part of the plan are both included, the total planned investments exceed \$187 billion over 12 years. The federal government committed to dividing the new investment of more than \$81 billion over 11 years as follows:



\$25.3 billion for public transit;



\$21.9 billion for green infrastructure;



\$21.9 billion for social infrastructure;



\$10.1 billion for trade and transportation projects; and



\$2.0 billion for rural and northern community infrastructure projects.

Of the just over \$81 billion in new funding outlined in the 2016 Fall Economic Statement and described in more detail in Budget 2017,¹⁸ \$33 billion will be delivered through new bilateral agreements between Infrastructure Canada and the provinces and territories, distributed among the following priority streams:¹⁹



\$20.1 billion for public transit;



\$9.2 billion for green infrastructure;



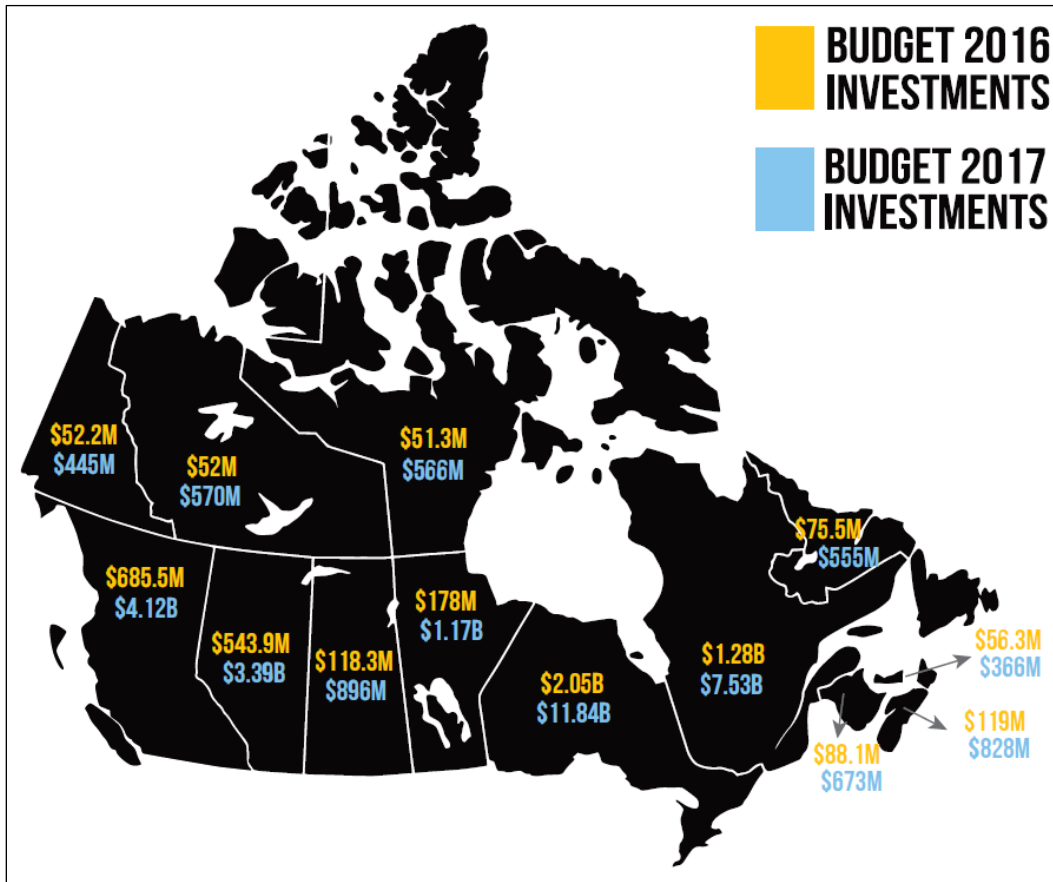
\$1.3 billion for social infrastructure; and



\$2.4 billion for rural and northern community infrastructure projects.²⁰

Figure 1 shows the federal infrastructure investment allocations by province and territory, as outlined in the bilateral agreements signed as part of the Investing in Canada plan.

Figure 1 – Federal Infrastructure Investment Allocations by Province and Territory, According to the Bilateral Agreements of 2016 and 2018



Note: The 2018 bilateral agreements are the agreements signed further to the investments announced in Budget 2017.

Source: Infrastructure Canada, [Investing in Canada: \\$180 + billion infrastructure plan over 12 years](#).

