



CIB Annual Public Meeting
Questions and Answers Session
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Transcript of Live Session

Check Against Delivery

CIB participants

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Canada Infrastructure Bank — Chair of the Board of Directors

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Canada Infrastructure Bank — Chief Executive Officer

Operator

At this time, I would like to welcome everyone to the Canada Infrastructure Bank Annual Public Meeting Q&A session. The session will last 30 minutes.

Today we have Tamara Vrooman, Chair; and Ehren Cory, CEO of the CIB and available to answer your questions.

Tamara Vrooman — Chair of the Board of Directors, Canada Infrastructure Bank

Merci beaucoup Sylvie. Hello, bonjour. My name is Tamara Vrooman. I am the Chair of the Canada Infrastructure Bank. Thank you for joining us at this Q&A session portion of our Annual Public Meeting. I'm joining you from Sea Island, here in Vancouver on the traditional territory of Musqueam People, and I'd like to pay my respects to elders past and present.

I've been the Chair of Canada Infrastructure Bank for a little over two months now, and in that short time have been impressed by the pace, the quality and the focus that the Bank has played on delivering on our \$10 billion Growth Plan, from electrification, to transmission, to Indigenous infrastructure, to GHG reductions and trade corridor expansions. The Bank plays a vital role in creating the kind of infrastructure we need to be competitive, inclusive and have a growing economy going forward.

We had an opportunity to share some of those results in a pre-recorded session that I hope you've had the opportunity to view. But if not, you can gain access to that on our website, and I encourage you to take a look at it at your leisure.

We received questions submitted in advance, and we also are open to receiving questions live and will be going through both of those types of questions here with you in the next 30 minutes.

So, without further ado, I'd like to introduce our Chief Executive Officer, Ehren Cory, to take us through the next portion of the meeting. Merci.

Ehren Cory — Chief Executive Officer, Canada Infrastructure Bank

Thanks, Tamara. Nice to see you and thank you everyone for joining us. I'm speaking to you, of course, from my home in Toronto. Toronto's the traditional home of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee, and the Wendat Peoples, and today, of course, is home to a diverse mix of First Nations, Métis and Inuit Nations. I'm proud to pay respects to that.

It is truly one of the miracles and oddities of the pandemic, Tamara, and I do this coming to you from other sides of the country. In fact, we've never been in the same room together, which is a tragedy and one we often talk about. But, the CIB has been, as everyone in Canada, I think, incredibly resilient to these times and we've managed to quite quickly pivot to working in this virtual way. So, thank you all for joining us for also a virtual annual public meeting and, as Tamara said, done in components with the combination of a recording where we have a chance to really describe our progress over the last year, and to talk about our outlook and where we see is the great potential for the CIB in the coming months.

At the CIB, clearly, our job is to play a catalytic role in getting new infrastructure built. Partnering both public and private sector means that we need to engage with a vast variety of stakeholders in both the private and public sectors. So, today is another opportunity to do that and we welcome this opportunity, looking forward to the questions, as Tamara said, that we've received in advance and also any you may have for us on the call today.

We are constantly working with governments and partners across Canada in the private and institutional world, as well to invest in projects and get more built to the benefit of Canadians.

On travaille avec les gouvernements, on travaille aussi avec des partenaires privés et institutionnels. On investit dans des projets pour construire plus d'infrastructures qui profitent au Canada.

Our goal is to get more infrastructure built faster, and that that infrastructure contributes to true outcomes, like economic growth, climate action and connected communities.

Over the past few months, we've announced a number of really exciting projects, in broadband, electricity transmission, battery storage, and there's lots more to come between now and the summer, particularly in our commercial retrofits, zero emission buses programs, as well as a number of new clean power projects.

So, we're really excited about that momentum. You may have seen in our video a deeper summary of some of that progress and where we see the growth potential for the CIB.

With that, I'd like to start by answering a few of the questions we've received in advance by email, and then to turn it back to you, Sylvie, for questions from the floor. But if I may, I'll start with a few questions we've received. Tamara, I will pass some of these to you as well.

The first question that we received is from Daniel Rubinstein from the Federation of Canadian Municipalities. The question was: "How is the CIB evolving its approach to working with municipalities on potential investments, particularly in priority sectors, like zero emission

vehicles and broadband? How does this approach ensure coordination between Federal grant funding and the CIB's financing?"

So, there's a couple of things in that question, obviously, that I'd like to talk about.

