



INFRASTRUCTURE IN ACTION

Summary Amended Corporate Plan
2024-25 TO 2028-29

*Canada Infrastructure Bank is a Crown Corporation
wholly owned by the Government of Canada*

Table of Contents

Executive Summary.....	3
Portfolio of CIB Projects.....	10
1.0 Overview.....	13
1.1 Purpose and Authorities.....	13
1.2 Activities and Programs.....	13
1.3 Alignment with Federal Partners, Priorities, Policies and Programs.....	15
2.0 Operating Environment.....	18
2.1 External Operating Environment.....	18
2.2 Internal Operating Environment.....	20
2.3 Reviews and Audits.....	22
3.0 Objectives, Activities, Risks, Expected Results, and Performance Indicators.....	26
3.1 Outlook to 5-year Planning Period.....	26
3.2 Investment Activities.....	27
3.3 Priority Sectors.....	29
3.4 Indigenous Community Infrastructure.....	52
3.5 Research.....	54
3.6 Advisory and Project Acceleration.....	57
3.7 External Engagement.....	61
3.8 Key Risks.....	63
4.0 Financial Overview.....	66
4.1 Commitment and Investments.....	66
4.2 Operating Activities.....	68
4.3 Funding Profile.....	68
APPENDIX A – Statement of Priorities and Accountabilities.....	71
APPENDIX B – Corporate Governance.....	79
APPENDIX C – Planned Results.....	86
APPENDIX D – CFO Attestation.....	89
APPENDIX E – Financial Statements and Notes.....	91
APPENDIX F – Legislative and Policy Compliance.....	106
APPENDIX G – Risk and Risk Responses.....	111
APPENDIX H – Alignment to Government Priorities.....	114
APPENDIX I – CIB Investment Framework.....	119

Accessibility

The CIB is committed to creating a barrier-free experience for all employees, job-seekers, clients, suppliers and other stakeholders. For any questions about Accessibility or to request any accommodations, please contact your CIB representative or email accessible@cib-bic.ca.

Executive Summary

Canada's Infrastructure Challenge

Canada's prosperity relies on the infrastructure that connects us to each other and the world. From railways that traverse the country, to canals that allow ships to navigate our Great Lakes, to the power lines carrying clean electricity to our cities. Improving our infrastructure delivers public good by improving productivity, strengthening economic competitiveness, and accelerating the energy transition.

Despite this, Canada faces a well-documented infrastructure deficit. Various studies have sought to quantify Canada's infrastructure deficit and estimates range from \$110 billion to \$270 billion. Needs are prevalent across all asset classes in both rural and urban areas, and are particularly acute in Indigenous communities and northern regions.

In Canada, infrastructure has been built in many different ways.

In some cases, infrastructure has been funded solely by government through traditional public grant and contribution funding mechanisms. This traditional public financing is critical and well suited for much of the social infrastructure we need, like schools and parks.

In other cases, Canada has benefited from a rich tradition of infrastructure that has been developed and operated entirely by the private sector. In sectors such as electricity and urban telecommunications the revenue recovery from these services is sufficient for the private sector to invest and make a return.

And there are many examples in-between, where government and the private sector have worked together to deliver needed infrastructure, in sectors like transportation, transit and energy, and where investment needs are large and in the public interest.

The fact is that governments at all levels are investing significantly across the country to address the gap. But infrastructure often has long time horizons, significant risks, and long payback periods. The public sector does not have the resources to fund all these projects, and the private sector cannot always see the business case, resulting in projects waiting, sometimes for decades, until the circumstances change.

To close the infrastructure deficit, blended financing approaches can create more capacity to finance and fund the infrastructure required, leveraging Canada's unique experience in public private partnerships.

The CIB's Unique Advantage

For more than 30 years, Canada has been a leader in innovative approaches to invest in, and deliver, infrastructure by bringing together public and private sector partners. And today, the Canada Infrastructure Bank (CIB) continues to advance approaches to blending public and private capital to help overcome Canada's infrastructure deficit.

The CIB invests in infrastructure that delivers public good benefits to Canadians using a unique model to stretch tax dollars further by attracting private capital and making investments that are repaid. Through this approach, the CIB's investments are connecting communities through transit and broadband, decarbonizing and greening infrastructure, increasing Canada's energy competitiveness and increasing the flow of goods and people through air and ocean ports and rail.

The CIB looks for shovel-worthy projects that need an innovative financing solution to become shovel-ready. Unlike a grant, CIB investments expect to earn a return through instruments like loans or equity, resulting in limited impact on the government's fiscal framework. CIB investment is paired with private and institutional capital. This provides additional upfront capital for projects to proceed and allows for capital to be returned through project revenues thereby reducing the burden on tax dollars.

The CIB is more than just a source of capital for projects. The CIB is an active partner that can help get projects to the starting line. Infrastructure projects are inherently large and complex, involving years of planning, multiple partners, engagement with stakeholders and extensive design, engineering, financing and structuring. The CIB has expertise and capacity to work with partners, advising on these matters, collaborating on projects and helping them get to a financeable position.

The CIB solves for two infrastructure investment challenges:

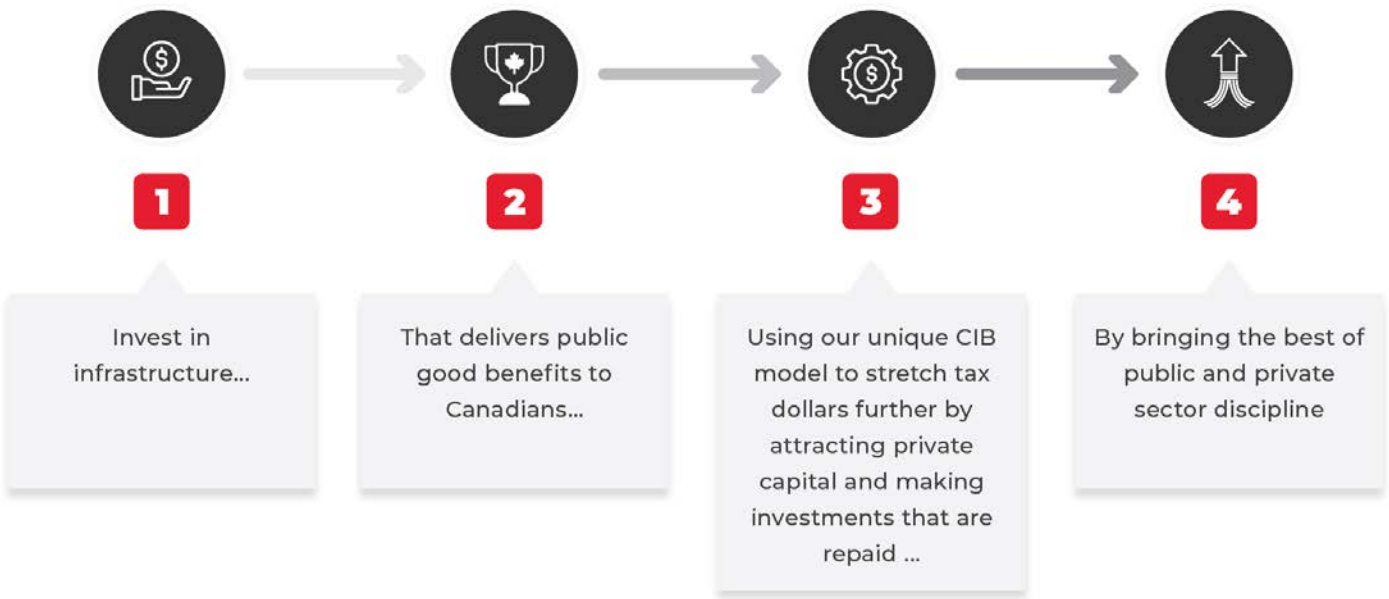
- » **Making infrastructure more affordable:** Infrastructure has high upfront costs and long-lasting benefits. Long-term, low-cost patient financing from the CIB provides the capital to build today and be recovered over the coming decades as it delivers benefits.
- » **Sharing in risk:** Infrastructure shapes our communities, but exactly how and when is uncertain. That creates significant risks for project proponents. The CIB provides capital that shares in the revenue risks infrastructure projects face to get them started sooner.

We work with partners in a collaborative manner that takes their needs and context into account. And by making projects more investable for private and institutional lenders, the CIB expedites the realization of crucial projects.

The CIB's Strategic Priorities

The most critical activity of the CIB is to make infrastructure investments that will generate outcomes for Canadians in accordance with the legislated mandate, the priorities outlined in the SPA and other relevant direction.

The CIB has established four strategic priorities that together serve to orient the organization in the advancement of its activities:



Delivering Results

As of December 31, 2023, the CIB has reached \$11.6 billion in investment commitments, contributing to more than \$31.7 billion worth of projects in communities across the country. Of the 56 projects in the CIB portfolio, 37 are in construction and deployment, bringing crucial infrastructure to Canadians, fostering economic growth and contributing to the sustainability of Canada.



SHOWCASING INFRASTRUCTURE IN ACTION



Phase one of the Réseau express métropolitain (REM) light rail service opened for full service in July 2023.

The CIB's investment contributed to daily ridership growth of more than 30,000 in the month following its opening

Once fully in service, the REM will decrease 100,000 tonnes of greenhouse gases (GHGs) annually, or the equivalent of 30,000 fewer cars on the road in 24 hours.

CIB investment in a new wastewater treatment plant in partnership with the shishálh Nation 6 in B.C. will play a critical role in enabling economic growth, housing, protecting the coastal environment, and safeguarding public health by significantly improving the quality of effluent which will meet more stringent modern wastewater standards far into the future.



CIB investment will replace 3,500 diesel school buses and reduce greenhouse gas emissions by 59,000 tonnes annually in Quebec.

To date, CIB investments will enable adoption of over 5,000 Zero Emission Buses (ZEBs) across Canada, comprising of a mix of transit and school buses.

CIB investment for construction of a new district energy system will power low-emissions heating and cooling in the GTA that is expected to reduce 67,780 tonnes greenhouse gas emissions annually.

District energy expansion into new areas will allow connected buildings the opportunity to reduce their electricity consumption by up to 80 per cent and carbon emissions by up to 60 per cent.



More information on CIB projects in progress can be found on our [website](#).

Map of CIB Projects



Portfolio of CIB Projects

PUBLIC TRANSIT	CLEAN POWER	GREEN INFRASTRUCTURE		BROADBAND	TRADE & TRANSPORTATION
INVESTMENT COMMITMENTS					
Autobus Séguin School ZEBs	<i>Atlin Hydroelectric Expansion</i>	Algoma Steel Retrofit	IonicBLue & Johnson Controls Retrofits	<i>Arrow Technology Group Broadband</i>	Alberta Irrigation
British Columbia School ZEBs	<i>Bekevar Wind Power</i>	Ameresco Retrofits	Fairmont Royal York Hotel Retrofits	Bell Canada AHSIP	<i>Enoch Arena Road</i>
City of Brampton ZEBs	Central East Transfer-Out Transmission Line	Avenue Living Energy Retrofits	Modern Niagara Retrofits	Cogeco AHSIP	<i>Kahkewistahaw Landing Infrastructure</i>
City of Calgary ZEBs	Darlington Small Modular Reactor	BMO Retrofits	<i>Netmizaaggamig Nishnaabeg Reserve Extension</i>	Manitoba Fibre	Thompson Regional Airport
City of Edmonton ZEBs	<i>Deerfoot & Barlow Solar</i>	Dream Retrofits	Noventa Energy Retrofits	ROCK Networks UBF	<i>Tshiuetin Railway</i>
City of Ottawa ZEBs	<i>Enwave District Energy</i>	Enbridge Sustain-Blackstone Energy	Modern Niagara Retrofits	Rogers UBF New Brunswick	
Durham Region ZEBs	Lulu Island District Energy	Varennes Carbon Recycling	Parkland EV Charging Network	Xplore AHSIP	
Highland Electric ZEBs	Markham District Energy	FLO EV Charging Network	<i>Port Stalashen Wastewater Treatment Plant</i>		
Montréal-Trudeau International Airport REM Station	<i>Oneida Energy Storage</i>	<i>Grasswoods Urban Reserve Wastewater Treatment Facility</i>	SOFIAC Retrofits		
Quebec School ZEBs		HTEC Hydrogen Production and Refuelling Initiative	Toronto Western Hospital Retrofit		
Réseau express métropolitain (REM)			University of Toronto Retrofits		
York Region ZEBs					

**Indigenous Infrastructure Projects in italics*

Portfolio of CIB Projects

PUBLIC TRANSIT	CLEAN POWER	GREEN INFRASTRUCTURE		BROADBAND	TRADE & TRANSPORTATION
ADVISORY AND ACCELERATION PROJECTS					
	Azure Sustainable Fuels <i>Kivalliq Hydro-Fibre Link</i> Pirate Harbour Wind Farm Taltson Hydroelectricity Expansion			<i>Kivalliq Hydro-Fibre Link</i>	Calgary-Banff Rail Contrecoeur Port Terminal East Central Alberta Shortline Rail <i>Georgina Island Fixed Link</i> High Frequency Rail Highway 697 Toll Bridge MD of Acadia and Special Areas Irrigation New Westminster Rail Bridge Newfoundland and Labrador Fixed Link

**Indigenous Infrastructure Projects in italics*

What's New in this Corporate Plan

Over our first five years, the CIB has developed a deep understanding of impact investing and the flexibility and agility required to overcome market and economic challenges. This plan reflects this understanding and demonstrates our dedicated focus in delivering large, complex projects that benefit Canadians.

The 2024 -2025 Corporate Plan builds on the CIB's demonstrated investment success in five mandated priority sectors: Public Transit, Clean Power, Green Infrastructure, Broadband, Trade and Transportation. It also sets out the CIB's approach to new and emerging responsibilities and imperatives as outlined below:

- » **Infrastructure to enable housing:** In recognition of Canada's national housing shortage, this plan outlines the CIB's new Infrastructure for Housing Initiative (IHI) that will provide targeted financing to help municipalities to invest in the infrastructure needed to enable new housing development.
- » **Research and Advisory and Engagement activities:** This plan outlines how the CIB will continue to grow its activities in research, advisory services, and public engagement to build understanding of the CIB approach and contribute to the Investment Pipeline.

This plan also includes additional details of CIB plans and progress in relation to recommendations and guidance contained in the June 2023 *Legislative Review of the Canada Infrastructure Bank Act* and the Minister's September 2023 Statement of Priorities and Accountabilities (SPA).





Overview

1.0 Overview

1.1 Purpose and Authorities

The [CIB Act](#) sets out the CIB's purpose:



The purpose of the Bank is to invest and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada.

The Government has allocated, and Parliament approved, \$35 billion to the CIB to deploy and allocated \$15 billion in net fiscal expense within the fiscal framework to invest in revenue-generating projects. The CIB uses innovative financing structures to de-risk projects and attract private sector investments to projects that would not otherwise be viable.