2.2.1 Federal Contributions

According to the terms of the bilateral agreements reached with the provinces and territories, the federal government will invest up to 40% of the cost of municipal and not-for-profit infrastructure projects in the provinces, up to 50% of the cost of provincial projects, up to 75% of the cost of projects in the territories and of projects with Indigenous partners, and up to 25% of the cost of for-profit private sector projects. The provinces must cover at least one-third of eligible costs for municipal projects. For infrastructure projects in rural and northern communities, the federal government will cover up to 60% of the cost of municipal projects where municipalities have fewer than 5,000 residents and up to 50% of the cost for provincial, municipal and not-for-profit projects. For public transit, the federal government will invest up to 40% of the cost of new public transit construction and expansion projects and up to 50% of the cost of rehabilitation projects.²¹

Not all of Infrastructure Canada's new initiatives take the form of bilateral agreements.²² Other initiatives include the following:

- the Smart Cities Challenge (\$300 million);²³
- the Canada Infrastructure Bank (\$35 billion); and
- the Disaster Mitigation and Adaptation Fund (\$2 billion).²⁴

2.2.2 Climate Lens

To better understand how infrastructure projects affect climate change and to encourage behavioural changes, Infrastructure Canada added a new requirement for bilateral agreements in phase II of the Investing in Canada plan. The climate lens targets public infrastructure projects costing \$10 million or greater, as well as projects associated with greenhouse gas (GHG) mitigation and climate change resilience. Project submissions under the Disaster Mitigation and Adaptation Fund and the Smart Cities Challenge winners must also meet this new requirement.

Going forward, proponents will have to consider the effects on climate change during an infrastructure project's planning and design phase. They will have to assess whether their project will result in a reduction or an increase in GHG emissions and if it is resilient to climate change. Proponents will have to submit the assessment results to Infrastructure Canada for consideration during the project approval process. Infrastructure Canada has developed its own guidelines, but it may also accept equivalent assessments developed by the provinces and territories.²⁵

2.2.3 Community Benefits

The federal government added another requirement to the phase II bilateral agreements. Infrastructure projects over the eligible cost threshold negotiated by the jurisdiction where the project is located will be required to assess community employment benefits for under-represented groups. Community benefits include employment and training opportunities, as well as procurement opportunities for small and medium-sized enterprises.

According to Infrastructure Canada's guidelines, the new community employment benefits initiative seeks to "encourage project planners and communities across the country to take advantage of their infrastructure projects to support the diversification of recruitment, training and procurement practices." Proponents, in collaboration with the provinces and territories, will have to set community employment targets for at least three of the under-represented groups targeted by the initiative (i.e., apprentices; Indigenous peoples; women; persons with disabilities; veterans; youth; recent immigrants; and small, medium-sized and social enterprises).²⁶

While the information on community employment benefits is not an eligibility criterion for project funding, the provinces and territories must indicate whether this information has been included in project submissions when they are sent to Infrastructure Canada for approval. A province or territory that chooses to exempt a project from the initiative must provide its rationale (which will be made public by Infrastructure Canada).

Projects under the Smart Cities Challenge and the Disaster Mitigation and Adaptation Fund must also meet this requirement.

2.2.4 Canada Infrastructure Bank

In the 2016 Fall Economic Statement, the federal government confirmed the creation of the new Canada Infrastructure Bank (CIB) and outlined its mandate. Division 18 of Part 4 of the *Budget Implementation Act, 2017, No. 1* (formerly Bill C-44) enacted the *Canada Infrastructure Bank Act*,²⁷ which established the CIB as a Crown corporation and outlined its powers and functions, its governance framework and its financial management and control.²⁸ According to section 6 of the *Canada Infrastructure Bank Act*, the purpose of the CIB is as follows:

[T]o 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.

According to the CIB's Statement of Priorities and Accountabilities, Parliament approved a budget of \$35 billion over 11 years under the *Canada Infrastructure Bank Act* and gave the CIB the authority to contribute to infrastructure projects through equity investments, loans and loan guarantees.²⁹ Infrastructure Canada indicated that \$15 billion of the \$35 billion would be allocated through the federal government's infrastructure plan (Investing in Canada), to be invested as follows: \$5 billion for public transit systems, \$5 billion for trade and transportation corridors, and \$5 billion for green infrastructure projects.³⁰

According to the CIB's *Summary Corporate Plan 2019-20 to 2023-24*, it began to operate in late 2017.³¹ Its President and Chief Executive Officer, Pierre Lavallée, was appointed in May 2018. The CIB then announced its first credit agreement with Réseau express métropolitain (REM) in Montréal in August 2018, taking the form of a \$1.28-billion loan over 15 years. The CIB estimated that its investment commitments for the next five years (2019–2020 to 2023–2024) would range from \$1.5 billion to \$4 billion per year.

