

## Investing In Canada Infrastructure Plan – Phase 2 Negotiations

The Honourable Amarjeet Sohi, Minister of Infrastructure Canada, wrote today to all Provincial and Territorial Ministers of Infrastructure to provide details on the federal government's framework for infrastructure funding in Phase 2 of the Investing In Canada Infrastructure Plan. The documents released provide more details on the federal commitment for the next ten years to funding municipal and provincial infrastructure systems and signalled a strong desire for collaboration between all orders of government.

The letter is the first step in negotiation of Infrastructure Bilateral Agreements between the federal government and provinces and territories to allow Phase 2 infrastructure funding to flow in those jurisdictions. Negotiations are expected to be concluded by March 2018.

The [letter](#) and annex are publicly available on the Infrastructure Canada web site.

AMO will work with the Ontario Ministry of Infrastructure to provide input on municipal priorities in the design of the Infrastructure Bilateral Agreement. The agreement is the first step in allocating funding and priorities in Ontario. The Province will also have to agree with the federal government on allocation methods, applications, and reporting requirements. AMO will keep members updated on significant developments in the negotiations. **Access to funding is anticipated in spring 2018.**

The Phase 2 funding covers a range of programs to support provincial and municipal infrastructure. For Ontario, allocations are:

- **Public Transit Infrastructure Fund (PTIF)** – supporting, expanding or improving public transit infrastructure, including active transportation – **\$8.34 billion**
- **Green Infrastructure Fund** – supporting greenhouse gas mitigation projects, adaptation, resilience, green infrastructure and disaster mitigation, and clean water and wastewater projects – **\$2.84 billion**
- **Rural and Northern Infrastructure Fund** – supporting wide-ranging needs in small communities including local roads, renewable energy, and broadband – **\$250 million**

- **Community, Culture and Recreational Infrastructure** – supporting new, expanded or renewed cultural, amateur sport, community and recreational facilities – **\$407 million**.

The documents noted that the federal government will provide up to 40 per cent funding for municipal projects and that provinces would be expected to provide at least 33.3 per cent. The annex also provides greater details on the federal government's approach to incrementality requirements in Phase 2, which requires attestations that federal funding will not displace municipal or provincial funds for projects, with ability to move funding within categories. In addition, the funding can be applied to projects contained in a municipal or provincial long-term infrastructure plan.

In the Rural and Northern Infrastructure Fund, the annex notes that the federal government will consider eligibility for communities up to 100,000 residents, but that the threshold will be set through the negotiation with the Province. Projects eligible under other funding programs are also eligible under this fund, but the other funds must be exhausted in these categories before they can be accessed.

Finally, the federal government is taking an outcomes-based approach to all funds, meaning that rigid eligibility criteria will not be applied. Projects that meet a stated outcome such as economic growth, greenhouse gas reduction, or environmental quality improvements can be proposed for funding outside of an eligible category list. The additional flexibility included in this and other areas outlined should be helpful to both provinces/territories and municipal governments in implementing their infrastructure plan priorities.

### **Phase 1 Update**

In the letter, Minister Sohi also provided an update of Phase 1 project funding noting that:

- 636 public transit projects representing 64 per cent of Ontario's \$1.486 billion allocation under the Public Transit Infrastructure Fund (PTIF), and
- 915 water and wastewater projects representing 84 per cent of Ontario's \$569 million allocation in the Clean Water and Wastewater Fund (CWWF) have been approved.

The Minister also noted that recently submitted projects were being reviewed.