While independent in its operations, the CIB is accountable to the Government of Canada and Canadians. The CIB reports to Parliament through the Minister of Housing, Infrastructure and Communities (the designated Minister). The Government sets high-level priorities through mechanisms such as Budgets and policy documents. The Minister issues a Statement of Priorities and Accountabilities (SPA), which outlines the Government of Canada's priorities and expectations for the CIB. The CIB corporate governance structure, including the Board's authority and accountabilities, is detailed in Appendix B.

1.2 Activities and Programs

Over the course of the past year, the CIB has challenged itself to bring even more focus to maximizing investment to benefit Canadians. As a result, in this year's plan there are notable advancements in the CIB's progress toward its priorities, activities, risks and expectations for results and performance.

The CIB's four strategic priorities are aligned with the *CIB Act*, which sets out the CIB's purpose and are fundamental to achieving its mandate. The CIB key enablers ensure alignment and orientation across all the CIB's activities, including investments, project development, advisory

services, stakeholder engagement and research, to help the CIB hold itself accountable for clear results. Together, the CIB’s strategic focus and key enablers help the CIB team to deliver value to Canadians.

WHAT THE CIB DOES	HOW THE CIB DOES IT
Strategic Priorities 1. Invest in infrastructure... 2. That delivers public good benefits to Canadians... 3. Using our unique CIB model to stretch tax Dollars further by attracting private capital and making investments that are repaid ... 4. By bringing the best of public and private sector discipline.	Key Enablers » Building a common understanding of Canada’s infrastructure needs and where the CIB can be most effective to catalyze projects through our outreach and research. » Working with Municipal, Provincial, Federal, Territorial, Indigenous and Private Sector partners as an advisor and investor to get a pipeline of projects moving from coast-to-coast-to-coast. » Bringing a creative, customized investment approach to each project that leverages CIB’s model to get a project unstuck. » Bringing the discipline of a private investor to deliver on measurable public purpose through the lifecycle of a project using transparent, efficient, and scalable processes.

1.3 Alignment with Federal Partners, Priorities, Policies and Programs

The CIB works closely with Housing, Infrastructure and Communities Canada (HICC), central agencies and other government departments that are relevant to the CIB's mandate and priority sectors of investment.

Together with HICC, the CIB has implemented an Engagement Framework to support effective coordination and collaboration. Under the framework, there are four engagement tables, Advisory and Investments, Corporate, Research and Communications, that meet regularly to share information, discuss issues, and ensure alignment with federal policy direction and activities.

Given that interconnections between the CIB and other federal departments can be extensive, it is important to maintain clarity between CIB investment activities and other government grants and contributions programs, policies, and regulations. Collaboration between the CIB and departments aim to maximize the benefits of all federal funds available in the CIB's priority sectors to benefit Canadians.

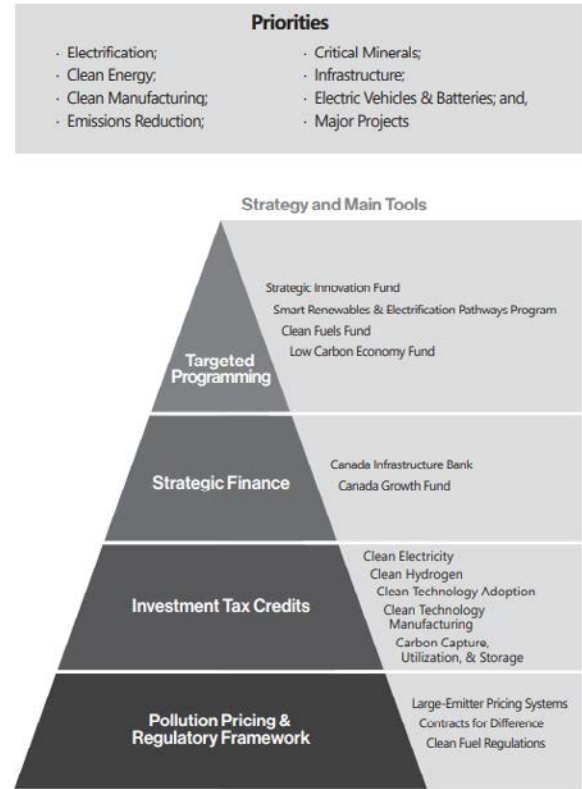
The CIB has developed productive working relationships with other federal government programs and Crown Corporations based on the principle of advancing projects at the lowest cost to Canada, such as:

- » **HICC Zero-Emission Transit Fund (ZETF)/CIB:** HICC and the CIB coordinate financing for purchases of zero-emission buses through an MOU. INFC shares applications to the zero- emission transit fund with the CIB for visibility. The CIB then can negotiate a loan sized to the operating cost savings from switching to zero-emission buses. The ZETF can then size its grant contribution to the remaining gap, allowing grant dollars to go further, while applicants remain in the same financial position as if they bought diesel buses.
- » **NRCAN/CIB:** NRCAN and the CIB coordinate through an MOU to accelerate deployment of zero- emission vehicle charging infrastructure related to both programs. This sets out a single federal window for applicants as well as broader program design and coordination to ensure the most efficient delivery of federal support. Applicants that meet the application criteria are routed to the CIB, ensuring NRCAN grant funding is directed to projects with the greatest need.

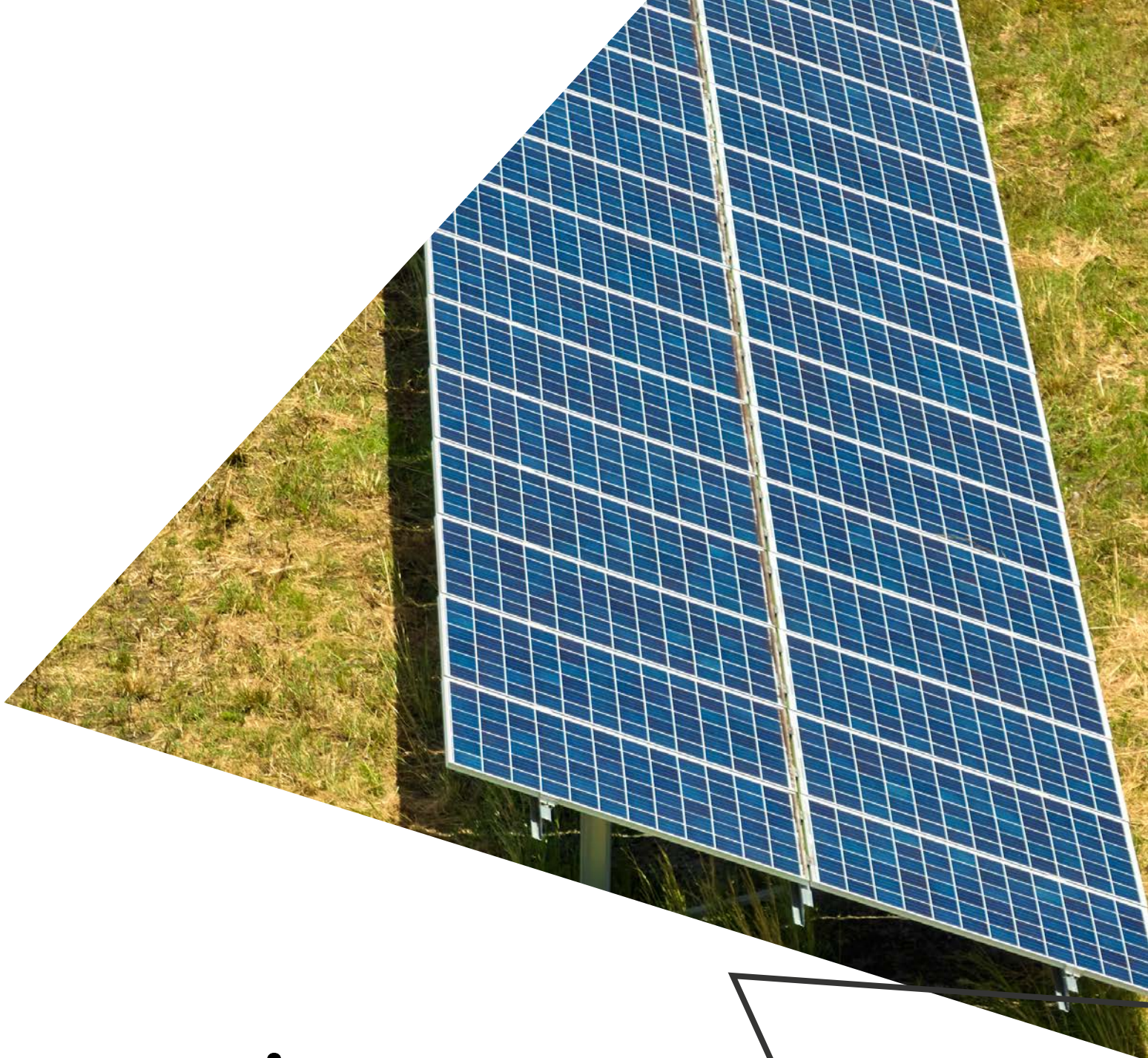
- » **Innovation Science and Economic Development (ISED) Strategic Innovation Fund (SIF)/CIB:** The CIB and SIF are in regular contact governed by an MOU. One example of a successful collaboration is the joint financing of the Algoma Electric Arc Furnace (EAF) project which delivers an over 3 MT reduction of Co2 emissions. This project is being jointly delivered through a mix of forgivable/non-forgivable contributions from SIF and repayable CIB loans that provided sufficient financial support for Algoma to proceed with the project while minimizing overall federal support.
- » **ISED Universal Broadband Fund (UBF)/CIB:** Recognizing that a solution maximizing CIB financing while minimizing UBF grant financing would allow more Canadians to get connected to 50/10 mbps, ISED and the CIB designed a process where Internet Service Providers (ISP) first approach the CIB for a financing package and then bid into the UBF process. Selections are made based on the grant request, therefore minimizing overall cost. In this model, the CIB relies on ISED for project selection and scoping.
- » **Export Development Canada (EDC)/CIB:** The CIB has a MOU with Export Development Canada to ensure coordination related to clean fuel projects.

Budget 2023 laid out Canada’s Plan for a Clean Economy, which articulated four complementary levels of federal supports including regulatory framework, tax credits, strategic financing and targeted investments and programming. The CIB is included as a source of strategic finance, highlighting the role the CIB plays to attract private and institutional capital to unlock more infrastructure, including to support the Clean Economy. As noted above, the CIB’s approach works in coordination with other federal supports, providing important value through its mandate of investing in revenue generating infrastructure and attracting private and institutional investment.

Canada’s Plan for a Clean Economy



Source: Budget 2023: A Made-In-Canada Plan



Operating Environment

2.0 Operating Environment

2.1 External Operating Environment

The CIB considers economic and market factors when planning activities and investments. The CIB's Corporate Plan was built with consideration to the following existing and emerging themes in the infrastructure space.

Economic Conditions

The CIB is monitoring the effects of inflation and higher interest rates on the pace of and appetite for investments. A volatile global economy means heightened risk for delivering and operating large capital projects. Interest rates are working to moderate spending and inflation is easing gradually, though underlying pressures are proving persistent. At the same time, long-term, low-cost patient financing from the CIB can play a critical role in mobilizing additional private and institutional capital investment. As broader economic conditions change, the CIB retains the flexibility to structure its participation in investments to fill gaps that can prevent projects from proceeding, including establishing pricing or repayment profiles in response to changes in prevailing interest rates. This is particularly important when considering our support of the energy transition economy.

Construction Costs

Inflation, higher interest rates and disrupted supply chains are increasing the costs of and delaying construction projects. The CIB's investments are generally structured so that the CIB is not exposed to cost overrun risks after financial close. While certain CIB projects are being impacted in terms of construction timing and budget; these have not led to any material impacts on expectations for overall performance of the portfolio.

Of the CIB's existing projects, many remain in early-stage construction, and cost increases have yet to have any material effect. Cost increases are largely expected to be absorbed by contingencies built into project budgets as well as commitments from our counterparties to fund cost overruns or mitigated through fixed-price contracts. The CIB continues to monitor risks and the impact on existing and potential portfolio holdings.

The CIB is seeing the impact of increasing construction costs on its pipeline of projects in development. Project owners are deferring or delaying investment decisions as project economics become more challenging. This impacts the overall pace of CIB's capital deployment even as it creates a greater need for concessional finance tools like the CIB to unstick current and future projects.

Coordination with other Government Programs, Agencies and Tools

The *CIB* actively works with all levels of government to support building infrastructure at the lowest overall cost to Canadians. The Government has designed a suite of tools to accelerate projects supporting the energy transition including carbon pricing, investment tax credits ("ITCs"), depreciation, grant programs, and the CIB and other strategic finance tools (e.g., Canada Growth Fund). The CIB appreciates the clarity provided in the Fall Economic Statement which proposed to amend the Income Tax Act to provide that concessional loans with reasonable repayment terms from public authorities will generally not be considered government assistance. The CIB will seek additional clarity of government programs to ensure the CIB's role is well understood by proponents and agencies so that the right tool is used in the right circumstance to support efficient investment of infrastructure dollars.

Climate Action and Sustainability

As efforts advance to address the infrastructure deficit, it is imperative to also build for a new climate future. Reducing emissions from Canada's economy to net-zero by 2050 will require a transformation of how industries and households access energy, transportation and other critical inputs to production and daily life. This means investments in new infrastructure to generate and deliver clean power where it's needed – including for uses such as electrifying vehicles and the systems for heating of our buildings. This also means nationwide networks for reliably providing new forms of clean fuels, like hydrogen, and infrastructure that captures emissions from industrial sources and transporting these to be permanently stored. The CIB's focus for investment, including through the priority sectors of clean power, green infrastructure and public transit, are closely aligned with the goals of Canada's climate plans.

Emerging Priorities for the CIB

The updated SPA (September 2023) recapped recent and emerging priorities for the CIB, particularly in areas of the low-carbon economy, ZEVs, green buildings, critical minerals and loans to Indigenous communities to purchase equity stakes in projects in which the CIB is investing. It also identified two additional areas of growing importance for the Government of Canada: actions to facilitate investment in Canada’s national housing supply, and embedding climate resilience into infrastructure development. The SPA also details expectations for the CIB to undertake and strengthen engagement, advisory and research activities.

2.2 Internal Operating Environment

CIB Values and Culture

The CIB is continuing to enhance various business functions to support the increased pace of investments including business planning, data architecture and file management.

Developed over the course of the previous year and informed by extensive engagement and consultation, a set of CIB values identify the four key pillars of the CIB culture:

			
Make it better, for Canada	Break new ground	Be the best of public and private	Celebrate our differences
Our commitment to Canadians is at the forefront of everything we do, and we measure our returns based on impact and positive outcomes for Canada.	We are flexible and innovative — we think creatively and push the pace to get things done.	We bridge the gap between both worlds, bringing accountability and commercial discipline to public problems to enhance the lives of Canadians.	We recognize that our distinct skills, backgrounds, and knowledge make us stronger — everyone brings something to the table, and we can all learn from each other.

The CIB is committed to maintaining a diverse, inclusive, and respectful workplace, and has established a Diversity, Equity and Inclusion committee to play a leading role to contribute to and guide goals and actions that deliver this outcome.