As of 9 September 2019, the CIB had announced its involvement in seven projects, of which four are investment commitments, two are memoranda of understanding and one is an advisory services agreement.³²

2.2.5 Total Investments in Phases I and II of the Investing in Canada Plan

The total amounts of new investments under the government's infrastructure plan is listed below. These amounts were announced in Budget 2016 (phase I) and Budget 2017 (phase II). They do not include investments under existing programs.



\$28.7 billion for public transit
(\$3.4 billion in Budget 2016, \$20.3 billion in Budget 2017 and \$5.0 billion through the CIB);



\$25.3 billion for social infrastructure
(\$3.4 billion in Budget 2016 and \$21.9 billion in Budget 2017);



\$26.9 billion for green infrastructure
(\$5 billion in Budget 2016, \$16.9 billion in Budget 2017 and \$5.0 billion through the CIB);



\$10.1 billion for trade and transportation projects
(\$5.1 billion in Budget 2017 and \$5 billion through the CIB); and



\$2.4 billion for infrastructure projects in rural and northern communities
(Budget 2017).

In its most recent spending tracking updates for the Investing in Canada plan, the Government of Canada added a category for “Other/Multi-Stream” with \$2.4 billion in funding, including the \$2 billion in Budget 2016 for post-secondary institutions and the \$300 million for the Smart Cities Challenge.³³

2.3 PROGRAMS EXISTING PRIOR TO BUDGET 2016

As mentioned above, the Investing in Canada plan includes approximately \$92 billion in funding allocated through existing programs. These programs are delivered by various departments and agencies.

Table 1 shows the existing programs, broken down by department and agency, and the funding allocated, for a total of approximately \$92 billion.

Table 1 – Existing Programs Included in the Investing in Canada Plan

Department or Agency	Program Name	Allocation (\$millions)
Employment and Social Development Canada	Homelessness Partnering Strategy	357
Infrastructure Canada	Nine initiatives, including the New Building Canada Fund and the Gas Tax Fund	57,513
Regional development agencies	Canada 150 Community Infrastructure Program	147
Canadian Heritage	Canada Cultural Spaces Fund	360
Indigenous Services Canada	Six initiatives, including Support for Education Facilities and Social Community Infrastructure	16,157
Canada Mortgage and Housing Corporation	Existing Housing Programs	17,262
Transport Canada	Asia–Pacific Gateway and Corridor Initiative and the Gateways and Border Crossings Fund	341

Source: Table prepared by the authors based on data obtained from Infrastructure Canada, [Building a Better Canada: A progress report on the Investing in Canada plan 2016–2019](#), May 2019, p. 59.

2.3.1 Gas Tax Fund

The Gas Tax Fund (GTF) was established in 2005. At the time, it was intended to be a temporary investment of \$5 billion over five years. The federal government announced in Budget 2008 that funding to the GTF would increase to \$2 billion in 2009–2010 and stay at that level until 2013–2014. It also announced that the GTF would become a permanent measure.³⁴ In Budget 2013, the federal government announced that the GTF would be indexed at 2% per year beginning in 2014–2015.³⁵ The GTF provides municipalities with over \$2 billion per year in stable, long-term infrastructure funding.

Agreements were signed between the Government of Canada and the provinces and territories when the GTF was established, and they were renewed in 2014–2015.³⁶ The GTF funding was allocated to the provinces and to First Nations communities on reserves in the provinces according to population (see allocations in Table 2, Figure 2 and Figure 3, below). A minimum level of funding – 0.75% of the total annual funding (\$85.5 million over five years) – was allocated to each of the territories and to Prince Edward Island (the least-populated regions). Provincial and territorial governments must allocate funding to municipalities according to the terms of the funding agreements. Municipalities determine which projects to prioritize, and they have significant flexibility in how the funds are used: they can bank and borrow against the funds they receive, as well as pool funds.³⁷