First, it's interesting, we've had a number— we've had the chance to talk to FCM as well as to a number of mayors of municipalities and city managers about their priorities. Infrastructure, it's interesting. It has a real mix to it. It's owned by all levels of government and there's infrastructure that's both public and private. But there's no doubt that the municipalities are the biggest single owners of the infrastructure that makes our day-to-day lives work.

So, the CIB, if our job is to get more built and to partner to make that happen, municipalities are a critical stakeholder of ours. So, in particular, we have three. Daniel asked about two programs of ours - zero emission vehicles and broadband. I would mention a third, which is around energy retrofits in buildings that are the three places that I would say we're having the most direct interaction with municipalities today. In all three of those, they have really similar characteristics. They are commercial activities. They have revenues that are associated with them and they have a way of, partially at least, paying for themselves.

Zero emission buses and retrofits, we think, are really interesting examples of CIB type projects because of the stream of payments that can come from the savings that those assets generate. So, zero emission vehicles, you replace the diesel bus or electric bus that has great impact for the environment, but also has great economic impact, because you save on fuel costs. That savings can be used to pay back a loan from the Bank and that's the same for retrofits.

So, we see a lot of potential to work with municipalities, to support them, to help pay for new infrastructure in the area of fleets, in the area of building retrofits and in the area of broadband without it being a burden to taxpayers, without it being a burden to those municipalities. So, we think we can be additive to that puzzle, and that's critical.

The second part of Daniel's question asked about coordination of funding and I think that's really important. We are working really closely with our colleagues in the Federal government to figure out where hybrid solutions are needed.

Daniel asked about broadband, it's a great example of that. In the broadband space, we're working with ISED (Industry, Science and Economic Development), the department, on what they call the universal broadband fund, the UBF (Universal Broadband Fund), to figure out how can a CIB loan fill part of the gap and how can the department through its traditional grant programs potentially fill the rest, because as you get to broadband in smaller and smaller communities and in more remote areas the economics of that, the commercial approach to broadband, becomes less and less viable and so, there's this blended need for a solution between CIB and potentially our Federal colleagues.

So, Daniel's question is right on. We are working really closely with our friends, like at ISED, on UBF, with INFC, the Department of Infrastructure Canada, who are, of course, the shareholder department we report to, we're working with them on their funding for zero emission fleets. So, in both of those cases, we have a coordinated approach with the relevant department.

So, I appreciate the question.

Second question, a bit more general one. Tamara, I think I'll turn this one to you. This came from Colleen Kennedy at The Canadian Club. And her question was: "Can you speak to what

we expect from the CIB in the short term and perhaps even longer term? Excited to hear your plans.”

Tamara Vrooman — Chair of the Board of Directors, Canada Infrastructure Bank

Yes, thanks very much, Ehren, and thanks very much, Colleen for that question.

We’ve been focusing in the short term on delivering on the \$10 billion Growth Plan that was outlined for the Bank by the Prime Minister and by my predecessor, Michael Sabia, late October of 2020. As you know, that plan focused on key areas, everything from agriculture, trade, broadband connectivity, GHG reductions, job creation, energy storage and Indigenous infrastructure, as well as public transit and electrification.

So, we’ve really been focused on getting money out the door because we know that there is, of course, a critical infrastructure deficit in our country and as we think about the future economic, social and climate objectives that we collectively have, infrastructure, obviously, plays a key role in that. At the same time, the Federal government has commissioned an infrastructure study, need study, national infrastructure need study for the country, and that will really help inform where we have gaps and where we need to accelerate in order to meet the infrastructure needs.

So, the Bank is, at the same time that we’re looking at \$10 billion, we’re not stopping there. We’re looking out further to say where does the Bank need to play a role in closing the gaps that exist in financing critical pieces of infrastructure to make sure that we have the infrastructure that we need going forward. Whether that’s around transmission, whether that’s around—I think there’s been some questions asked about energy and wastewater, what are the fundamental infrastructure needs that we’re going to need 10, 20, 30 years from now in order to enjoy the quality of life, the level of prosperity that is a key part of who we are as a country and what we need as a society.

So, the Bank is very focused on two main things: getting the Growth Plan delivered because that has lots of short-term implications, and we’re working very hard, as Ehren said, to get more deals done and there’s more to come. At the same time, we’re looking out into the future to work with partners on probably a little bit larger, more transformational projects that will be key to the infrastructure needs of our country going forward informed by the national infrastructure assessment.