CIB Staffing and Hybrid Work Environment

Over the course of the last year, the CIB noted a decrease in employee turnover and improved stability in staff retention compared to prior years.

A pillar of the CIB's employee value proposition acknowledges our approach to hybrid work. The hybrid environment supports employees with the option to work remotely for two days per week on average, while promoting cross-functional and team collaboration on the days when we convene in the office. We believe in the power of teams being together in person, but we also value the flexibility that comes with remote work.

The CIB's team has expanded along with growth in the portfolio to ensure capacity is in place to deliver both internal and external facing services. The CIB has a robust staff onboarding and training program and leadership focused training to ensure all CIB employees are set up for success.

CIB's Approach to Enterprise Risk Management

The CIB's Enterprise Risk Management (ERM) Framework systematically identifies, assesses, and mitigates significant risks which could impact the CIB's operational performance.

In 2023, the CIB's ERM Policy and Framework was reviewed internally and adjusted to support the organization's focus. This resulted in updates to improve alignment with leading ISO 31000 and COSO risk management practices and to clarify roles and responsibilities across the organization. Our risk management program includes a risk register and dashboards for tracking and reporting issues, respectively. This process ensures that risks (as both threat and opportunity) are communicated internally and with the CIB Board of Directors on a regular basis and managed or mitigated as required.

Operational Excellence at the CIB

The CIB strives to be a respected leader in infrastructure and be able to deliver on the capital investment that is planned. The CIB's internal systems and processes are continually being assessed and enhanced to support evolving organizational needs, particularly to support a growing portfolio of investments.

Upgrades to core systems such as IT, asset management, workforce planning and performance management are being implemented to accommodate the natural growth in the CIB associated with increased investments.

More information on the CIB's internal operating environment can be found in Section 4 Financial Overview, Appendix E Financial Statements, Appendix F Legislative and Policy Compliance and Appendix H Alignment to Government Priorities.

2.3 Reviews and Audits

The CIB is subject to the provisions of the *CIB Act*, federal legislation and policies that apply generally to Crown corporations including the *Financial Administration Act*, the *Official Languages Act*, the *Privacy Act*, the *Access to Information Act*, the *Conflict of Interest Act*, and the *Canada Labour Code* as outlined in Appendix G Compliance with Legislative and Policy Requirements. The CIB aligns with Treasury Board Guidance and directives for Crown corporations.

The CIB Board and management team is committed to fostering a strong compliance culture. This culture includes ongoing policy development, commitment to training and communication, and development of effective internal controls. In addition, the CIB maintains a robust governance framework that is guided by legislation, government policies and guidelines, and financial industry best practices.

The CIB's financial statements are jointly audited by the Auditor General of Canada and an external independent auditor appointed by the Governor in Council. BDO Canada LLP was appointed as CIB's external auditor for fiscal 2023-24. In addition to the joint auditors, the CIB also maintains an independent internal audit function to ensure the CIB's governance, risk management and internal control processes are operating effectively.

The Legislative Review

Under the CIB's enabling statute, the designated Minister must undertake a review of the CIB and table a report in Parliament every five years. The Minister initiated the first such *Legislative Review* in June 2022, which was completed in [June 2023](#). The *Legislative Review* found that the legislation governing the CIB is appropriate and the CIB's core objectives remain sound and relevant. The *Legislative Review* concluded that no legislative amendments are necessary, and the Bank remains well-positioned to advance a range of projects across its priority sectors.

The Review also identified several opportunities to ensure the continued success of the Bank. The following table shares at a high level how the CIB is acting on these opportunities, with additional details included throughout this Corporate Plan.

OPPORTUNITY	CIB ACTION
PROVIDING GREATER CLARITY ON THE CIB ROLE AND MODEL	Alignment with sectors and models – guidance on how CIB is to invest in priority sectors » The Corporate Plan sets out the CIB’s planned activities in all sectors and identifies market gaps, including development of targeted programs where appropriate. » CIB communications and engagement activities including digital communications, participation at industry conferences, and digital outreach reinforce the areas of CIB activity. » The CIB will host its first CIB Day – a virtual open house featuring investment leaders providing updates on progress and how to work with CIB. » The CIB is considering a potential survey of project proponents and advisors.
	Interaction with other federal programming – guidance on how CIB investments fit within the federal suite of programs » Coordination with Departments continues to be enhanced through the engagement framework with HICC. » Direct engagement with federal officials on key issues such as infrastructure for water. » Federal departments are encouraged to also relay the role of CIB financing to prospective investment recipients.
	Investment process – transparency as to how CIB invests and operates » Information on the CIB investment process is detailed on the CIB website, in CIB materials and in the Corporate Plan. » The CIB has instituted regular market updates and bi-annual virtual events with CEO providing updates. » As engagement and communications is increased, this information will be even more broadly disseminated

OPPORTUNITY	CIB ACTION	
ENGAGING PUBLIC PARTNERS TO ADVANCE ALTERNATIVE FINANCING	Advise other orders of government – enhancing the CIB role as an advisor	» Providing advice to proponents on all projects in early stages of our investment funnel. » Meeting officials in all Provinces and Territories (PTs) and conducting direct engagement with all PT infrastructure departments. » Through consultations with the CIB, officials in Ontario have seen an opportunity to get more investment in critical infrastructure through the creation of an Ontario Infrastructure Bank
	Promoting the CIB and alternative financing models – identify and disseminate data and knowledge	» Proactively working to help project proponents in the public and private sectors understand the model and what CIB can offer. » Using face-to-face meetings, speaking events, virtual webinars, and a myriad of other engagement tools. » Engaging with global infrastructure bank CEOs and governments interested in creating infrastructure banks to share best practices. » The CIB appeared at more than 100 events across Canada last year. » The CIB has project development leads active in the West, East and North.
SUPPORTING CIB GOVERNANCE AND RESULTS MEASUREMENT	Enabling strong governance – to oversee strategy, with a diverse and strong Board	» Benefit from a highly professional and capable Board, with four focused committees to provide strong governance across investments, portfolio & risk management, human resources, and finance & audit. » Support of external auditors » Conduct Board education sessions, and meet 12 x per year (or more as needed)
	Demonstrating results – communicating results to Canadians	» Delivering regular reports on the corporation's quarterly and annual performance, as well as Corporate Plans. These documents are tabled in Parliament and publicly available on our website. » Enhancing communications through social media, newsletter, market updates, appearances, events and the Annual Public Meeting.



Objectives, Activities, Risks, Expected Results, and Performance Indicators

3.0 Objectives, Activities, Risks, Expected Results, and Performance Indicators

3.1 Outlook to 5-year Planning Period

In line with the *CIB Act*'s purpose, an assessment of portfolio allocations and short- and long-term targets is undertaken annually to inform the development of the 5-year operating budget and longer-term capital plans. The CIB has a disciplined portfolio planning process that includes regular engagement by management and the Board on the pipeline and approach to investing across each of the CIB's sectors.

Specific performance targets, detailed in Appendix C, are aligned to the CIB's four strategic priorities:

1. Invest in infrastructure...
2. That delivers public good benefits to Canadians...
3. Using our unique CIB model to stretch tax dollars further by attracting private capital and making investments that are repaid ...
4. By bringing the best of public and private sector discipline.

Targets are measurable and quantifiable during the planning period, and will inform the evaluation of organizational performance in both the short- and long-term.

The CIB is accountable to our shareholder and to Canadians for achieving the targets. The CIB discusses progress towards targets during our annual public meetings, in quarterly financial reports, and annual reports posted to our [website](#).

3.2 Investment Activities

Investment Framework

The CIB enables federal infrastructure dollars to go further by attracting private and institutional capital to catalyze infrastructure projects that deliver real benefits for Canadians.

We invest in five priority sectors: Public Transit, Clean Power, Green Infrastructure, Broadband, Trade and Transportation. We have also established a target to invest at least \$1 billion across these sectors for projects in partnership with and for the benefit of Indigenous communities.

The Government sets high-level priorities through mechanisms such as Budgets and policy documents. The Minister of Housing, Infrastructure and Communities (the designated Minister) issues a Statement of Priorities and Accountabilities (SPA), which outlines the Government of Canada's priorities and expectations for the CIB. In line with these priorities, the CIB long-term scorecard, found in Appendix C, measures the expected benefits that projects deliver towards public outcomes expressly related to growing the economy through trade, reducing greenhouse gas emissions, connecting Canadians to broadband, expanding public transit, and supporting Indigenous communities' infrastructure.

The CIB combines its commercial discipline, innovative financial structures, and expert advisory services to get more infrastructure projects in the public interest built faster by addressing two key obstacles:

- » **Risk:** where a project is not proceeding with private capital because there are risks that private investment cannot effectively price or bear alone, the CIB can share in those risks alongside private capital in order to achieve the public outcome. For example, in our zero-emission vehicle charging projects, we are sharing in the demand risk of the rate of electric vehicle adoption, allowing projects to proceed now and deliver GHG benefits rather than have investors wait until there are more EVs on the road.
- » **Affordability:** unsticking a project that's stuck because the project costs are higher than the market returns, and the CIB can make it affordable to move forward and deliver a priority public benefit. For example, broadband projects in many rural areas are not profitable, but CIB concessional financing can allow these projects to proceed and help achieve universal access to broadband.

Given the size of Canada’s infrastructure deficit, there is an important role for CIB capital to address the infrastructure gaps by sharing in risk and improving affordability of projects. Finding ways to successfully crowd-in private and institutional capital to work alongside public investment is critical to achieving greater results for Canadians.

Investment Policy

A rigorous Investment Policy governs how the CIB advances investments through its approval process.

The approval process begins with the sourcing and development of projects by highly skilled and experienced investments professionals, and progressively requires the approvals of the CIB’s Chief Investment Officer, the Management Investment Committee (MIC), and the Investment Committee of the CIB Board.

As a project progresses through the stages of our approval process, it is reviewed through our Investment Framework to ensure a consistent, analytical assessment in relation to risk and outcome is conducted.



The CIB’s Investment Framework provides the evaluation criteria and thresholds for all our investment decisions. It focuses on the relationship between risk and impact outcomes, relative to our defined goals within sectors and the broader portfolio. The framework ensures that the CIB management team and Board leverages the CIB’s unique model to stretch dollars to achieve as much impact as possible when developing and making investments.

More information about the CIB Investment Framework, Investment Policy and financial position can be found on our website under [Reports and Transparency](#) and in the [2022-23 Annual Report](#).

3.3 Priority Sectors

To guide the allocation of capital, the federal government has established long-term sector targets for the CIB in each of its priority sectors contributing toward investment of the overall \$35 billion that has been authorized for the CIB.

				
Public Transit	Clean Power	Green Infrastructure	Broadband	Trade & Transportation
Long-term sector target \$5B	Long-term sector target \$10B	Long-term sector target \$10B	Long-term sector target \$3B	Long-term sector target \$5B
ZEBs, LRTs, BRTs, ferries, subways, commuter rail, transit-oriented development	Zero-emission generation, small modular reactors, renewables, district energy, storage, interties, transmission	Energy efficient retrofits, industrial decarbonization retrofits, water, wastewater, carbon capture, clean fuels, hydrogen, zero emission vehicle charging	Unserved and underserved community broadband connectivity	Agricultural infrastructure, ports, freight, highways, roads, bridges, tunnels, inter-regional and passenger rail, critical minerals
Indigenous Infrastructure At least \$1B for projects in partnership with and for the benefit of Indigenous Peoples				
Project Acceleration \$500M for project development and early works to shorten critical paths to construction				

In some sectors, we are likely to achieve or exceed these targets over the time horizon of this corporate plan, whereas in other sectors these targets may be achieved beyond the horizon of this corporate plan.

As indicated in Budget 2023, our Clean Power and Green Infrastructure sector targets were increased to \$10 billion each. This signaled the opportunity for the CIB to play a larger role in these sectors, which now represents more than half of our investments.

The five priority sectors of Public Transit, Clean Power, Green Infrastructure, Broadband, Trade and Transportation represent the foundation for all CIB investment activity. Indigenous Infrastructure projects fit within all priority sectors in partnership with and for the benefit of Indigenous Peoples.

The following pages give a high-level overview of each of our priority sectors including example assets and market gaps to be filled by the CIB.



CLEAN POWER

Subsectors:

- » **Clean Generation, Transmission and Storage**
- » **District Energy**

The advancement of clean power initiatives is critical to achieving Canada's 2030 and 2050 climate action goals and contributing to a more sustainable energy future. New investment is required to improve interconnection between utility systems and stimulate advancement of clean power generation, distribution, and storage. The CIB can help address gaps in the capital structure of projects such as inter-provincial interties, renewables, district energy systems, energy storage, small modular reactors, and more.



CLEAN GENERATION, TRANSMISSION AND STORAGE

The CIB's investments in this area support the objectives of the Healthy Environment, Healthy Economy Plan including:

- » Over 90% of Canada's electricity generated from non-emitting sources by 2030 and phasing out coal generation.
- » Producing 2-3x the clean power as we produce today by 2050.
- » Connecting more communities to the electric grid to allow use as a fuel source.
- » Supporting interregional transmission to better connect parts of the country with abundant clean energy to those more dependent on fossil fuels.

The CIB measures the GHG reductions that result from the Clean Generation, Transmission and Storage projects, working toward a long-term target of an expected, cumulative annual GHG reduction of 15 MtCO₂e across the CIB portfolio. To date, the CIB estimates its investments in clean generation, transmission and storage projects will result in a reduction of more than 900,000 tonnes of CO₂e annually towards that goal.

EXAMPLE ASSETS

This subsector consists of projects that reduce the GHG emissions of the electricity sector.

The CIB is technology agnostic in evaluating potential projects which include non-emitting generation projects, such as renewables and small modular reactors, battery and other forms of storage, transmission projects and intertie projects to better connect regional grids including both domestic and transborder connections. In remote Indigenous communities, this might also include other asset types that provide essential energy services, in line with federal policies.

The CIB works closely with NRCan and other federal departments to ensure there is coordination and alignment in any potential activity in this area. For example, the CIB is working with NRCan on smart renewables taking into consideration size of projects and Indigenous ownership.

MARKET GAP

CIB investments in this subsector address two market gaps.

First, transitioning to zero-emission electricity is expensive and imposes costs that may not be able to be addressed in existing project economics.

Second, the CIB is also involved in merchant revenue projects. Instead of a fixed, contracted offtake, these projects rely on future sales of their electricity services in markets for all or a portion of their revenue. The CIB's ability to invest in merchant revenue projects enables

projects that have clear carbon reduction benefits to proceed, even when a utility or regulator is unwilling to commit to a fixed contract for the entire project costs but will instead purchase services over time in a merchant market. Project developers have difficulty accessing cost-effective debt financing against these merchant revenue streams.

DISTRICT ENERGY

District Energy projects have substantial potential to contribute to decarbonization of the buildings sector by providing more efficient heating and cooling, saving customers money while reducing GHG emissions.

The CIB's primary offering is to allow a district energy operator to increase the initial size of a district energy project to serve demand from customers that are not yet willing or able to commit to connecting. This enables economies of scale in construction, while enabling future customer demand to cost-effectively connect.