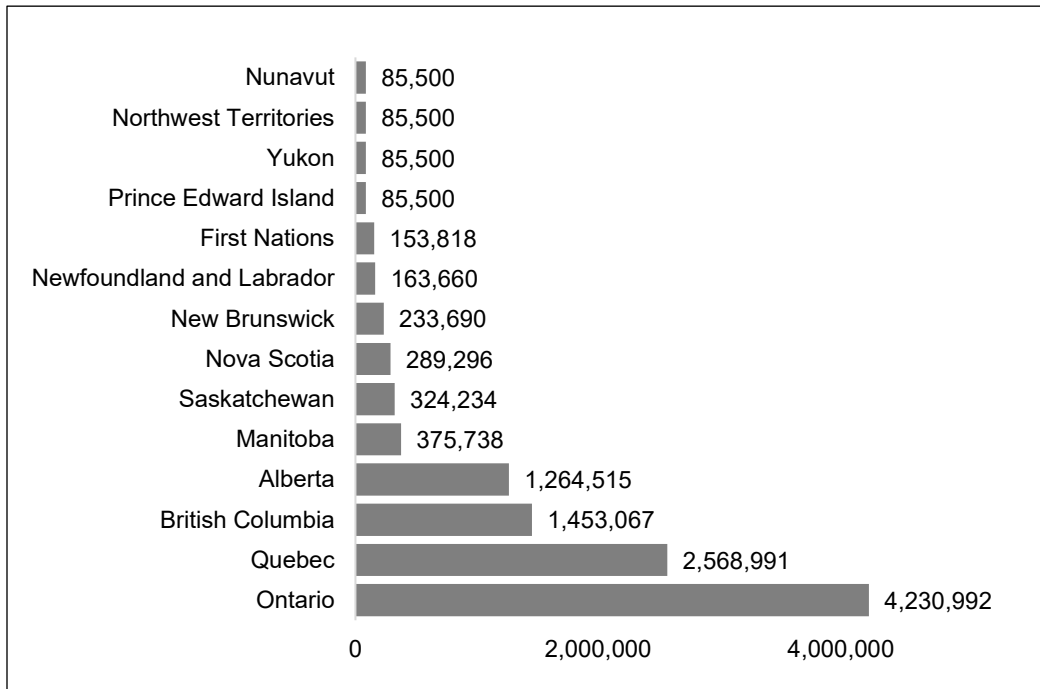
As part of Budget 2019, the Government of Canada announced a one-time transfer of \$2.2 billion through the GTF, doubling the federal government's commitment for 2018–2019 to a total of \$4.4 billion.³⁸

Table 2 – Federal Gas Tax Fund Allocations, 2019–2024 (\$thousands)

Jurisdiction	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024	Total: 2019–2024
British Columbia	280,416	280,416	293,163	293,163	305,909	1,453,067
Alberta	244,029	244,029	255,121	255,121	266,214	1,264,515
Saskatchewan	62,571	62,571	65,416	65,416	68,260	324,234
Manitoba	72,511	72,511	75,807	75,807	79,103	375,738
Ontario	816,507	816,507	853,621	853,621	890,735	4,230,992
Quebec	495,770	495,770	518,305	518,305	540,840	2,568,991
New Brunswick	45,098	45,098	47,148	47,148	49,198	233,690
Nova Scotia	55,829	55,829	58,367	58,367	60,904	289,296
Prince Edward Island	16,500	16,500	17,250	17,250	18,000	85,500
Newfoundland and Labrador	31,583	31,583	33,019	33,019	34,455	163,660
Yukon	16,500	16,500	17,250	17,250	18,000	85,500
Northwest Territories	16,500	16,500	17,250	17,250	18,000	85,500
Nunavut	16,500	16,500	17,250	17,250	18,000	85,500
First Nations	29,684	29,684	31,033	31,033	32,383	153,818
Total	2,200,000	2,200,000	2,300,000	2,300,000	2,400,000	11,400,000

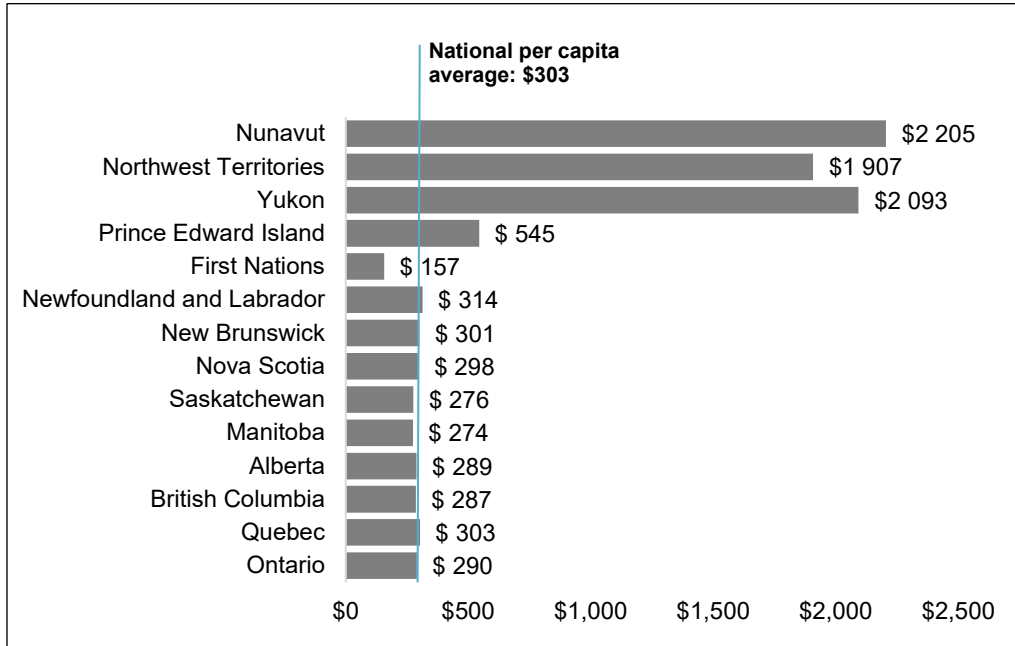
Source: Table prepared by the authors using data from Infrastructure Canada, [Federal Gas Tax Fund Allocation Table](#).