Ehren Cory — Chief Executive Officer, Canada Infrastructure Bank

Thanks, Tamara. Not much I can add to that. It’s perfect. I think the key thing that we at the Bank, and we’ve talked about it a lot, you and I, is that— if you do what you just described and look into different horizons, the key for us is to have a portfolio and to think of it like a balanced portfolio, balanced across the country, geographically, balanced across our priority sectors from broadband to transit to clean power, and balanced in time horizons. So, there’s some things that can have a really immediate impact, they get worked on quickly. Shovels in the ground that has a short-term economic benefit, it gets the infrastructure into utilization and productive quickly. Then those longer-term transformational projects.

So if we build a portfolio, that’s really where our focus is right now.

Thanks for the question, Colleen.

Okay. I'm going to take one more question received before, and we received several questions from Robert Ramsay, who's a senior research officer at CUPE and I appreciate the questions. I will say I'm going to answer one of them now but, to be clear, any questions we don't get to in the session we will be responding to all of them, we will post those responses on our website. So, we will follow-up including for anyone on the call who doesn't get a chance to ask their question today.

But the question—Robert asked a number of questions around water and wastewater, including a question that asked: “Please elaborate on why the Township of Mapleton pulled out of a Bank supported plan for a 20-year deal to privately finance, operate and maintain, design and build existing and new wastewater facilities?”

This is around a project that the Bank provided advisory services on and was in our funnel and then Mapleton made a decision not to proceed. It's linked—of course, there were a number of questions, as I say, around water and wastewater. So, the broader theme I think, Robert, your question, was also around privatization and public ownership of water assets. So, I'd like to cover both.

In response to your specific question, the Township of Mapleton invited the CIB to participate in their efforts to revitalize the water system as an option for financing and we were pleased to participate in that. The Township was managing that procurement process in a competitive way and they were considering a number of options, including whether they would look for private sector financing and the use of CIB financing or not, and they decided not to in the end and that's absolutely fine. We completely respect that.

I think what's most important in your question, and I'd just like to highlight is, in that project the Township retained and continues to retain ownership of the water system. That's exactly what would have happened under a CIB financed option. I think that speaks to a larger point of confusion around the CIB sometimes. We are searching for solutions that do bridge between public and private. That's absolutely true. But that is not the same as privatizing. We have zero mandate around privatizing of infrastructure, and it's not actually part of our formula.

Now, look, infrastructure in Canada's very interesting and diverse as it is around the world. You have some sectors, like broadband, that are largely privately owned and held and there's a private market to do that. Power transmission in parts of our country would be another example. But most infrastructure is public, publicly owned and operated, whether that's transit systems, much of our power generation, etc.

The CIB model implies no change in that whatsoever. There's no need to privatize. When we talk about bringing private sector capital around financing of projects, that brings a lot of things. It brings innovation, it might bring expertise, technologically and commercially. It certainly does not imply any change in the ownership structure of the assets.

So, I appreciate the question, Robert, and hope that's clear. We will answer all of the questions you asked online.

Okay. With that, I would like to leave some time for questions coming from the audience and online. Sylvie, maybe if you've received any. I have one or two more that I've received written but I'm happy to answer any from the audience or online.

Operator

Certainly. We will now move to the questions over the phone. Following phone questions, if time allows, we will take questions from our webcast audience.

At this time, we do not have questions from the phone but we do have a question from the web, from Karen Jordan at CUPE: “A presentation to the Bank’s Board of Directors calls for new investment models to incentivize investment in water and water waste assets. Please elaborate on the Bank’s future plans for the water and water waste sector. What models are being considered?”

Tamara Vrooman — Chair of the Board of Directors, Canada Infrastructure Bank

Certainly, I can start with that simply by saying that that presentation - thanks for your question, Karen - that presentation was presented to the Board before I was on it. Certainly I have not seen it. But I think your question really goes to some of the themes that Ehren was talking about with respect to ownership, with respect to the role that we play in financing, the fact that we don’t have a mandate to change any of the ownership structures of infrastructure in our country, including those that apply to water.

But maybe, Ehren, you’re familiar with the exact presentation that Karen is asking about and you can speak to the specifics.

Ehren Cory — Chief Executive Officer, Canada Infrastructure Bank

Certainly. Thanks, Tamara, and thanks for the question.

It does, it builds on the last question and the discussion. I think water and wastewater is a great example of this. It’s not the only one. My answer goes like this. The CIB is created to fill a niche. There are many infrastructure projects that happen commercially in the private markets today, and they don’t need the CIB. I am lucky enough to live in a city. For instance, I have broadband that comes to my house, I pay for it, and there’s a commercial functioning market and government doesn’t need to interfere in that.

At the other end of the spectrum, there’s a lot of infrastructure that is truly publicly owned and 100 percent publicly funded. Social infrastructure, schools and hospitals work that way. All sorts of our infrastructure.