The CIB measures the GHG reductions that result from district energy projects, working toward a long-term target of an expected, cumulative annual GHG reduction of 15 MtCO₂e across the CIB portfolio. To date, the CIB estimates its investments in district energy projects will result in a reduction of nearly 150,000 tonnes of CO₂e annually towards that goal.

EXAMPLE ASSETS

Included in this subsector are projects that provide a network of heating and/or cooling energy to buildings based on a central heat source. This delivers economies of scale and allows for adoption of lower carbon fuel sources.

MARKET GAP

CIB investments in this subsector enable projects to be built initially at larger scale and enable greater carbon reductions. District Energy project developers are often only able to secure senior lending against committed customer contracts which limits the size of the initial construction. By increasing the size of core infrastructure (e.g., steam pipe diameter), these projects can more cost-effectively add additional buildings, through new construction or retrofit, over the project's life, resulting in additional GHG reductions.

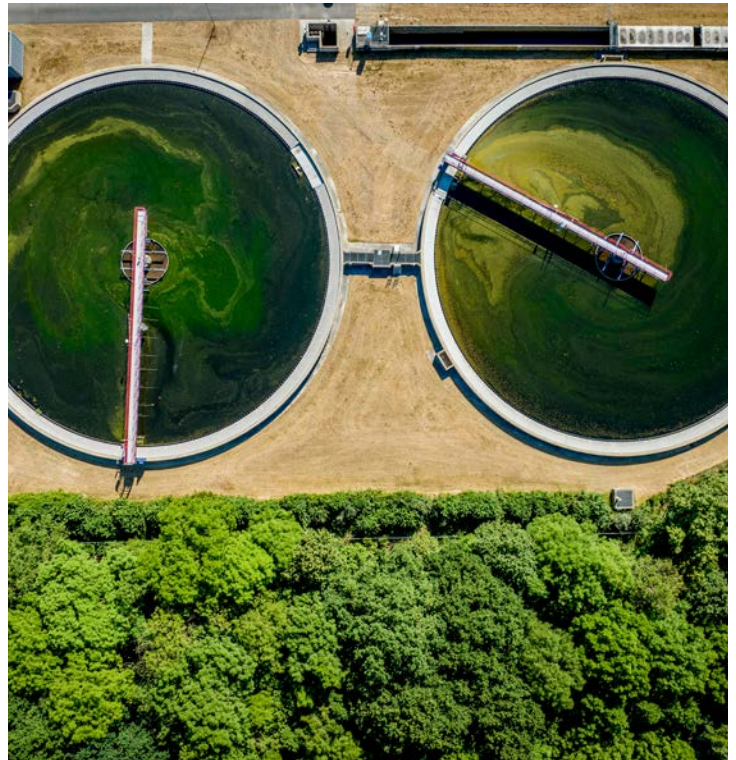
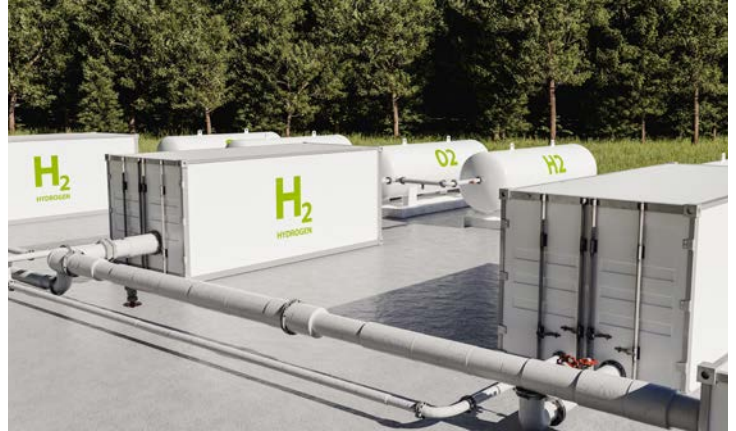


GREEN INFRASTRUCTURE

Subsectors:

- » Retrofits
- » Low-carbon Energy Transition: CCUS, Hydrogen, Clean Fuels
- » Water and Wastewater
- » ZEV Charging and Refuelling

Green infrastructure projects support Canada's clean growth economy in areas such as energy efficiency, water and wastewater management and the transition to a low-carbon future.



RETROFITS

Retrofits, which include commercial, multi-unit residential, institutional and industrial retrofits, contribute to climate action through enabling GHG reductions. Building retrofits save money, revitalize building stock, and improve overall building comfort. Industrial retrofits can help support higher emitting businesses in their processes as they transition to the low-carbon economy.

CIB investments in private building retrofits are priced on a sliding scale above and below the government's cost of capital, in a manner that is linked to GHG reductions of the project, the amount of private capital attracted and the economics of the projects.

The CIB collaborates on the building retrofit sector with both NRCan and CMHC. With NRCan this includes discussion on the alignment of policies and coordination with NRCan's Deep Retrofit Accelerator Initiative. With CMHC this also includes discussion on alignment on policies – including for example on office to residential conversion retrofits.

The CIB meets regularly with ISED (SIF) to coordinate work related to industrial retrofits, and also engages regularly with the CGF, EDC and BDC to discuss potential projects.

The CIB measures the GHG reductions that result from the retrofit projects, working toward a long-term target of an expected, cumulative annual GHG reduction of 15 MtCO₂e across the CIB portfolio.

To date, the CIB estimates its investments in retrofit projects will result in a reduction of nearly 3.7M tonnes of CO₂e annually towards that goal.

EXAMPLE ASSETS

Building retrofit candidates can be publicly or privately-owned and must be of a commercial, multi-unit residential, industrial, or institutional nature with an objective of reducing GHG emissions. Industrial retrofits are projects that retrofit industrial facilities or processes with the goal of reducing GHG emissions.

The CIB invests in a wide range of transaction structures in this subsector. Examples include investments in a specific building or industrial retrofit project, investment in portfolios of projects, and investment in aggregators (organizations that will aggregate multiple retrofit projects into a portfolio to support the minimum scale CIB needs (\$25 million)) to make efficient investments.

MARKET GAP

The CIB's participation in this subsector seeks to incentivize building owner and retrofitting service providers to go deeper in the scoping of their projects to address a greater proportion of the emissions.

Deeper retrofits are more costly, have longer payback periods and have uncertainty with respect to the time and magnitude of the cost savings that result from the retrofit. These gaps

can be managed by flexible and concessionary financing from the CIB. The CIB's financing can bear some of the risks of cost savings materializing in proportion to its role in the capital structure.

LOW-CARBON ENERGY TRANSITION

This subsector has a strong potential to contribute towards achieving the climate outcomes and capital targets set out for the CIB.

The CIB evaluates projects on their ability to contribute to meeting Canada's decarbonization objectives.

The CIB measures the GHG reductions that result from low carbon energy transition projects, working toward a long-term target of an expected, cumulative annual GHG reduction of 15 MtCO₂e across the CIB portfolio. To date, the CIB estimates its investments in low-carbon energy transition projects will result in a reduction of nearly 200,000 tonnes of CO₂e annually towards that goal.

EXAMPLE ASSETS

The CIB will consider investments in projects that feature use of green infrastructure approaches such as CCUS, hydrogen and clean fuels.

For hydrogen projects, given the outcomes sought in reducing GHGs, the CIB focuses on project that result in carbon reductions, predominantly those known as "blue" and "green" hydrogen. The CIB

would not invest in steam methane reforming production absent carbon capture, often referred to as "grey hydrogen."

The CIB may invest in the capture, transportation sequestration of carbon; the production, transport and distribution/end-use of hydrogen, and the production of clean fuels. The CIB will further follow announced federal policy in these areas for further project eligibility.

MARKET GAP

CIB investments in this subsector will address three market gaps:

Value of Carbon – CIB participation in these projects can bear a portion of this risk and enable projects to proceed with private investment, while, unlike grants, sharing in the gains that can occur when carbon offsets are valuable.

Future demand/coordination – CIB investment can enable systems to be built for future demand, even if not all participants are ready to commit to fixed offtake.

Technology commercialization – CIB investments may be in projects that are in the early stages of at scale commercial deployment, including first-of-a-kind at scale deployments. There is limited debt and equity capital available for these risks, and so the CIB's involvement can catalyze a greater number of projects.

WATER AND WASTEWATER

Water and wastewater are critical infrastructure projects in municipalities and Indigenous communities across the country and are a key element of the CIB's Green Infrastructure Priority sector. The CIB seeks to invest in water and wastewater projects that can be delivered within the CIB's guardrails and legislative mandate with respect to revenue generation and involvement of private capital.

Many water and wastewater projects are small, and municipal appetite for involvement of private capital in the water and wastewater sector varies. The CIB continues to develop its planned strategies and approaches in response to the unique attributes to the subsector, in parallel to advancing water and wastewater projects with interested project proponents.

EXAMPLE ASSETS

The CIB will consider investments in municipal water and wastewater facilities or systems.

MARKET GAP

The CIB's involvement in the water and wastewater sector addresses a risk gap to allow projects to proceed, including by seeking to crowd in private capital into the investment and financing of water and wastewater systems. The CIB's participation lowers the

cost to municipalities or other water system operators in the delivery of these services and allows municipalities to build infrastructure ahead of population growth.

ZEV CHARGING AND REFUELLING

Significant scale up of zero-emission charging and hydrogen refuelling infrastructure is needed to enable broader and faster adoption of ZEVs in Canada. Investment in this infrastructure falls within the CIB's existing Green Infrastructure sector, aligning with government targets for ZEV adoption including full transition for new vehicle sales to zero emission light duty vehicles by 2035 and medium and heavy-duty vehicles by 2040.

The CIB's Charging and Hydrogen Refuelling Infrastructure Initiative (CHRI) operates in close coordination with NRCan's Zero Emission Vehicle Infrastructure Program. The CIB has also had ad hoc collaborations with ISED's Strategic Innovation Fund and with EDC in the charging and hydrogen refuelling space.

The CIB measures the GHG reductions that result from ZEV charging and hydrogen refuelling projects, working toward a long-term target of an expected, cumulative annual GHG reduction of 15 MtCO₂e across the CIB portfolio. To date, the CIB estimates its ZEV charging and hydrogen refuelling projects to date will result in a reduction of nearly 700,000 tonnes of CO₂e annually towards that goal.

EXAMPLE ASSETS

The CIB is making investments in charging and hydrogen refuelling infrastructure for zero-emission vehicles, as well as the enabling infrastructure required to support their implementation.

MARKET GAP

The CIB's involvement in charging and hydrogen refuelling infrastructure may consider multiple potential market gaps. First, charging infrastructure faces a commercial risk gap in the form of demand-side risk, as the profitability of this infrastructure depends on the adoption rate of the zero-emission vehicles.

Financing that enables faster and broader build-out can help ensure infrastructure remains ahead and can meet and in fact encourage emerging demand. As well, certain charging infrastructure may be in the public interest for climate and transportation objectives but present an economic gap where the infrastructure may not present a sufficient return to be financed solely in the private sector, for example in rural or remote areas.



THE CIB'S WORK IN INFRASTRUCTURE FOR HOUSING

Addressing Canada's housing shortage requires a variety of approaches to address, including both public and private sector action. In many communities, infrastructure challenges can slow or prevent the development of new housing.

To help address the challenge, the CIB launched the Infrastructure for Housing (IHI) initiative in March 2024.

Under this initiative the CIB, alongside private and institutional capital, provides financing targeted at municipalities to allow for investment in the infrastructure that is necessary to support new housing development. The objective of this initiative is to address infrastructure capacity constraints that are limiting new housing construction, by enabling municipalities to build infrastructure ahead of population growth.

This is done by the CIB sharing in the risk of future development and associated revenues, including whether they materialize at the speed anticipated, thereby reducing risks to municipalities who invest in that future

growth today. IHI's dedicated financing can be repaid using specific revenue streams which are expected to grow as housing growth materializes. This new approach reflects significant effort to design a new product offering that meets the specific challenges that municipalities face and accelerate the CIB's contributions towards the national housing supply effort.

The IHI complements existing federal tools, and furthers the broader federal approach to drive progress in housing, including by leveraging strategic finance. The CIB is not financing the construction of new housing, but rather the enabling infrastructure which is needed to support it. In this way, the CIB can contribute towards Canada's housing objectives through investment in its existing priority sectors, such as water infrastructure and transit.

The impact of the CIB's work to support housing will be measured in terms of the infrastructure capacity that is unlocked to support new homes.

Infrastructure	CIB Involvement
 Clean Power	✓
 Transit	✓
 Broadband	✓
 Water Infrastructure	✓
 District Energy	✓
 Home Construction	✗
 Community Infrastructure	✗



The initial long-term target will be infrastructure capacity that could support 100,000 new homes across Canada.

Significant outreach with municipalities, stakeholders and government departments was conducted to inform the design of the IHI. As the CIB rolls out this initiative, it will continue to engage with stakeholders to seek feedback and improve its approach.

In addition, the CIB is commissioning a leading expert in municipal and housing policy to undertake independent research on enabling infrastructure for housing and the methods of financing adopted across a variety of jurisdictions, with the intent to further our knowledge and share this expertise with the municipal sector.

These efforts are in line with guidance in the September 2023 Statement of Priorities and Accountabilities, which stated that the “CIB does and should continue to invest in infrastructure that enables housing developments, including water, wastewater, district energy, and public transit” and that it should “explore further options to attract investment in the enabling infrastructure necessary to accommodate home construction”. The November 2023 Fall Economic Statement noted the CIB’s work and that more detail would be announced by Budget 2024 – a timeline met with the March 2024 launch of the Infrastructure for Housing Initiative.





PUBLIC TRANSIT

Subsectors:

- » Major Transit
- » Zero Emission Buses

The CIB recognizes that investments in greener transit can reduce GHGs for Canada, provide citizens with cleaner and faster commutes, support the financial sustainability of public transit providers, and improve the quality of life for Canadians, particularly those living in larger cities.



MAJOR TRANSIT

Major transit projects can transform cities and regions and deliver a wide range of benefits such as contributing to the federal government's objectives, connecting people to work, getting them home faster at the end of the day, reducing GHG emissions and supporting livable communities.

The federal government has made commitments to fund transit specifically through the Permanent Public Transit Fund for major projects. The CIB works in close collaboration with HICC officials in this area of investment.

The CIB has established a target across our portfolio to invest in projects with an expected cumulative ridership of 210,000 daily riders. To date, the CIB estimates its investments in major transit projects will generate 174,000 daily riders.

EXAMPLE ASSETS

Included in this subsector are traditional forms of transit: subways, commuter rail, light rail transit and transit buses, including new lines, extensions, rolling stock and infill stations.

The CIB would consider other forms of mass transit that can achieve its ridership objectives, for example: aerial transit, automated people movers, ferries and other innovative ideas that provide transit solutions.

MARKET GAP

The CIB seeks to enable the development of major transit projects that would either not occur, occur later or would otherwise not have a similar degree of risk transfer to the private sector.