Figure 2 – Federal Gas Tax Fund Allocations by Jurisdiction, 2019–2024 (\$thousands)



Source: Figure prepared by the authors using data from Infrastructure Canada, [Federal Gas Tax Fund Allocation Table](#).

Figure 3 – Federal Gas Tax Fund Allocation Per Capita by Jurisdiction, 2019–2024



Source: Figure prepared by the authors using data from Infrastructure Canada, [Federal Gas Tax Fund Allocation by Province](#).

2.4 UPDATE ON SPENDING IN PHASES I AND II OF THE INVESTING IN CANADA PLAN

Table 3 below shows the funding available through the federal departments and agencies responsible for implementing infrastructure programs as part of the Investing in Canada plan.³⁹ According to the September 2019 implementation progress and funding update, 48,700 projects have been approved to date.

Table 3 – Implementation Progress and Funding Update Under the Investing in Canada Plan by Department and Agency

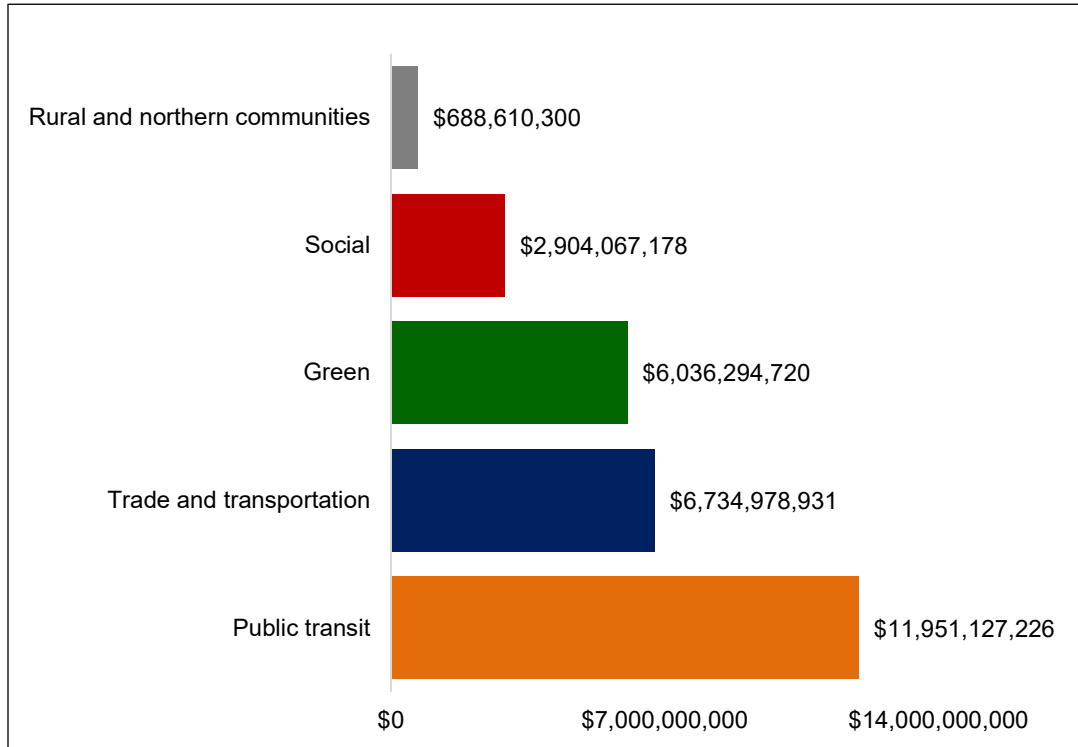
Department or Agency	Total Program Allocation (\$thousands)
Canada Mortgage and Housing Corporation	32,847,800
Canadian Heritage	908,200
Crown-Indigenous Relations and Northern Affairs	644,900
Employment and Social Development Canada	10,152,570
Environment and Climate Change Canada	186,400
Health Canada	1,000,000
Indigenous Services Canada	22,819,700
Infrastructure Canada	114,170,300
Innovation, Science, and Economic Development Canada	2,650,000
Various departments	2,000,000
Natural Resources Canada	967,500
Parks Canada Agency	20,000
Public Health Agency of Canada	15,400
Regional Development Agencies	297,000
Transport Canada	5,735,000
Total ^a	187,999,770

Note: a. Total is less funds in the fiscal framework and other revenues.