But there is a group in the middle that has an element of revenue stream associated with it in some way shape or form. As I said, when I say the words revenue stream, I just really mean some form of repayment capacity, because often in the case of zero emission buses, the revenue stream, if I can say it that way, is really referring to the savings.

So, there’s some form of repayment. Water’s a great example of this. Water has customers who pay for the use of that. It pays for part of the use of that asset. So, when we talk about innovative models, what we’re really talking about is how do you leverage that to get innovation, to get private sector financing to come to the table, to drive acceleration in the renewal of our water sector, because if we wait to do it through 100 percent purely publicly financed we have constraints. We have limits to how much public financing we have.

So our idea is can we catalyze more getting done by leveraging private capital? Again, change is nothing in the ownership structure. Change is nothing in the cost of water to the users of it whatsoever. I'm just saying, take the current asset, take the way it's run today and can we leverage that to create a hybrid funding model that has both public and private.

So, that's what the kind of innovative, new investment model that we refer to, that's what we're talking about.

Operator

We have time for one last question from the web, which is coming from Jennifer Lukovitch: "What role can climate science play in infrastructure portfolio development and in addressing the infrastructure deficit in Canada from the perspective of resilience planning on long-term impacts of climate change on infrastructure?"

Tamara Vrooman — Chair of the Board of Directors, Canada Infrastructure Bank

Maybe I'll take the first part of that, and then again hand it over to you, Ehren.

The short answer to that question, Jennifer, is they could play a big role. In my day job, I run the Vancouver International Airport and we are located on a flood plain, and so certainly when we think about our infrastructure investment and planning, we absolutely 100 percent rely on climate science to understand the operating environment that we'll have going forward, not only from an emissions reduction point of view, which we're committed to, but also a safety, security and access point of view.

So, climate science is very much a part of informing how we think about the future needs of infrastructure.

Ehren Cory —Chief Executive Officer, Canada Infrastructure Bank

Yes, absolutely, Tamara. Thank you for the question, Jennifer.

For those of us who've worked in infrastructure, it is incredibly apparent how important resiliency and long-term thinking is, and infrastructure are assets that span generations and usually you're making these investments over very long time cycles.

In my background, one of the things that's very notable, and based on your question I surmise that you have witnessed this as well, a lot of infrastructure gets designed around 50 year or 100 year events. We better plan for the hundred year storm. Well, we are having hundred year storms every five years now, which tells you something. It tells you that actually I think we're adjusting from a planning perspective. Our engineering world, our project planners and developers are very quickly having to adjust to a new reality and to build infrastructure that truly is resilient for the long term.

At the CIB, I just want to come back and end on, I think, what is the most fundamental point for Tamara and I. Our job is twofold. It's to get more infrastructure built faster to the benefit of Canadians and to deliver core outcomes in the—what is infrastructure? Infrastructure is public good. The outcomes I talk about when I say public good are: GHG reductions, increased connectivity of Canadians through both transit systems and broadband, economic growth

through projects that actually enhance GDP and create jobs and economic growth in Canada through trade and other formats.

So, every investment we make, we look at it through that lens. To answer, Jennifer, your question slightly differently, we look at the perspective of climate impact in every investment. Not only do we look at it, it's actually the question we're asking ourselves. We have an opportunity to invest in this transit system, or in this clean power project. What is the benefit it delivers in terms of climate, both greenhouse gas emission reduction, but also resiliency for the long term.

So, that's very much at the core of our investment approach. Thank you for the question.

Operator

Thank you very much. Before we end, do we have any closing remarks?

Tamara Vrooman — Chair of the Board of Directors, Canada Infrastructure Bank

Go ahead, Ehren, and I'll finish us up.

Ehren Cory — Chief Executive Officer, Canada Infrastructure Bank

Of course. I just want to say thank you for everyone who did join us online and anyone who has had the chance to watch our summary of results which we posted a few hours ago. Looking forward, as I said, any questions that didn't get answered today and you have, please submit them. We're always open, not just today and not just through this process but in general, the CIB, as I said earlier, for us to do our jobs effectively it has to be about partnership and that means engaging with stakeholders, municipalities, territories and provinces and importantly Indigenous communities, and it means engaging with institutional investors and private sector participants in infrastructure.

So, we're really open. This is one link in a long chain of engagement. We're looking forward to much more of that and thank you all for joining.

Tamara Vrooman — Chair of the Board of Directors, Canada Infrastructure Bank

Thank you, Ehren. I'd like to acknowledge the leadership that you have brought to this role in the five short months that you've been the Chief Executive Officer of Canada Infrastructure Bank. A lot of the achievements and progress that you've talked about have been made in very short order, thanks to your leadership and the leadership of the entire CIB team.