The CIB can provide financing to major transit projects that are delivered in an integrated fashion, with a private or institutional investor bearing responsibility and risk related to construction, operations, maintenance, and lifecycle, as well as volume or revenue to align incentives for successful projects. The transfer of volume or revenue risk is costly in the private sector, and the CIB's financing can enable this risk transfer.

The CIB will also work with public and private sponsors to better leverage the increase in real estate value or development that comes from improved transit service. This real estate value can occur well into the future after transit construction, for example, the continued development along the Canada Line in Vancouver. The CIB's financing seeks to solve a timing and certainty gap for project sponsors, allowing the real estate development value to be monetized up front and used to fund a portion of the transit construction costs.

ZERO EMISSION BUSES

ZEBs contribute to climate action through GHG reductions, reduced local air pollution, less noise, and a better rider experience. The CIB also considers other vehicles that can reduce the GHG emissions of public transit as within scope of this subsector, for example opportunities to electrify diesel commuter rail or ferries.

The CIB works closely with HICC in accordance with an MOU to collaborate on the administration of HICC's Zero Emission Transit Fund and the CIB's Zero-Emission Buses Initiative. The main objective of the collaboration is to coordinate the programs to maximize the impact of Federal contributions to zero-emission transit.

The CIB measures GHG reductions that result from ZEB projects, working toward a long-term target of an expected, cumulative annual GHG reduction of 15 MtCO₂e across the CIB portfolio. To date, the CIB estimates its investments in ZEBs will result in a reduction of nearly, 180,000 tonnes of CO₂e annually towards that goal.

EXAMPLE ASSETS

Included in this subsector are all zero-emission forms of transit: transit buses, school buses, coach buses, as well as rail (e.g., commuter rail or diesel light rail electrification), and ferries.

The CIB is technology-agnostic and can support all forms of zero-emission technology, including battery-electric, hydrogen and wired electrification. The CIB will support the conversion of fleets of both public operators such as transit agencies, and private operators such as school bus operators.

MARKET GAP

Zero-emission transit vehicles have higher upfront costs but can generate ongoing operating and maintenance savings that can be used to finance the increased upfront cost. Operators do not often have the resources to fund an increased capital purchase cost and at the same time, are not willing or able to rely on the uncertain operating cost savings to finance the purchase. The CIB's investment can bear some of the risk of these cost savings being insufficient to recover the upfront costs, enabling transit operators to accelerate their transition to a zero-emission fleet.

Unlike in other sectors, private and institutional capital may not come in alongside the CIB's investment as our market soundings indicate that private investors have a low willingness to take the upfront risk of operating cost savings. Instead, the CIB will explore crowding in private and institutional investment through securitization and syndication options once the operating cost savings become more certain.



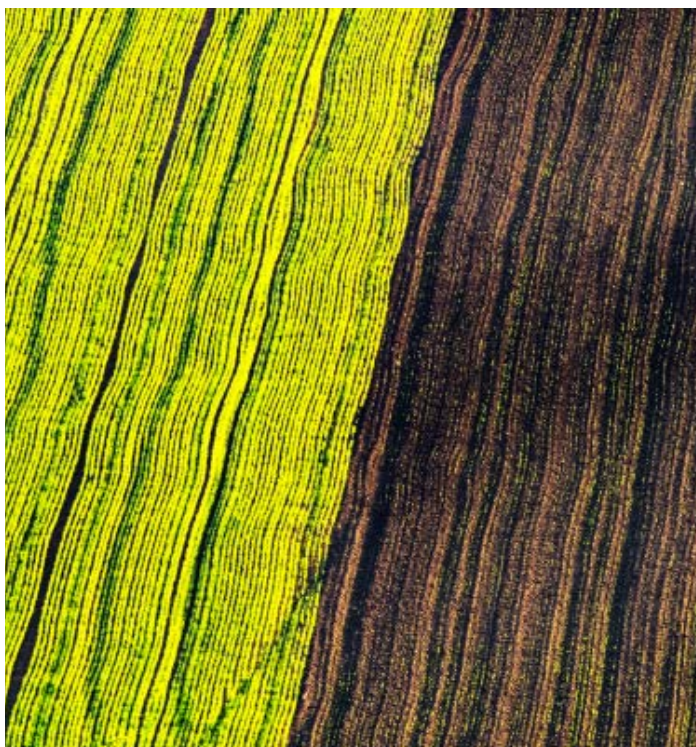
TRADE AND TRANSPORTATION

Subsectors:

- » **Agricultural infrastructure**
- » **Passenger rail**
- » **Trade corridors and ports**
- » **Bridges, tunnels and highways**

Trade and Transportation infrastructure supports stronger, more efficient corridors to domestic and international markets, and helps Canadian businesses compete and grow.

Trade and Transportation projects have a wide range of outcomes: they better connect Canadians to where they need to go, and they help grow our economy, including through easing the movement of goods to enable trade.



AGRICULTURAL INFRASTRUCTURE

Agricultural infrastructure projects help increase agriculture productivity, grow the economy, and create jobs.

CIB efforts in agriculture infrastructure have been developed in collaboration with federal departments to align with federal priorities and programs including Agriculture and Agri-Food Canada.

CIB also engages federal Crown Corporations involved in financing agriculture projects, such as Farm Credit Canada and Export Development Canada, to align investments.

Starting in 2024-25, the CIB will measure the outcomes of these projects in terms of the GDP growth associated with the ongoing economic impact delivered, contributing to the CIB's long-term portfolio wide target of \$3B in ongoing annual GDP contribution.

EXAMPLE ASSETS

When considering agricultural infrastructure investment, the CIB looks for projects that will deliver benefits to multiple agricultural producers, whether that be in a region, a jurisdiction or aligned to a particular type of production. Examples of eligible types of agricultural investment include:

- » trade corridor infrastructure that supports the flow of agriculture products

- » irrigation and drainage infrastructure
- » investment in other priority areas such as Broadband or Green Infrastructure (e.g., rural broadband, retrofits, clean fuels) consistent with its approaches in these sectors

The CIB does not support on-farm investment, or food processing investment. This means the CIB's agricultural sector does not include farm equipment, structures, or other assets such as barns, nor does it include greenhouses, vertical farms, or lands. In addition, the CIB will not invest in projects or facilities that benefit only one producer (such as a rail spur or grain silo for a single farm).

MARKET GAP

The CIB's investment in agricultural infrastructure helps address uncertain demand and offtake. Senior lenders are often only able to finance against long-term offtake contracts from highly credit-worthy counterparties, which means projects have difficulty securing affordable capital. The CIB's participation lowers these barriers and allows projects to proceed.

PASSENGER RAIL

Passenger rail projects (regional rail and inter-city rail) connect Canadians to where they want to go, providing shorter journey times while contributing to climate action through lower carbon intensity relative to other modes of travel. CIB has made an investment in Tshiuetin Rail which will better connect Indigenous communities in Quebec, Newfoundland and Labrador and is actively working to develop projects in this subsector through our work with VIA Rail on High-Frequency Rail and our work with Alberta to develop the Calgary-Banff Rail project.

The CIB measures the contribution of passenger rail projects toward the target to invest in projects with an expected cumulative ridership of 210,000 daily riders. To date, no projects in passenger rail have contributed to this target.

EXAMPLE ASSETS

This subsector includes passenger rail projects that connect multiple regions (i.e., those not included within the public transit sector).

MARKET GAP

The CIB seeks to enable the development of passenger rail projects that would either not occur or would otherwise not have a similar degree of risk transfer to our private sector co-investors.

The CIB provides financing to passenger rail projects that are delivered in an integrated fashion, with a private or institutional investor bearing responsibility and risk related to construction, operations, maintenance, and lifecycle, as well as volume or revenue in order to align incentives for successful projects. The transfer of volume or revenue risk is costly in the private sector, and the CIB's financing helps to alleviate the magnitude of these risks.

The CIB will also work with public and private sponsors to better leverage the increase in real estate value or development that comes from improved passenger rail service – in a similar vein as transit-oriented development within the public transit sector.

TRADE CORRIDORS AND PORTS

Trade corridor projects improve the flow of passengers and goods both by improving the flow of people and freight or shifting it towards lower carbon modes of transportation. CIB is actively engaging on multiple Canadian trade corridors, in close consultation with Transport Canada, on potential projects. This coordination includes close partnership with Transport Canada Ports Policy in assessing the public interest for marine ports.

The CIB also works closely with the VIA HFR Transport Canada team, and most recently has also started working closely with the airport policy team and the National Supply Chain Office at Transport Canada.

Transport Canada has also connected the CIB with Provincial Transport Ministries to support the identification of potential trade corridor projects, most recently with the Government of BC. The CIB also continues to work with both Transport Canada and Public Services and Procurement Canada on the New Westminster Rail Bridge.

Going forward, the CIB will measure the outcomes of these projects in terms of their ongoing economic impact, measured as GDP growth. This contributes to the CIB's long-term impact target of \$3B in ongoing annual GDP contribution.

EXAMPLE ASSETS

This subsector includes projects throughout the freight value chain – including in airports, ports, railways, and logistics facilities that enable trade.

The CIB continued to develop its work in in this area over 2023-24. For example, the CIB completed a study in January 2024 in collaboration with the Province of Alberta and Special Areas Oyen Development Corp to assess the business case and viability of a new short line between Oyen and Calgary / Edmonton.

To clarify the CIB's existing approach with respect to airports (National Airport System (NAS) and non-NAS airports), these assets are within this priority sector. The CIB continues

to invest in all types of investments that meet its mandate (i.e., revenue generating, attracting private capital, in the public interest, in a priority sector). This includes the Calgary International Aviation Hub.

MARKET GAP

The CIB's investments in this sector often address a demand ramp-up risk (the pace at which shippers shift activity to the resulting infrastructure) which limits the ability to raise affordable capital to finance project development and construction. The CIB's flexible and patient capital enables these projects to proceed and improve Canada's trade outcomes. The CIB works closely alongside Transport Canada as policy lead in reflection of the existing user-pay model for airports and ports, and to reflect the competitive dynamics between ports/airports.

BRIDGES, TUNNELS AND HIGHWAYS

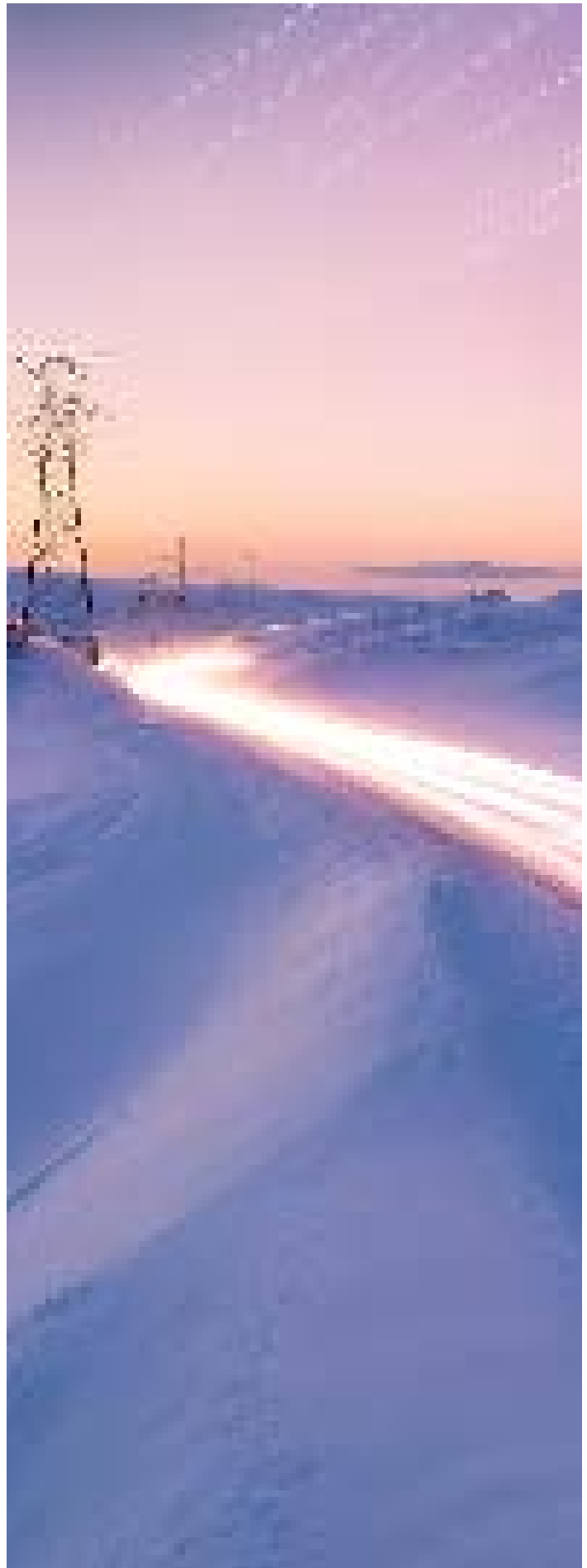
Bridge, tunnel and highway projects ease congestion and help connect freight and people to where they want to go. The outcomes of these projects may vary but are expected to increase the connectivity of Canadians and/or help grow the economy.

EXAMPLE ASSETS

This subsector includes bridge, tunnel and highway projects that have a source of revenue. This requires some form of user fee, consistent with the CIB mandate to invest in revenue-generating projects.

MARKET GAP

Bridges and tunnels are rarely priced for users leading to congestion and/or overbuilding. The CIB's financing in this sector encourages the adoption of tolled infrastructure. The CIB's financing also encourages risk transfer to private sector counterparties, particularly with respect to revenue or volume, better aligning incentives for the project, while mitigating the incremental cost of private capital for project sponsors.



THE CIB'S WORK IN INFRASTRUCTURE FOR CRITICAL MINERALS

As a global leader in mining, Canada is in a prime position to provide a stable resource base for critical minerals that are central to major global industries such as clean technology, auto manufacturing, health care, aerospace, and the digital economy. For nickel and copper alone, the known reserves in Canada are more than 10 million tonnes, with many other potential sources at the exploration stage. The Canadian Critical Minerals Strategy, unveiled in December 2022, positioned the CIB as a complementary financing source to accelerate the development of Canada's critical mineral resources and supply chains.

In June 2023, the CIB announced its plan to invest in critical minerals enabling infrastructure, including access roads, clean power generation and transmission, and wastewater management facilities, to help unlock needed critical minerals developments. In this way, the CIB can, through investments in its existing priority sectors, contribute towards Canada's critical mineral objectives. The CIB will size its financing to the enabling infrastructure needed only (i.e. the CIB will not be investing in mining activities themselves). The CIB will target investments of approximately \$100 million, except those projects owned by Indigenous communities.

This enabling infrastructure may also help to unlock projects in the critical minerals supply chain, such as upstream (mining), mid-stream (processing, refining, cell / cathode manufacturing, battery manufacturing) and recycling (extracting critical minerals from used batteries and other equipment).

The Canada Infrastructure Bank's work complements the Government of Canada's \$1.5B Critical Minerals Infrastructure Fund (CMIF). CMIF, launched in fall 2023, supports clean energy and electrification initiatives as well as transportation and infrastructure projects that will enable the sustainable development of Canada's critical minerals. This builds on other clean energy and transportation supports, such as the National Trade Corridors Fund, as well as other federal programs that invest in critical minerals projects, such as the Strategic Innovation Fund.