Source: Table prepared by the authors using data from Infrastructure Canada, [Funding Delivered under the Investing in Canada plan](#), accessed September 2019.

According to the Investing in Canada plan project map, \$28 billion had been delivered or committed as of September 2019.⁴⁰ The map data can be filtered by priority investment stream. Figure 4 shows that public transit has received the largest share of contributions as of September 2019.

Figure 4 – Federal Contributions Under Phases I and II of the Federal Infrastructure Plan by Stream, as of September 2019

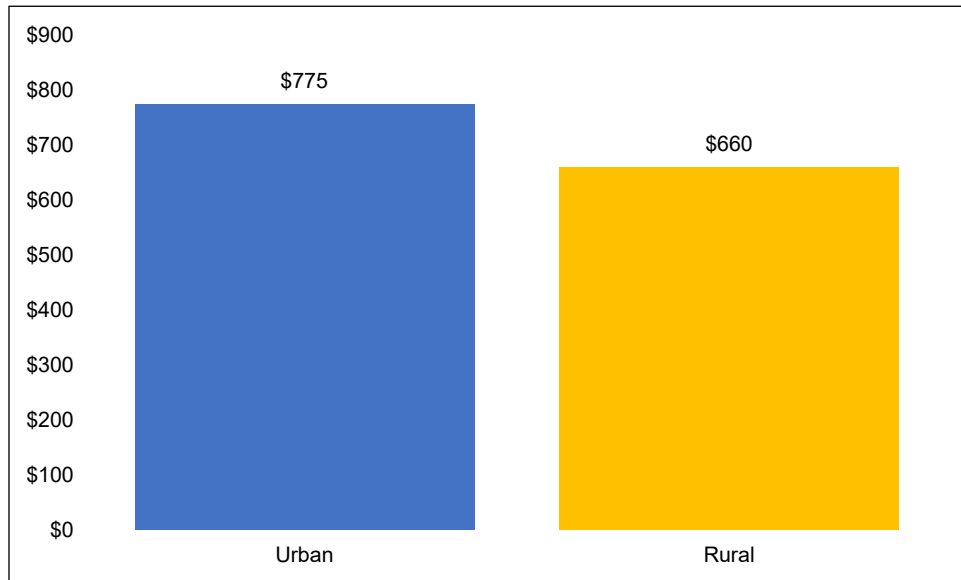


Note: Figures exclude the Federal Gas Tax allocation, the Smart Cities Challenge and the Post-Secondary Institutions Strategic Investment Fund amounts.

Source: Figure prepared by the authors using data from Infrastructure Canada, [Investing in Canada Plan Project Map](#), accessed September 2019.

On average, the per capita amount in urban areas is \$115 higher than in rural areas. This gap results from the largest share of contributions going to public transit projects, which are often located in urban areas. Figure 5 shows the per capita contributions in urban and rural areas.