I'd also like to thank and acknowledge the Board of Directors, a very diverse group of industry professionals that come from every part of our country, really dedicating their time to a lot of the issues that you have asked questions about - how do we get more infrastructure built faster for the benefit, long-term benefit of our country.

Certainly, on my part, I really want to thank all of you. I echo Ehren's thanks for joining us on what for some is an early Friday afternoon but for some is a late Friday afternoon and evening.

It is actually gratifying and very, very helpful to see the level of engagement and questions that you have about the Canada Infrastructure Bank.

The Canada Infrastructure Bank is only one part of, of course, a much larger field of finance that involves both public and private sector financing at many levels and institutions right across our country. But as with everything in our great country, you know our diversity can add complexity, and the mandate at the Bank is to provide a vehicle to solve for some of that complexity so we can get more of what we need built faster in the interest of Canada and Canadians.

So, thank you very much colleagues. Really appreciate you joining us here. Hope to see you again soon. Take care.

Ehren Cory —Chief Executive Officer, Canada Infrastructure Bank

Thanks.

Operator

We invite you to submit your questions to apm.apa@cib-bic.ca, and we will respond in due time. Thank you for attending this Q&A session. For more information, please visit our website at www.cib-bic.ca. I wish you a great day.

Additional Questions Submitted

Can you provide some details about the study that the CIB is undertaking of the gateway and specifically the New Westminster bridge, which is a federally-owned asset, that is over 100 years old. More goods travel over that single bridge every year than the entire throughput of the Port of Montreal?

The New Westminster Bridge is a critical part of a trade related infrastructure network that supports our Canadian economy.

In this case, the CIB is collaborating with Public Services and Procurement Canada, Transport Canada and Infrastructure Canada to examine the transportation needs of the Asia-Pacific Gateway transportation network, including New Westminster Rail Bridge.

The study is a Project Acceleration initiative, which is part of our Growth Plan to support economic recovery and jobs while also helping transition to a low carbon future. Through Project Acceleration, we can deploy resources to advance critical early stage work including studies and financing models to help advance projects to a stage at which they can be considered for financing by the CIB.

For the New Westminster Bridge, this study will:

- Identify the traffic needs of the New Westminster Rail Bridge and develop options for the crossing;
- Improve understanding of the Asia-Pacific Gateway transportation network;

- Review infrastructure bottlenecks in British Columbia's Lower Mainland and the Prince Rupert transportation networks;
- Develop recommendations for improving the capacity of the British Columbia Lower Mainland, Prince Rupert and New Westminster Rail Bridge transportation networks.

Building out the fleet of zero-emission buses is a priority for our transportation network. Since the CIB was first announced, can you talk about the changes, if any, in your offering to help electrify our bus fleets?

Zero emission busses reduce emissions and they connect people. For transit agencies and school bus operators, purchasing such busses is a significant upfront cost that can be difficult to take on.

As we developed our Growth Plan, with an emphasis on shorter term investments to support jobs and recovery, we saw an opportunity in transit generally and zero emission buses specifically. The Growth Plan includes a commitment of \$1.5 billion to accelerate adoption of an estimated 4,000 ZEBs, comprising of a mix of transit and school buses.

For ZEBs, we have established a clear set of terms for our investments that will allow us to help transit agencies and school bus operators access affordable, long-term financing for zero-emission buses and the charging infrastructure that supports it. We are already seeing interest and uptake particularly from transit authorities.

This is also an example of how the CIB is working in collaboration with Infrastructure Canada since ZEB projects are anticipated to require combined CIB financing and Infrastructure Canada program funding.

Going forward, what can you tell us about your plans to leverage private sector investments in productivity-enhancing projects such as big transit and energy distribution?

Our job is to make sure public dollars can go further by investing in revenue generating projects that are in the public interest.

We focus on a range of sectors for these investments including transit and energy. Our approach is to be flexible, adaptable, and targeted so that our way of investing helps get new infrastructure built. There is no one-size fits all in our approach.

We structure each investment to crowd-in private sector investors who are willing to share in the risk and innovate. By doing so, we are able to tap into pools of private and institutional capital that are available.

Recent examples of differing approaches in the energy sector include the Lake Erie Connector project, our MOU to participate in the Oneida Energy Storage project and our work on the Kivalliq hydro and fibre transmission line.

Further information on each of our projects, and the broader CIB commitment to invest \$5 billion in clean power over the long-term, is available on the CIB [website](#).