The CMIF program supports a single-window approach in coordination with the CIB whereby applications received under the CMIF will be shared with the CIB for an assessment of potential for investment support from the CIB. The CIB works closely with NRCan as well as ISED (SIF) to ensure coordination across federal supports.



BROADBAND INFRASTRUCTURE

Subsectors:

» Broadband

Broadband is widely recognized as critical infrastructure for the success of our communities and economy, on par with traditional infrastructure such as roads and energy.



BROADBAND

CIB investments are targeted at connecting households to a minimum standard of 50/10 Mbps broadband and reflect growing priorities amongst project sponsors to deliver higher broadband speeds where it is cost-effective in order to fully enable digital connectivity for Canadians as determined by ISED's Universal Broadband Fund (UBF) or provincial project sponsors.

The CIB's efforts in this area are aligned with the Government of Canada's High-Speed Access for All: Canada's Connectivity Strategy, which aims to build high speed networks to connect all Canadians, no matter where they may live. The Strategy includes recognition of working with the CIB in particular to determine best fit direction for applications and ensure programs are funded through the most appropriate vehicle.

The CIB and UBF established a process where applicants to the large project stream were asked to first apply for CIB financing, and then apply for UBF grant funding for any remaining requirements. This allowed the UBF program to reach more households with the same dollars. During project evaluation, the UBF was oversubscribed and ISED asked the CIB to identify opportunities to further increase its lending in order to reduce demand for grant funding. CIB identified an opportunity to increase its lending in a responsible manner at an overall lower cost to Canada than previously proposed.

The CIB is working with ISED to consider northern, remote and Indigenous projects. The CIB also conducts regular calls with the CRTC to explore further development opportunities.

The CIB measures the households connected as a result of broadband projects invested in, working toward a long-term target of 900,000 households connected. To date, the CIB estimates its investments have resulted in 341,000 underserved households being connected to broadband.

EXAMPLE ASSETS

Example assets in this subsector may include:

- » Fibre, fixed wireless, or satellite connections that directly enable minimum 50/10 Mbps broadband speeds.
- » Fibre, satellite, or other backbone infrastructure that enables greater penetration of minimum 50/10 Mbps broadband including 5G.

In alignment with the SPA, the CIB is also starting to explore new ways the CIB can support digital infrastructure including cellular connectivity to underserved areas, as well as modernization of communication networks for use by first responders and others. Opportunities like these could support communication resiliency.

The broadband sector has a wide range of project economics. CIB involvement in this space is consistent with its guardrails which size CIB support consistent with the gap that is preventing a project from proceeding. This prevents the subsidization of technologies or projects that do not require federal support (e.g., 50/10 Mbps broadband in dense urban areas).

This plan outlines the CIB's success in connecting underserved areas and starts to explore new ways the CIB can support digital infrastructure including cellular connectivity to underserved areas and modernization of communication networks for use by first responders and others. Opportunities like these would support communication resiliency and contribute to enabling housing infrastructure.

MARKET GAP

The rollout of broadband infrastructure to the remaining unconnected households is too capital-intensive for the private sector to deliver the infrastructure alone. The CIB's financing lowers the cost of capital for these projects and increases the cost per household that the private sector is willing to bear, reducing subsidy requirements from ISED's Universal Broadband Fund (UBF) or provincial programs. The CIB's financing is more efficient than direct grants as the cost of the CIB's financing to Canada is more than offset by reduced subsidy requirements.

The CIB only invests in projects that connect currently underserved Canadians, as defined by ISED, to a minimum of 50/10 Mbps broadband. The CIB is technologically agnostic as to the technology solution – and in most cases ISED, or a provincial partner will select the project and technology solution.

In cases where satellite or fixed wireless is the selected solution, the CIB will support these projects. Similarly, if a proponent could cost-effectively connect underserved homes using these technologies without relying on any other grants, the CIB would support these projects.

3.4 Indigenous Community Infrastructure

The CIB lends to new infrastructure projects that are in partnership with, and for the benefit of, Indigenous communities to reduce their infrastructure gap and promote economic participation. The CIB collaborates with First Nation, Métis, and Inuit communities across Canada to explore opportunities.

The CIB works closely with Indigenous Services Canada and Crown-Indigenous Relations and Northern Affairs Canada in all of its efforts in this area to ensure there is alignment and coordination among respective efforts and has established a working group to this end.

The CIB has a target to invest at least \$1 billion in revenue-generating Indigenous infrastructure projects across our five priority sectors: Public Transit, Clean Power, Green Infrastructure, Broadband, Trade and Transportation.

The CIB looks to develop partnerships with Indigenous communities on major projects. For example, the CIB's investment in Oneida Energy Storage, an energy storage facility in southwestern Ontario, includes direct participation of the Six Nations of the Grand River Development Corporation.

The CIB also advances investment in Indigenous infrastructure through two dedicated initiatives:

Indigenous Community Infrastructure Initiative (ICII)

The ICII is a collaborative financing solution that offers low-cost and long-term loans to Indigenous infrastructure projects and combines public funding and/or private and institutional investment to get more infrastructure built. Through the ICII, our investment team looks to provide affordable, long-term financing to Indigenous projects that provide a direct benefit to an Indigenous community or communities.

Indigenous Equity Initiative (IEI)

Budget 2023 announced a new tool for the CIB to enable more meaningful participation of Indigenous communities in infrastructure projects. The CIB will provide loans to Indigenous communities to support them in purchasing equity stakes in infrastructure projects in which the CIB is also investing. This will be an important approach to help get more infrastructure built faster while advancing opportunities for Indigenous communities to participate as partners in major projects.

The CIB IEI lends to Indigenous communities to provide them with access to capital to purchase equity stakes in infrastructure projects in their territories in which the CIB is also investing. Indigenous communities often lack access to capital in order to purchase equity stakes and be active participants in infrastructure developments. Loans from the CIB to purchase equity stakes can allow Indigenous communities to access economic returns from projects that can then be reinvested in the community, narrowing the economic and infrastructure gap among Indigenous communities.

The CIB formally launched IEI in November 2023, following approval of the 2023-24 Corporate Plan. The first IEI project was announced on February 15, 2024, with the CIB providing up to \$138.2 million to enable the Nova Scotia Energy Storage Project, including an up to \$18 million Indigenous Equity loan to Wskijinu'k Mtmo'taqnuow Agency Ltd. (WMA), an economic limited partnership owned by 13 Mi'kmaw communities. The Indigenous equity loan was alongside the CIB's \$120 million financing to Nova Scotia Power, together supporting the development of three energy storage facilities.

Indigenous equity participation across CIB's five priority sectors is expected to involve projects such as clean electricity transmission, battery storage, electricity generation and infrastructure to support critical mineral development. There is a robust pipeline of IEI opportunities, with investments expected over several years to come.

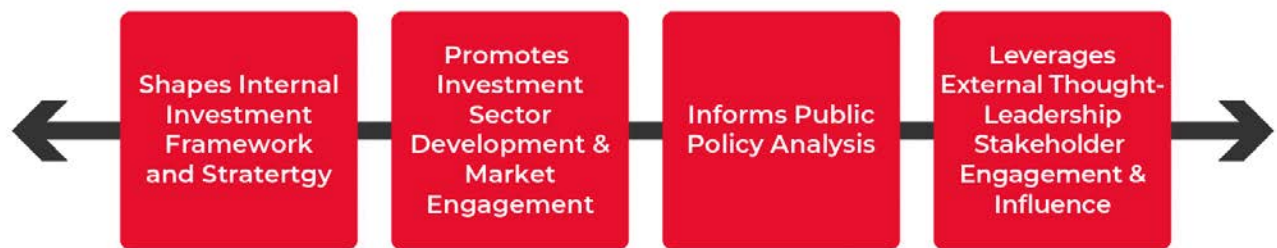
More information on each program and requirement for eligibility can be found on the CIB website under [Indigenous Community Infrastructure](#).

3.5 Research

The CIB believes research is an additional way to have a meaningful impact on the evolution of infrastructure investment in Canada, and is continuing to strengthen research capacity by increasing the amount and depth of work undertaken.

High quality research supports the development of projects and can lead to better informed policy and investment choices. Research at the CIB is closely aligned with our advisory and investments functions around a shared objective to support the advancement of projects that deliver transformative impact.

Research can play a key role at earlier stages when there are gaps in understanding, sector level issues and challenges and broad opportunities to explore. Through publications and engagement, research can also help position CIB as a recognized leader in the infrastructure sector.



The CIB's research activities seek to:

- » Inform the CIB and market participants on the considerations involved in investing in a sector.
- » Convene stakeholders to develop a path forward for infrastructure development in a CIB priority sector.
- » Assess public policies necessary to catalyze greater investment in infrastructure projects in the public sector.
- » Increase public awareness of the benefits and opportunities from greater infrastructure investment in the CIB's priority sectors.

The CIB is deliberately placing an emphasis on research initiatives that shape our internal investment strategy and catalyze or accelerate projects in our sectors. Depending on the nature of the research undertaken, it may be widely shared via publication or be retained internally to inform investments.

In 2023-24, these efforts resulted in the publication of four papers:

- » **Land Value Capture Study: Paying for Transit Oriented Communities:** partnership between the CIB and the University of Toronto School of Cities to advance the use of new approaches to financing public transit projects.
- » **Project of the Century: A Blueprint for Growing Canada's Clean Electricity Supply – and Fast:** This Public Policy Forum study considered the mismatch between supply and demand of electricity to manage transition towards a clean grid by 2050. The CIB contributed to this work through its participation on an electrification working group.
- » **The Potential for New Infrastructure Projects to Support Sustainable Growth in Atlantic Canada:** The CIB partnered with the Atlantic Economic Council to identify potential in the region for transformational projects in the Trade & Transportation, Critical Minerals and Green Infrastructure sectors, along with an assessment of drivers for investment and challenges.
- » **Non-Traditional Modes of Transportation:** The CIB partnered with the Canadian Urban Transit Research and Innovation Consortium to complete a market scan of aerial transit systems, bike share programs, autonomous shuttles, ferries and on-demand transit.

A number of research initiatives were also launched or are in development, which will lead to results in 2024-25 or beyond:

- » **Trade Bottlenecks:** The CIB is supporting the Conference Board of Canada in a research study to identify trade bottlenecks in Canada and showcase transformational projects in the Trade & Transportation sector.
- » **Enabling infrastructure for housing:** This research project is intended to identify the amount of enabling infrastructure that may be needed to support growth in housing; where these investments are needed; and highlight what challenges or barriers Canadian communities are facing that could inhibit the construction and financing of these investments. This research will complement and help inform in an ongoing

manner the CIB's Infrastructure for Housing Initiative. The work will be undertaken by Michael Fenn, a recognized expert in municipal and housing sectors, and bring additional insight to light for consideration as the initiative proceeds. Through targeted consultation, publication and engagement the research will also further raise awareness among officials in the municipal sector of opportunities and approaches to finance infrastructure.

- » **Climate resilient infrastructure:** This research project, to be undertaken with a consortium of leading organizations with shared interest, will go beyond existing analyses of cost benefit for climate resilient infrastructure and develop models of distributed benefit based on actual projects to inform practical strategies for leveraging private capital. The CIB is spearheading this effort and identified potential partners with expertise in municipal government, climate analysis and insurance.
- » **Building a sustainable and prosperous Northern Canada:** This research project is intended to explore climate change implications on the region's existing and planned infrastructure; anticipate trade and transportation needs of the region to support the region in actively participating in international trade; and help build local capacity and Indigenous participation in infrastructure projects.

The CIB will seek out opportunities to advance research in these areas, while remaining flexible to respond to or advance other opportunities to benefit from research on a case-by-case basis.

To bolster the CIB as a leader in the area of blended finance, we have initiated regular dialogue with peer Infrastructure Banks to explore and understand best practices and awareness of models for investment.

As part of the research function, the CIB will support the National Infrastructure Assessment being developed by HICC. The CIB will contribute perspective and expertise regarding priorities for investment and approaches for innovative financing in cooperation with private and institutional partners.

3.6 Advisory and Project Acceleration

The CIB plays an active role, from the earliest stages of a project, to contribute to its development and advancement. The CIB does this by bringing its deep expertise in project structure and financing to the table to provide advice to proponents on how they may develop and advance an infrastructure initiative. In some cases the CIB may enter into formal engagements, up to and including the decision to make a project acceleration investment, in the form of studies, engineering or design work to fill in gaps, share risk and help advance projects faster.

3.6.1 Advisory Services

One of the ways in which the CIB differs from other investors is in its ability to provide substantive and professional advice to partners on how to achieve their investment objectives. As a crown corporation with a mandate to make investments in the public interest, the CIB can engage partners in a collaborative, frank and forthright manner with the shared objective to deliver public impact and benefit.

The advisory function is delivered throughout the investment process, using approaches that can vary depending on the project, the partner(s) and the context. There are four main ways in which this function is delivered.

Early Stage Screening: The CIB provides advice to proponents from the earliest stages of a project, typically beginning with our assessment and appraisal of an investment. The CIB's advice helps with the development of options, financial models and potential deal structuring that can advance a project to an investable stage.

This approach is particularly beneficial to federal departments, provinces, territories, municipalities, and Indigenous communities when experience in alternative financing is not extensive, and the capacity to undertake extensive and complex modeling and analysis is limited.

In most cases, this advisory work is undertaken without the need for formal terms. Once having determined a project is in the CIB's mandate and with merit, the CIB will assign that project to an investment team and begin expending resources, including staff time and the use of consulting services. These efforts will identify delivery options and conduct early due diligence on the project and help proponents accelerate decision-making. The CIB works with project proponents on a collaborative basis and far earlier in the process than would be the case with private sector investors.

The CIB has established dedicated leads for project development. Two experienced Heads of Project Development (one for each of Western Canada and Quebec/Eastern Canada) continuously engage with all levels of government to first help identify their infrastructure needs, and then advise and explore how the CIB could help finance the infrastructure, both with our capital and by structuring in a way to attract additional private capital.

The CIB has also established a dedicated Indigenous Infrastructure team under the leadership of a Managing Director that continuously engages with Indigenous communities across the country on helping them to advance important projects. The CIB's work with the Chippewas of Georgina Island First Nation to explore a fixed link is one such example, where the CIB is among other things providing advice related to the Impact Assessment process. The CIB is also engaging in an advisory capacity on the Kivalliq fibre link project in Nunavut.

Project Structuring: As each potential project progresses further towards investment, the CIB brings its advisory capabilities to conduct due diligence and provide advice related to the structuring of an investment. This involves providing critical support to determine costs, benefits, risks, financial terms and mechanisms to support implementation and repayment. The CIB will also work alongside proponents to attract private and institutional capital to projects.

Broader Engagements: Advisory efforts are also provided to entities across Canada based on sectoral, thematic or geographic considerations. This can involve engaging with government officials or proponents on potential sectors or project concepts for development, ranging from smaller scale projects to the largest, nation-shaping potential projects in Canada which face multi-year horizons of concerted development effort before advancing to final investment decisions.