Figure 5 – Federal Contribution Per Capita, Urban vs Rural, as of September 2019

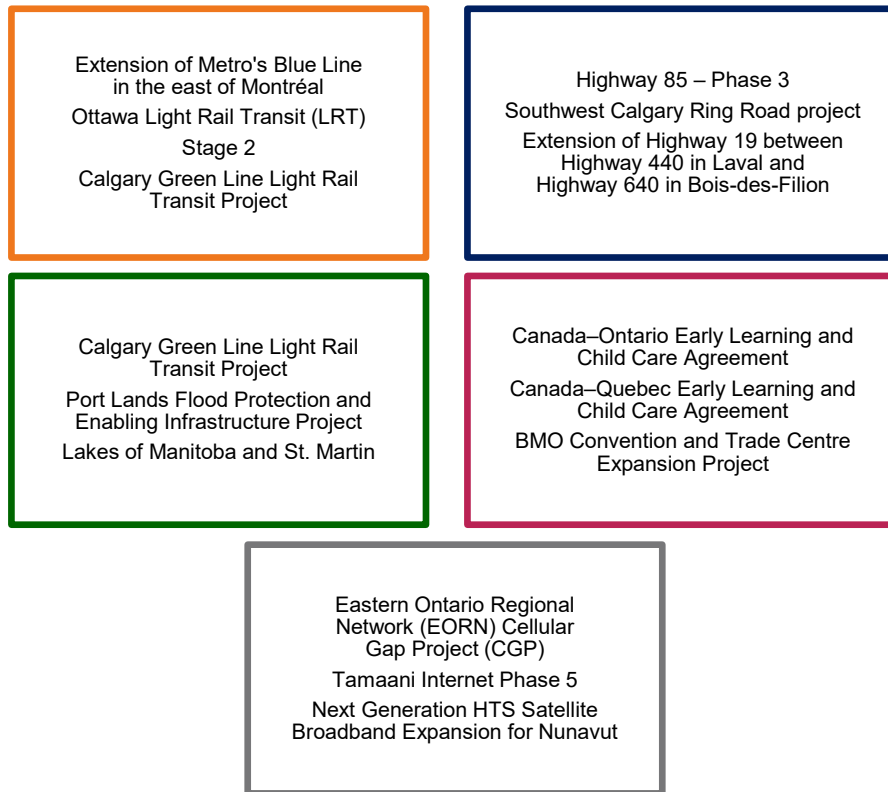


Note: Figures exclude the Federal Gas Tax allocation, the Smart Cities Challenge and the Post-Secondary Institutions Strategic Investment Fund amounts.

Source: Figure prepared by the authors using data from Infrastructure Canada, [Investing in Canada Plan Project Map](#), accessed September 2019.

Lastly, Figure 6 shows the top three projects (in terms of federal contributions) for each of the five streams in the Investing in Canada plan: public transit, trade and transportation, green infrastructure, social infrastructure and rural and northern communities.

Figure 6 – Top Three Infrastructure Projects per Stream by Federal Contribution, as of September 2019



Source: Figure prepared by the authors using data from Infrastructure Canada, [Investing in Canada Plan Project Map](#), accessed September 2019.

As noted above, Infrastructure Canada is responsible for 60% of the total funding allocated through the Investing in Canada plan. Nearly all the projects receiving over \$100 million in federal contributions are obtaining it through an Infrastructure Canada program. This funding is largely being delivered through bilateral infrastructure agreements and programs that were already in place prior to Budget 2016, such as the New Building Canada Fund.

NOTES

1. Infrastructure Canada, [Investing in Canada: Canada's Long-Term Infrastructure Plan](#).
2. Infrastructure Canada, [Funding Delivered under the Investing in Canada Plan](#).
3. Infrastructure Canada, [Canada Infrastructure Bank](#).
4. Department of Finance Canada, [Growing the Middle Class](#), Budget 2016, 22 March 2016, pp. 88–89.
5. Infrastructure Canada, [Investing in Canada plan programs delivered through Infrastructure Canada](#).