Will the Bank consider using project bundling as a means to deliver infrastructure, including broadband, faster and more cost effectively?

At the CIB, we focus on innovative approaches for revenue-generating projects that are in the public interest. We are very flexible and adaptable, and there is no one-size fits all approach.

The sector or asset class, project size, and potential private and institutional investment are key considerations in any opportunity, and the public sector sponsor or jurisdiction plays an important role in determining those parameters. If a sponsor, as well as if private and institutional project proponents, bring forward projects that have potential for bundling, the CIB is open to understanding and assessing them.

The CIB's Commercial Building Retrofits Initiative, is a good example of where individual buildings could be considered as part of real estate asset portfolios from a holistic perspective to aggregate opportunities for energy retrofits at scale.

With this initiative, we are enabling private sector portfolio owners or aggregators of portfolios to put together a significant number of smaller building assets that are aggregated into a critical mass so that many smaller retrofits can be done through larger investments. By doing so, the CIB enables deeper retrofits that can enable operating savings in buildings and meaningful GHG reductions across the country.

This is a good example of how we are tailoring, customizing, adapting our financing to meet the specific challenges of different sectors or asset classes, and allowing smaller projects to benefit from CIB financing.

In 2017, the government anticipated that the CIB would attract approximately four private sector dollars for every public dollar invested (\$35 billion public to leverage up to \$187.8 billion total). Recent CIB and external reports show that the Bank has been unsuccessful so far at attracting anywhere near that level of private sector interest. Given this reality five years in, how has the CIB adjusted its expectation for the amount of private sector investment it will be able to attract?

The CIB's objective is to crowd-in the appropriate amount of private and institutional investment in every project, noting that ultimately the amount of private and institutional capital will be determined by the project economics, risks, outcomes and more.

We are attracting the private and institutional capital that is critical to making new projects happen.

We are in new phase of execution. In total, from the time we launched the Growth Plan in October 2020 to summer 2021, we estimate that new CIB investment commitments of \$2.5B will

be made towards a collection of projects with an estimated total value of \$5.9B. Approximately \$2.6B in private and institutional capital will also be invested in these projects, with the remainder being some additional public sector grants in select projects.

Including the previously announced REM project, the CIB will have leveraged almost \$6 billion in private and institutional capital since inception.

This means that projects with total project cost of over \$12 billion will be advancing. The CIB is a key success factor in this new infrastructure investment in Canada.

While we are focused on investment commitments in the short-term, we have almost 40 additional projects in our funnel that are in appraisal, structuring and commitment analysis, many of which have high potential for investment; there will be more investments to come.

The Bank presented the Mapleton deal as “innovative” and said it had “potential as a pilot project and demonstration to other communities with water and wastewater challenges across the country.” What precisely was the innovation in this model?

Given that the vast majority of Canada’s water and wastewater systems remain public owned and operated, and that the Bank’s own documents acknowledge the high level of public opposition to private sector ownership and control of water systems, how do any future projects that allow private corporations to control and profit from public water and wastewater systems – services recognized by the United Nations as human rights – fit the bank’s stated criteria of projects in the public interest?

Our job is to make sure public dollars can go further by investing in revenue generating projects that are in the public interest. Our approach is to be flexible, adaptable, and targeted so that our way of investing helps to get new infrastructure built. There is no one-size fits all in our approach.

The CIB was invited by the Township of Mapleton to provide project advice and an innovative financing option for their water and wastewater project. The CIB financing was an additional option to assist Mapleton in implementing its investment requirements.

The project was consistent with the goals and principles set out by the Township including continuing Mapleton’s role as a rate regulator, minimize the financial burden on Mapleton’s taxpayers when financing new infrastructure, maintain Mapleton’s borrowing capacity, respecting Mapleton’s public ownership of assets.

The CIB engages with public sector partners across the country, including municipalities, and is open to tailoring investment solutions to each project sponsor and their infrastructure priorities. The CIB does not have a mandate to sell public assets or to privatize.

Revenue-generating infrastructure is reliant on regressive user fees and tolls that hit low-income service users much harder than wealthier users. These fees and tolls are charged for essential services that people rely on for their day-to-day well-being, such as energy, water and public transit. Has the Bank used a human rights and equity framework to review its focus on infrastructure that must generate revenues to fund private profits?

Infrastructure is diverse, and spans many different types of projects, ranging from those that are built on purely commercial terms to those that are fully funded by the government through grants or direct spending.

The CIB's focus is to reduce Canada's infrastructure gap by partnering both with the public and the private sectors to identify opportunities and projects that are of public interest.