As part of these efforts, the CIB will educate and inform potential partners on the role for financing in general, the opportunities for an investment, market conditions for attracting private capital and options for delivery. The CIB conducts research it can share with partners, participates on working groups and committees and collaborates on ways to address challenges.

For example, the CIB has in recent months engaged extensively with municipal officials to provide advice on how to structure and finance investments to enable infrastructure to support housing. In eastern Ontario the CIB engaged with over 100 municipal representatives on options to pool resources to build such infrastructure at scale. Another example of this kind of effort involves CIB work on a Quebec Rail initiative exploring options for a new 370 km corridor from Lac St. Jean to Baie Comeau. In this case, the CIB has joined a steering committee with representatives of the province, the Societe du Plan Nord, and local officials

and meets bi-weekly to advance the effort. The CIB is providing advice on financial options and deal structuring to the group.

Formal Agreements: In some cases, the CIB will undertake a more formal advisory mandate with project partners to scope and plan the project or identify delivery options and financing structures. The form of these advisory roles can be with a signed MOU and a clear public announcement. The CIB may also provide funding through such efforts to help accelerate studies and preliminary work required to advance projects. The CIB's work with the Government of Alberta on a Calgary-Banff rail link is one example of such a formal engagement.

3.6.2 Project Acceleration

Larger infrastructure projects take time to plan and develop and can be delayed in part due to limits in development funding.

To address this issue the CIB has established a target of \$500 million for project acceleration efforts. Project acceleration differs from advisory services in that acceleration funding focuses on projects that are actionable in the short-term and have probability for future investment, following the CIB's normal course analysis and decision-making processes. The acceleration funding is intended to have a measurable impact on the development of projects, such as faster timelines or more comprehensive due diligence.

This funding can be used for projects within the CIB's priority sectors of all sizes towards two main purposes:

1. to expedite due diligence, planning and development activities which could include engineering studies, demand forecasting or other activities necessary to establish the project business case and possible scenarios regarding revenue-generation; and
2. to help finance early works construction with the goal of shortening the critical paths of high impact projects in which the CIB expects to invest as part of overall CIB capital plan.

Project acceleration is a tool that differentiates the CIB from private investors, by being willing to invest in projects at earlier stages in their development cycle. This is enabled by the CIB's ability to bear losses on its investments within the fiscal framework.

Starting in fiscal 2023-24 and considering the market's funding gap in energy transition projects' development, the CIB's project acceleration funding has included front end engineering and

design (FEED) capital expenditures being undertaken by the private sector in carbon capture and storage, hydrogen and low carbon fuels. The CIB FEED financing will help accelerate the development of energy transition projects with a clear commercial value proposition, low aggregate technology risk and high likelihood of proceeding to financial close once FEED is completed.

Acceleration funds are structured with a view to rolling these amounts into eventual CIB investments in projects. In all cases where the project proceeds with any CIB or private capital it is anticipated that the CIB acceleration funds will be incorporated into the overall financing terms for the project. In exceptional circumstances where a project does not proceed with CIB or private capital or the project does not proceed at all, repayment to the CIB of the accelerator funding will be determined on a case-by-case basis. Given the early-stage nature of this work, there is risk that the CIB may not be able to recover its financing.

In total there are six distinct ways in which the CIB can accelerate projects:

- » **Expediting due diligence** could include engineering studies, demand forecasting or other activities necessary to establish the project business case in these ways:
- » **Front End Cost Absorption for CIB Programs** – funds used to subsidize the cost of work required in the CIB delivering on its financing programs (ie. Building Retrofit Initiative in which a baseline building condition report is required for many buildings. CIB is absorbing those costs to incentivize building owners to participate in our program.)
- » **Public Sector Feasibility funding** - funding for projects:
 - » that are at an early stage of development and require financial assistance to complete feasibility studies such as, engineering work, ridership and volume studies, financial analysis, etc. to materially progress them towards viability;
 - » in which there is a reasonable likelihood of a future CIB investment, at which time such funding would form part of the overall CIB investment in the project.
- » **Private Sector Feasibility funding** - funding for projects:
 - » that are at an early stage of development and require financial assistance to complete feasibility studies such as, engineering work, ridership and volume studies, financial analysis, etc. to materially progress them towards viability; and/or

- » in which there is a reasonable likelihood of a future CIB investment, at which time such funding would form part of the overall CIB investment in the project; and/or
- » would result in transformational or truly unique positive outcomes.
- » **FEED funding program** – money available to developers of projects that require front end engineering and design (FEED) work to be completed. These funds are designed to support and offset the very high costs of these studies, which is often a challenge in moving projects forward.
- » **Financing early works construction** has a goal of shortening the critical paths of high-impact projects in which the CIB expects to invest in as part of the overall CIB capital plan.

3.7 External Engagement

The CIB's external engagement strategy is rooted in meaningful engagement and forging new avenues of collaboration to get more infrastructure built, faster.

Over the course of the past year, the CIB has been increasing its level of engagement with stakeholders throughout Canada to form strategic connections with key individuals, government officials at all levels, Indigenous partners, public and private sector groups, and business and sector-specific organizations. By engaging with a broad spectrum of stakeholders, the CIB is able to build and strengthen partnerships, find opportunities to collaborate and share information on our key priorities.

External engagement can lead directly into advisory and acceleration efforts or specific project proposals for CIB investment.

Events Strategy

A key component of our external engagement strategy is attending and speaking at events to reach targeted audiences across the country to build new investment opportunities. By highlighting our current investment and priorities within our priority sectors, we can build external awareness of our mandate, investment pipeline and how public, private, and Indigenous project partners can partner with the CIB to enable infrastructure projects. Both virtual and in person events feature speakers ranging from Directors up to the CEO and Board Chair, depending on the audience and nature of the event.

The CIB is targeting to maintain a strong presence at speaking engagements with key industry leaders and stakeholders. In 2023-24 the CIB participated in more than 100 engagements hosted by sector and business associations, universities, media organizations, and various levels of government. We are aiming to have a presence at a minimum of 80 speaking engagements throughout the year. Additionally, we are planning to host our first CIB Day – a virtual symposium featuring break-out sessions hosted by members of our investment team who will provide updates on progress and engage with project proponents directly. This target aligns with our previous speaking engagement results over the most recent years.

Regional Tours

While always striving to have a presence across the country, starting in 2022-23 the CIB began implementing the concept of a “regional tour.” These tours bundle together a series of key meetings, project engagements and speaking opportunities to create a critical mass of CIB dialogue based on a geographic location. They also underscore the importance for the CIB to ensure its efforts are understood and offered in every region of the country. Tours took place last year in Calgary, Saskatoon and Halifax.

In 2024-25 the CIB will continue with this tour approach to offer an opportunity to share CIB updates with a broad group of stakeholders, including businesses owners, economic development groups, key officials, and Indigenous communities. It allows the CIB leadership team to meet with prospective investment partners, understand local concerns and priorities and see the construction progress of existing partnerships.

Communications Products

The CIB has been building its communications networks and channels to ensure there is strong awareness of our efforts and services. Building on a strong foundation of published reporting and a detailed website, in 2023-24 the CIB enhanced these communications with market updates, digital communications directly to subscribers, new digital content including sector videos and project proponent profiles, and more extensive approach to the Annual Public meeting, the creation of a e-newsletter highlighting the community of the CIB and its partners, and more extensive use of social media.

Stakeholder Engagement

Beyond speaking opportunities, events and regional tours, the CIB routinely engages with stakeholders individually and collectively to advance its mandate. The organization undertakes regular direct digital outreach to a database of more than 1200 national stakeholders, including sector association and chamber heads, elected officials, academics, and more. These stakeholders receive quarterly Market Updates, a bi-annual magazine, information on new investments, and round ups of CIB activity.

Additionally, the CIB engages these key stakeholders in direct meetings, site visits, and round tables throughout the year. Looking ahead, open engagement with stakeholders is foundational to CIB's long-term prosperity as an organization. The CIB is undertaking additional activities such as surveys and open houses to complement existing efforts and better understand market needs.

3.8 Key Risks

The CIB has adopted a four-pronged approach to managing its risks. The approach focuses on investment, credit, enterprise, and operational risk management. The approach provides a disciplined way to determine the best course of action under uncertainty. This occurs by identifying, assessing, mitigating, and monitoring risks which may represent both threats to and opportunities for the CIB's ability to meet its priorities and deliver on its mandate. Risk management is a continuous, proactive, and systematic process to understand, manage and communicate risk from both an individual investment and organization-wide perspectives. It enables the CIB to make risk-informed decisions that contribute to the achievement of the CIB's overall priorities.

The CIB monitors risks in six categories – strategic, investment, financial, operational, reputational, and legal/ regulatory. The following categories comprise the risk taxonomy for the CIB in order to support strategic and operational decision-making for significant risks under this classification scheme:

- » Strategic Risks: Pertain to the CIB's mandate, portfolio and business environment risks. These risks are managed through the ERM governance including the Board of Directors, the Impact and Risk Committee (IRC) of the Board and management committees.

- » Investment Risks: Pertain to the CIB's investment strategy and portfolio. These risks are managed through management oversight guided by the Investment Policy and public impact assessments. Ongoing monitoring and reporting of investment performance occurs through asset management policies and processes. Investment oversight at the Board level occurs through the Investment Committee and the Impact and Risk Committee;
- » Financial Risks: Pertain to risks that can impact the CIB's cash position, financial results, reporting and ability to function as a going concern. They are managed through various reporting, lending and investing policies and procedures as well as ongoing portfolio/ performance management and due diligence.
- » Operational Risks: Include risks associated with people, process, technology, security, environmental (including climate change), sustainability, health and safety, infectious disease, compliance and mandate execution, which can affect the ability of the CIB to achieve its strategic priorities. Operational risks are managed through the business units and management committees; and
- » Reputational Risks: Pertain to risks that can impact the CIB's brand, image or reputation as the result of the actions of the corporation; indirectly due to the actions of any personnel or tangentially through the actions of other peripheral parties such as counterparties or investees. These risks are managed through good governance practices and transparency and monitored by the Board of Directors, the Impact and Risk Committee and management committees;
- » Legal/ Regulatory Risk: Is the risk of financial, operational, and/or reputational impact that can result from lack of awareness or misunderstanding of, ambiguity in, or reckless indifference to the way law and regulation apply to the CIB, or the shareholder. This includes non-compliance with applicable legislation and regulations. These risks are managed through appropriate contractual terms and conditions, compliance requirements, in-house counsel advice/reviews and contracted specialized legal services.

Further details can be found in Appendix G.



Financial Overview

4.0 Financial Overview

This section describes the CIB's current and anticipated financial health and key factors expected to affect the financial forecasting over the five-year planning horizon.

Financial and resource plans have been developed to support the CIB in achieving its strategic priorities and desired outcomes as provided in Section 1.0 and Appendix C of this plan. The CIB's projected financial statements, detailed operating, and capital budget, and supporting tables are provided in Appendix E and have been prepared in accordance with the Public Sector Accounting Standards (PSAS) which the CIB uses when reporting to the public.

4.1 Commitment and Investments

The CIB invests in infrastructure projects making a binding commitment at financial close and delivering the cash funding over time. Future funding amounts as noted in the capital expenditure budget are the best estimate of cash required based on our current investment pipeline. The investing pace will vary by project and may change over time. As most projects are multi-year, variances may occur between years, driving differences in actuals versus budget; therefore, we will work closely with central agencies to review the impact of investments on estimates and cash requirements.

Capital Trajectory

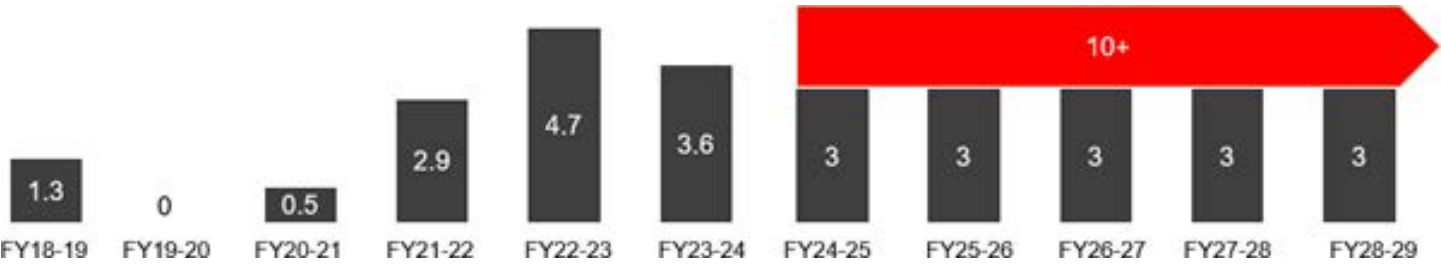
As part of the planning process, the CIB regularly reviews projections for reaching financial close in each sector across its portfolio.

The capital trajectory anticipates the delivery of on average, approximately \$3 billion to \$5 billion in financial closes each year, while recognizing the potential for the timing of large and complex projects to vary. It is comprised of ~\$3 billion in investments from standardized programs and smaller projects and a forecast of \$10 billion of larger scale projects over five years but whose exact timing cannot be ascribed to a specific year.

This uncertainty is reflected in the graphic below, showing a portion of the trajectory as falling across the five years of the plan as opposed to any one specific year. This more accurately reflects the variability in large scale capital projects. The estimated sectoral breakdown of

capital reaching financial close over the course of this plan also includes a component for larger more uncertain projects, not yet specifically targeted to a specific sector.

Financial Close Trajectory (\$ Billions)



Use of Fiscal Expense

The Government has allocated, and Parliament has approved \$35 billion for the CIB, and allocated \$15 billion in fiscal expense within the fiscal framework to invest in revenue-generating projects, using innovative financing structures to de-risk projects and attract private-sector investment to projects that would not otherwise be viable. The CIB is expected to fully deploy its \$35 billion in capital and manage its portfolio to use these resources towards achieving its main goal of advancing infrastructure projects which might not otherwise be built.

Valuation of Investments / Credit Losses

The CIB invests alongside private and institutional investors in infrastructure projects that cannot proceed with private capital alone. This requires the CIB to provide support at below market terms including pricing and risk to enable these projects to proceed. Our objective is to balance the dual goals of achieving our impact outcomes, crowding in private investment, while managing the risk to the CIB.

For financial reporting purposes, the CIB incurs fiscal expense within the federal fiscal framework for its investments through concessionary interest rates and provisioning for credit losses. Investments are recognized at cost unless the concessionary terms are significant and exceed 25% of the face value of the loan using the Government of Canada borrowing as the discount rate. Significant concessionary interest expense is recognized on a prorated basis as funds are advanced.

Short-term credit risk is captured through a general valuation allowance which is applied to the loans receivable balance and is based on a short-term estimate of portfolio credit risk that is monitored on an ongoing basis and adjusted with changes in credit risk. A specific valuation allowance is established in instances of known impairment events (by extension write-offs) that applies to all financial assets that would reduce their expected recoverability. Note, an impairment event is not often predictable in advance of its occurrence. Together these represent the loan valuation allowance provision that is recorded against the loan receivable and expensed on the Statement of Operations and Accumulated Surplus.