6. Ibid. A \$2-billion investment over three years was allocated to the Clean Water and Wastewater Fund [CWWF], and a \$3.4-billion investment, also over three years, was allocated to the Public Transit Infrastructure Fund [PTIF].
7. Infrastructure Canada, [Investing in Canada plan: Infrastructure Canada Bilateral Agreements](#).
8. Under the PTIF, the provinces and territories receive allocations based on ridership. See Infrastructure Canada, [Public Transit Infrastructure Fund \(PTIF\) Allocations](#). Under the CWWF, the provinces and territories receive a base funding allocation of \$50 million and a per capita allocation. See Infrastructure Canada, [Clean Water Wastewater Fund \(CWWF\) Allocations](#).
9. Parliamentary Budget Officer [PBO], [Infrastructure Update: Investments in Territories](#), Ottawa, 9 April 2019, p. 4.
10. PBO, [Status Report on Phase 1 of the New Infrastructure Plan](#), Ottawa, 29 March 2018, pp. 3 and 11.
11. PBO, [Status Report on Phase 1 of the Investing in Canada Plan](#), Ottawa, 22 August 2018, p. 4. In his report, the PBO mentioned that Indigenous Services Canada and Crown–Indigenous Relations and Northern Affairs Canada were unable to provide details of their planned spending.
12. Ibid., p. 1.
13. PBO, [Infrastructure Update: Investments in Provinces and Municipalities](#), Ottawa, 13 March 2019, p. 4.
14. PBO, [Infrastructure Update: Investments in Territories](#), Ottawa, 9 April 2019, pp. 7–8.
15. Department Finance Canada, [Investing in the Middle Class](#), Budget 2019, 19 March 2019, p. 75.
16. Infrastructure Canada, [“Building strong communities and creating lasting economic, environmental and social benefits for Canadians,”](#) News release, 18 December 2018.
17. Department of Finance Canada, [A Plan for Middle Class Progress: Fall Economic Statement 2016](#), Ottawa, 2016, p. 16.
18. Department of Finance Canada, [Building a Strong Middle Class](#), Budget 2017, 22 March 2017, p. 13.
19. The amount allocated to each province and territory for the priority streams in phase II of the Investing in Canada plan is determined based on various formulas. For public transit systems, the allocation is calculated based on ridership (70%) and population (30%). For green infrastructure, each province and territory receives a base amount of \$200 million, with an additional per capita amount. For community, culture and recreation infrastructure, the base amount is \$25 million, with an additional per capita amount. For projects in rural and northern communities, base amounts of \$75 million will go to each province, and \$150 million will go to each territory, with supplemental funding allocated on a per capita basis according to a formula based on the populations of communities under 30,000 in each jurisdiction. See Infrastructure Canada, [“Infrastructure Canada's progress on Budget 2017 Programs,” Investing in Canada plan programs delivered through Infrastructure Canada](#).
20. The \$400 million in the Arctic Energy Fund will be distributed among the three territories. This amount is in addition to the \$2 billion allocated under the rural and northern communities stream.
21. Infrastructure Canada, [Investing in Canada: \\$180 + billion infrastructure plan over 12 years](#). The federal government will cover up to 25% of for-profit private sector projects, except in the Community, Culture and Recreation Stream, where for-profit private sector projects are not eligible.
22. This information is included in the letters Infrastructure Canada sent to the provinces and territories about the bilateral agreements for phase II of the Investing in Canada plan. See Infrastructure Canada, [Provincial-Territorial Agreements and Letters](#).
23. Infrastructure Canada, [Smart Cities Challenge](#).
24. Infrastructure Canada, [Disaster Mitigation and Adaptation Fund](#).
25. Infrastructure Canada, [Climate Lens – General Guidance](#), 6 September 2019, p. 8.
26. Infrastructure Canada, [Community Employment Benefits General Guidance](#).
27. [Bill C-44, An Act to implement certain provisions of the budget tabled in Parliament on March 22, 2017 and other measures](#), 1st Session, 42nd Parliament (S.C. 2017, c. 20).
28. [Canada Infrastructure Bank Act](#), S.C. 2017, c. 20, s. 403.
29. Infrastructure Canada, [Statement of Priorities and Accountabilities – Canada Infrastructure Bank](#), 20 December 2017.

30. Infrastructure Canada, [Canada Infrastructure Bank](#).
31. Canada Infrastructure Bank, [Summary Corporate Plan 2019-20 to 2023-24](#), Toronto.
32. The seven infrastructure project commitments made by the Canada Infrastructure Bank as of 9 September 2019 are as follows: in the Transit sector, the [Réseau express métropolitain \(REM\)](#) in Montréal (\$1.28 billion), the [GO Expansion – On Corridor](#) in the Greater Toronto and Hamilton Area (up to \$2 billion) and [VIA Rail](#) (\$55 million); in the Green Infrastructure sector, [Mapleton Water and Wastewater](#) (up to \$20 million), the [Lulu Island District Energy](#) project in Richmond (memorandum of understanding) and the [Taltson Hydroelectricity Expansion](#) (advisory services); and, in the Trade and Transportation sector, the [Contrecoeur Port Terminal](#) (memorandum of understanding).
33. Infrastructure Canada, [Building a Better Canada: A progress report on the Investing in Canada plan 2016-2019](#), Ottawa, May 2019, p. 58.
34. Department of Finance Canada, [The Budget Plan 2008: Responsible Leadership](#), Ottawa, 26 February 2008, p. 131.
35. Budget 2013 stated that Gas Tax Fund payments would be indexed at 2% per year, to be applied in \$100-million increments. See Department of Finance Canada, [Jobs, Growth and Long-Term Prosperity: Economic Action Plan 2013](#), Ottawa, 21 March 2013, p. 173.
36. Infrastructure Canada, “[Gas Tax Fund Agreements](#),” *Provincial-Territorial Agreements and Letters*.
37. Jean Dupuis, [The Gas Tax Fund: Chronology, Funding and Agreements](#), Publication no. 2016-99-E, Parliamentary Information and Research Service, Library of Parliament, Ottawa, 26 September 2016.
38. The one-time doubling of the Gas Tax Fund was not the only infrastructure measure announced in Budget 2019. For example, the Government of Canada also proposed a \$400-million increase over eight years to the National Trade Corridors Fund allocations to Arctic and northern regions (bringing the total for these regions to \$800 million). See Department of Finance (2019), p. 102.
39. Infrastructure Canada, [Funding Delivered under the Investing in Canada Plan](#).
40. Infrastructure Canada, [Investing in Canada Plan Project Map](#).