The CIB does not do grants and the CIB does not invest when the private sector can do so alone. The CIB complements public capital and attracts private and institutional capital when it is needed in order to build infrastructure that can deliver outcomes for Canada.

The CIB makes investments that are guided by the *CIB Act*, the Statement of Priorities and Accountabilities from the Minister of Infrastructure and Communities and the approved Corporate Plan.

It is likely that inflation will rise next year and in years to come as more money goes into the economic recovery, in Canada and internationally. This will make private financing significantly more expensive than public funding over the life of a project. What is the CIB doing to prepare for an environment where private financing – and its accompanying ROI expectations – significantly raises the cost to the public of infrastructure projects?

Does the CIB aim to meet the needs of FPTMI in the public interest (Corporate Plan 2020-25, p. 2) or to “solicit partnerships” and “work backwards from the market” like Ehren Cory told the P3 industry on November 17, 2020? In the pre-recorded video, Ehren Cory states, “The CIB does not have a mandate to sell public assets or privatize in any way” (11m51s). Given that public-private partnerships (P3s) privatize public asset decision-making, jobs, and financing, when can we expect the CIB to terminate its association with P3s? With inflation on the rise, the Bank of Canada has signaled interest rate hikes in 2022 and beyond. The higher cost of borrowing will favour cheaper public funding over more expensive private financing. How will the CIB adjust its stated aim of making markets for private finance and expanding P3s in Canada in light of these looming interest rate realities?

The CIB operates within the context of the priority sectors and the total amount of capital committed by the Government of Canada. Canada has established itself as a leader in infrastructure investment, and models that involve the private sector.

The CIB is flexible, adaptable and targeted so that our way of investing helps to get new infrastructure built. We structure each investment to crowd-in private sector investors who are willing to share in the risk and innovate. By doing so, we are able to fill a gap in the financing of

the project and tap into the pools of capital that are available in the private and institutional sectors.

We can help make this happen by financing projects at lower rates and by absorbing some risks that are impediments to projects happening, thereby catalyzing private sector investment and performance to deliver projects. When the CIB provides low-cost financing, such as loan for new infrastructure to be built, it accelerates new investment in infrastructure short-term and allows for repayment of the loan over the long term.

The CIB takes a portfolio approach to assessing risk and managing that over time within the fiscal framework established. At an individual project level, the CIB also considers the benefits and risks of projects all in the context of enterprise and investment risk management.

Transit is a net good; getting more buses on the road is as important as greening the fleet. We know that modal shift, from passenger vehicles to public transit, is as important as the choice of fuel to propel the engine. An increase in the transit fleet, unlike all other vehicles on the road, means less emissions overall. While we support a move to low carbon transit networks, we want to know that municipalities have the funds to increase their fleet sizes, not just green the fleet. Our goal is to get the best value for our money, to get the most service out as possible. Transit workers would like procurement without the requirement of alternative propulsion, to ensure we are providing the best possible values for municipal tax payers. Can you prepare a cost-benefit analysis for the lifecycle cost of an electric vehicle over a conventionally fuelled vehicle? Would it be possible to exempt transit agencies from the requirement to procure through the Infrastructure Bank? Conventional procurement is more economically efficient and better for our environment. Can we access the funding through conventional procurement?

Transit is a priority sector of the CIB for investment, and we collaborate closely with transit operators and transit industry leaders to develop solutions from LRTs, to BRTs, to subways to zero emission buses and more.

However, the CIB is not an owner of transit systems and is not a procurement authority. The ultimate choice on how transit infrastructure is procured is determined by the project sponsor such as transit authorities.

The CIB can provide financing that is in addition to and complementary to Federal funding programs. The Government of Canada has made significant commitments to transit, most recently the announcement of \$14.9 billion.

The CIB should be considered as an additional tool in the infrastructure toolkit which, combined with public programs and grants, as well as private and institutional funding, can support and accelerate the development of their infrastructure projects like transit.

What is the Status in Regard to the Approval of VIA Rail's HFR Project?

Would CIB expand on their recent commitments to VIA Rail and the planning behind expanded high-speed passenger rail in Canada? What is the vision for this project and what role would CIB see the private sector playing in its development, construction and operation?

VIA Rail Canada's HFR is a high priority project for the CIB.

The HFR Joint Project Office (JPO), between VIA Rail and the CIB is focused on planning and pre-procurement work including alignment, frequency of service, cost, technical issues and financial solutions to attract private capital. The CIB has brought its expertise to the JPO, along with VIA and the additional experts involved, such as the Owner's Engineer.

Part of the JPO's mandate is to make recommendations to the government for its consideration, to facilitate the eventual rollout of high frequency service in the Quebec City-Toronto corridor

It is worth noting that in its 2021 Budget the government committed \$491.2 million over six years to VIA Rail Canada for infrastructure investments that would support the overall success of the high frequency rail project. These investments will help reduce bottlenecks, improve fluidity and connectivity, and allow VIA to take an important step towards high frequency rail in the corridor. The government also committed to provide \$4.4 million in 2021-22 to Transport Canada and VIA Rail Canada to support their work with the Joint Project Office in order to advance due diligence and to de-risk the project.

Was there any public promotion of this meeting before information was tweeted from the CIB account on April 22? How did the bank do outreach for this meeting? Did the bank decide to add a live, in-person component to the annual public meeting between April 21 and April 23, or were Ehren Cory and Tamara Vrooman scheduled to take questions live as part of the original meeting agenda?

We are regularly and frequently doing outreach and engagement with stakeholders in order to support infrastructure opportunities and collaboration between the CIB and partners. The APM was a comprehensive update and we believe that it provided stakeholders with insight on progress and results. It included a recorded video (available on the website along with the remarks posted in both official languages), a live online question and answer session, and a video posting of the question and answer session along with written responses to questions received (available on the website in both official languages). Awareness about the meeting was provided through the website and social media. Going forward we will continue to engage with stakeholders in a variety of ways including updates and announcements on projects.

How will the 2021 budget, announced earlier this week, drive CIB projects? Will this allow more projects to get started/finished sooner? Will it ultimately drive more collaboration?

This CIB's investments are complementary to other federal government programs of grants and contributions that are available.

Budget 2021 proposes a number of measures aimed at investing in infrastructure, some of which are related to the CIB's priority sectors, including in Indigenous projects, broadband, and projects that will help reduce GHG emissions.

The CIB engages with counterparts in Infrastructure Canada and other federal Departments on a regular basis to ensure we are aligned and coordinated in our efforts, and will look for ways in which this collaboration can ensure more projects get built.

Can you talk about how equity is being centred in your priorities' design, development, delivery, and evaluation? Two specific examples/questions - how is CIB ensuring that energy cost burdened households are being prioritized in the delivery of EV and retrofit priorities? How is CIB ensuring that financing to large portfolio multifamily REITs isn't going to accelerate the turnover in tenancy and the eradication of affordable market rentals?

Energy efficiency building retrofits present significant opportunities to have a material long-term impact on Canada's green infrastructure and related outcomes.

The CIB's focus is on energy retrofits for commercial and public sector buildings.

Zero emission buses are an opportunity to increase accessibility to transit that is green, reduce greenhouse gases, and reduce operating costs relative to other emitting bus solutions.

In both the case of retrofits and zero emission buses, analysis suggests that up-front investment can create significant lifecycle savings over time.

During this peculiar time, much concern was raised around how our healthcare facilities were teetering at capacity. Can you shed some light on how the healthcare investments are tracking?

The quality of healthcare and healthcare infrastructure is important, as the events of the past year have demonstrated.

That said, the CIB focuses on a set of identified priority investment sectors, which are transit, green, clean power, broadband, and trade and transportation.

When can we expect an audit of CIB?

The CIB's financial statements are audited jointly every year by the Office of the Auditor General of Canada (OAG) and an independent external auditor. These are included in our Annual Report tabled in Parliament and posted on our website.

The OAG also conducts a special examination at least once every 10 years to confirm that assets are being safeguarded and controlled; that financial, human and physical resources are being managed efficiently; and that operations are being conducted effectively.

Will your proposed projects be large enough to attract the interest of our Canadian pension funds?

The CIB has ongoing dialogue with infrastructure leaders including major Canadian institutional investors to discuss how they can participate in closing the Canadian infrastructure gap.

CIB financing and investment is not one-size fits all. We invest in projects of all scales, several of them quite large, such as Alberta Irrigation and the Réseau express métropolitain (REM), in Montréal. We expect large institutional investors will invest alongside the CIB in projects of this size and scope.

One of Canada's largest pension funds is in fact already involved in the REM project, which is developed with CDPQ Infra, a subsidiary of Caisse de dépôt et placement du Québec, and we look forward to more projects that will leverage institutional capital.

Longer-term, Infrastructure Canada has launched the process to develop a National Infrastructure Assessment. The current consultation paper considers the needs and priorities for Canada for decades to come and the need to consider funding and financing options, noting that "infrastructure investors, particularly public pension funds, have expressed a clear desire to invest in Canadian infrastructure."