The types and pricing of investments underwritten will impact the potential range of losses or provisions accrued. For example, equity investments inherently have more volatility in value due to their higher underlying risk than secured debt investments.

The development and maturity of projects over time provides the CIB with portfolio data to re-evaluate risks on an ongoing basis and refine estimates of our general loan provisions.

4.2 Operating Activities

The CIB has adopted best practices for the sound and rigorous stewardship of its financial resources. We continue to build capacity and capabilities across the organization to deliver on our strategic priorities and targets.

Our average deal size reflects small to mid-size projects that provide flexibility and help accelerate the pace of capital deployment in each of our sectors as well as larger scale projects that by nature take longer to develop. Operating expenses are driven primarily by number of deals and not total dollars deployed, driving increased headcount requirements.

Continued effort through our Project Accelerator initiative to support project development, incurs CIB staff costs as well as third party advisory costs. The CIB expects to make operating and investment appropriation requests to the Department of Finance Canada on a quarterly basis, or as needed.

While the CIB's revenues will exceed its operating expense, the CIB will require Government appropriations to maintain operations for the foreseeable future based on the current forecast. This is because the CIB's investment portfolio currently earns investment income through payment-in-kind (PIK) on most of its transactions, and therefore significant income is not expected to be received in cash in this planning period.

4.3 Funding Profile

Funds for investment financing will be requested from the Government on a quarterly basis as needed, based on expected project investment draws. The Directive on Payments to Crown Corporations limits the drawdowns to only the short-term cash flow requirements of the Crown corporation (e.g., monthly, or semi-monthly) to ensure that drawdowns are not made in advance of need. The CIB's cash management policy aligns with this directive and draws quarterly. Due to the long-term nature and complexity of infrastructure investments, timing variances in funding will occur, and it may be several years from the time of financial close until investments are fully funded, and income is accrued or received.

To fund operating expenses, we will retain sufficient cash resources based on quarterly forecasts of near-term operating requirements. All operating expenses will be borne under Board-approved processes for monitoring such costs, and in line with the Directive on Payments to Crown corporations.

For certain loans where CIB does receive cash payments the amounts are recycled for the funding of operations and investments, in place of government appropriations. The CIB will return any cash that it does not expect to use for investment or operating expenses within a 12-month period unless the CIB establishes a capital and dividend policy that sets appropriate parameters for when cash should be returned to the government.



APPENDICES

APPENDIX A – Statement of Priorities and Accountabilities

The September 2023 SPA set out the Government's priorities and expectations for the Bank as an infrastructure investor, an advisor, and a center of expertise, drawing on the findings of the *legislative review* and provisions from recent federal budgets.

The 2023 SPA builds on and incorporates earlier SPA letters issued in 2017 and 2021.

The full text of the 2023 SPA follows. The 2023 SPA is also available on the CIB's website at <https://cib-bic.ca/en/about-us/governance/>

Minister of Housing,
Infrastructure
and Communities



Ministre du Logement,
de l'Infrastructure
et des Collectivités

Ottawa, Canada K1P 0B6

September 26, 2023

Ms. Tamara Vrooman
Chair of the Board of Directors
Canada Infrastructure Bank
150 King Street West
Toronto, Ontario M5H 1J9

Dear Ms. Vrooman:

I write to outline the Government of Canada's priorities and expectations for the Canada Infrastructure Bank (CIB).

I am encouraged to see that, over the past two years, the CIB has accelerated the pace of its investments. These projects are now driving more than \$28 billion in investment into communities from coast to coast to coast, that in many cases would not have come to be without the CIB's financial support. Moreover, these projects are supporting economic growth, creating good paying jobs, facilitating Canada's transition to a clean economy, and delivering on Canada's commitment to advance reconciliation with Indigenous Peoples.

This Statement of Priorities and Accountabilities lays out the Government's expectations for the Bank as an infrastructure investor, an advisor, and a centre of expertise. It also sets forth how the CIB, as a federal Crown corporation, is expected to report its progress and results back to the Government and to Canadians.

The CIB as an Impact Investor

The CIB was conceived as an infrastructure investor, extending the reach of public funds by investing in revenue-generating infrastructure projects that serve the public interest, through collaboration with federal, provincial, territorial, municipal, Indigenous, institutional investors, and private investor partners. Within these partnerships, the following continue to be areas of priority investment: Public Transit (\$5 billion), Green Infrastructure (\$10 billion), Clean Power (\$10 billion), Trade and Transportation (\$5 billion), and Broadband Connectivity (\$3 billion). The CIB should also continue to support

Canada 

investments in infrastructure projects that advance reconciliation with Indigenous Peoples across all five of these priority areas.

Budgets 2022 and 2023 broadened the CIB's role in new areas, including:

- Private sector-led infrastructure projects that will accelerate Canada's transition to a low-carbon economy in asset classes such as small modular reactors; clean fuel production; hydrogen production, transportation and distribution; and carbon capture, utilization and storage;
- Large-scale zero-emission vehicle (ZEV) charging and refueling infrastructure under its Green Infrastructure priority sector;
- Supporting the development and implementation of Canada's Green Building Strategy with below-market loans to commercial and institutional building owners and operators that drive energy efficiency, emissions reductions and climate resiliency;
- Enabling infrastructure to support Canada's Critical Minerals Strategy; and,
- Providing loans to Indigenous communities to support them in purchasing equity stakes in infrastructure projects in which the Bank is also investing, across all priority sectors.

I am pleased by the progress the CIB has made in these new areas and look forward to seeing more investment in infrastructure projects that will improve the lives of Canadians. I also want to bring to your attention two areas of growing importance for the Government of Canada.

First, we must use all federal tools available, including the CIB, and work in partnership with other levels of Government and the private sector to address Canada's national housing shortage. The CIB does and should continue to invest in infrastructure that enables housing developments, including water, wastewater, district energy, and public transit. I would ask that the CIB work closely with my officials and other federal departments and agencies to explore further options to attract investment in the enabling infrastructure necessary to accommodate home construction, in line with the CIB's existing mandate.

Moreover, as an advisor and centre of expertise on the use of alternative financing for infrastructure development, I am interested in the CIB's advice on any further actions that the Government of Canada can take or opportunities that can be leveraged to facilitate investment in Canada's national housing supply, and contribute to building more affordable and sustainable housing options for Canadian families and communities. I respectfully request that you report back on them no later than December 1st, 2023.

Second, as you know, climate change poses one of the most significant challenges of our time. Canadians are experiencing the devastating effects of extreme weather events such as increased precipitation, heat waves, wildfires and flooding, and the resulting impact on our communities, environment and economy. As we strive to transition to a net-zero economy, it is also critical that we make our infrastructure more resilient to the effects of climate change. This will both reduce costs associated with climate related damage, but also ensure that Canadians remain safe during severe weather events and have access to vital infrastructure in their communities, including access to broadband and cellular

connectivity. Continuing to embed climate resilience into infrastructure development will be critical to safeguarding our infrastructure from climate-related events.

I expect the CIB to continue to work with relevant federal departments, Crown corporations and agencies, as applicable, to advance and expand the use of innovative financial tools in each asset class. In doing so, I ask that the CIB continue to engage with Infrastructure Canada and relevant federal departments and agencies and make use of collaboration tools, such as memorandums of understanding, to ensure federal support is delivered in an efficient manner and the CIB's investments remain aligned with the Government's priorities.

While all orders of government across Canada are making significant investments to meet the infrastructure needs of the future, there is a general recognition that Canada faces large and varied infrastructure gaps. This places a significant burden on taxpayers and calls for a larger role for alternative financing models to supplement traditional funding methods such as government grants and contributions. The Government has allocated, and Parliament approved, \$35 billion for the CIB, and allocated \$15 billion in net fiscal expense within the fiscal framework to invest in revenue-generating projects, using innovative financing structures to de-risk projects and attract private-sector investment to projects that would not otherwise be viable. The CIB is expected to fully deploy its \$35 billion in capital and manage its portfolio to use these resources towards achieving its main goal of advancing infrastructure projects which might not otherwise be built.

With this in mind, the CIB should continue to work alongside other orders of government, Indigenous partners, and private-sector and institutional investors to invest in projects that generate revenue, and deliver social, economic, and environmental benefits for Canadians. By doing so, we can ensure that our infrastructure investments are not only driven by financial returns but also enable us to deliver lasting positive impacts to the lives of Canadians.

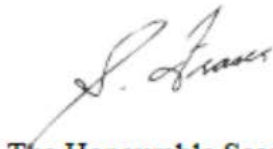
To fully realize its purpose and functions, the CIB should draw on a diverse range of talent and perspectives from across Canada as well as international best practices. This includes continued commitment to diversity of the workforce in your organization, and efforts to foster the inclusion of a broad range of voices and views in governance and decision-making. In doing so, the CIB should take into consideration Canada's gender, linguistic, cultural and regional diversity, including the unique perspectives of Indigenous Peoples. This should include an effort to invest in projects from coast to coast to coast and should also seek to invest in projects that will reduce socioeconomic barriers and help build a more inclusive society.

In closing, I want to express my sincere thanks to you, the CIB Board of Directors and all CIB staff, for your ongoing commitment and dedication to advancing this important work on behalf of the Government of Canada. I have watched with interest the valuable contributions the Bank has made over the last few years and firmly believe that it is well-positioned for continued success in helping to advance infrastructure projects across Canada that will deliver social, economic, and environmental benefits for all Canadians.

The annexes to this letter provide more details on the priorities and expectations outlined in this letter. As you work to respond to this Statement of Priorities and Accountabilities through the Corporate Plan and Annual Report, sustained and close collaboration between federal and CIB officials will be critical to success.

I look forward to working with you to advance our collective priorities and would welcome the opportunity to meet with you and members of the CIB Board of Directors in the near future to discuss this important work going forward.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Fraser', is positioned above the printed name of the Minister.

The Honourable Sean Fraser, P.C., M.P.
Minister of Housing, Infrastructure and Communities

Enclosures: 2

ANNEX A: Government Priorities and Expectations for the Canada Infrastructure Bank

The following Annex elaborates on priorities and expectations to assist the Canada Infrastructure Bank (CIB) in responding to the Statement of Priorities and Accountabilities.

The Canada Infrastructure Bank as an Investor

Under the *Canada Infrastructure Bank Act*, the CIB is mandated to invest in – and to seek to attract – private and institutional capital in revenue-generating infrastructure projects in Canada or partly in Canada that are in the public interest. In carrying out its mandate, the CIB is expected to ensure its investments are aligned with the Government of Canada's priorities and policies.

The Government has set long-term investment targets to guide the CIB as it deploys its \$35 billion in capital across sectors and asset classes in support of Government priorities and in line with the CIB's mandate. This includes increased investment targets announced through Budget 2023 of \$10 billion for clean power and \$10 billion for green infrastructure.

The Government understands that progress against long-term investment targets are influenced by a number of factors, such as the willingness of project proponents to make use of alternative financing models and the state of readiness of specific infrastructure projects. The CIB should provide regular forecasts of potential capital deployment by sector, broken down by sub-sectors, through its corporate plans.

The CIB is expected to continue to provide at least \$1 billion in investments in Indigenous infrastructure projects in collaboration with federal departments, Indigenous partners and other stakeholders by:

- Delivering on Indigenous infrastructure across all priority sectors, including supporting smaller projects through the CIB's Indigenous Community Infrastructure Initiative;
- Providing loans to Indigenous communities to support them in purchasing equity stakes in infrastructure projects in which the Bank is also investing; and,
- Working collaboratively with Infrastructure Canada, Indigenous Services Canada and Crown-Indigenous Relations and Northern Affairs Canada to identify and apply best practices and lessons learned in advancing Indigenous infrastructure.

The CIB's priority areas represent infrastructure projects that can deliver significant benefits for Canadians. Across all its investments, the CIB should focus on projects with the greatest opportunity to create jobs and growth, build a clean economy and support the transition to net-zero, promote social inclusivity, and advance reconciliation with Indigenous peoples. In doing so, the CIB should consider the following objectives and expectations:

- *Significant GHG Reductions:* Prioritize projects that make significant contributions to meeting Canada's 2030 target in the Emissions Reductions Plan and contribute to achieving net-zero by no later than 2050;

- *Economic Benefits*: Aim to invest in infrastructure projects that foster economic growth and boost the productivity and capacity of Canada's low-carbon economy, with connectivity for people, goods and information;
- *Closing the Indigenous Infrastructure Gap*: Aim to invest in ways that ensure Indigenous peoples have access to needed infrastructure and can participate in the ownership of infrastructure; and,
- *Attracting Private Investment and Catalyzing New Private Markets*: Invest with the aim of helping to develop financing markets and models that will encourage significant private and institutional participation and reduce the need for CIB support over time. This includes working to incentivize co-investments for private and institutional investors alongside private-sector project proponents to accelerate Canada's transition to a low-carbon economy.

In making investments across its priority sectors, the CIB is expected to:

- work collaboratively with federal departments, Crown corporations and agencies, as applicable, to promote alternative financing models;
- discuss and collaborate on project pipelines;
- develop innovative structures reflective of sectoral needs; and
- ensure the CIB's investments are aligned with broader Government priorities and complementary to existing and future federal programming. In some cases, this would include putting in place collaborative arrangements to provide clarity on respective roles and responsibilities.

The Canada Infrastructure Bank as an Advisor

Under the *Canada Infrastructure Bank Act*, the CIB was mandated to provide advisory services with regards to infrastructure projects. It endeavors to do so in a manner that helps to advance projects for potential private, institutional, or CIB investment, or to quickly identify those that are not appropriate for CIB investment. In working with provinces, territories, municipalities and Indigenous communities as a project advisor, the CIB is expected to:

- Make efforts to increase its internal capacity to identify, engage and provide advisory services to rural, northern, and Indigenous communities with respect to revenue-generating infrastructure;
- Provide advice and establish expectations around financial structuring and project/process standardization; and,
- Continue cultivating potential projects for investment and to establish a robust project pipeline.

The Canada Infrastructure Bank as a Centre of Expertise

To complement its advisory work, under the *Canada Infrastructure Bank Act*, the CIB was also mandated to act as a centre of expertise on infrastructure projects in which private sector investors or institutional investors are making a significant investment. In recent years, the CIB has strengthened this role, partnering with an increasing range of institutions across Canada to advance knowledge on expertise related to infrastructure financing.

The CIB should describe in its corporate plans and annual reports: its ongoing efforts to strengthen its role as a centre of expertise; its plans to strengthen its research capacity; and its external engagement efforts. In particular, this should:

- outline plans to engage with federal, provincial, territorial, municipal, and Indigenous partners, industry, and international stakeholders (including peer infrastructure banks) to deliver more revenue-generating infrastructure projects through models that support private and institutional investment; and
- include supporting, as necessary, the National Infrastructure Assessment with regards to alternative financing models for infrastructure development as well as participating in international dialogues and forums to broaden understanding of the CIB and to share best practices.

Transparency and Accountability

The CIB is accountable to the federal government and the Canadian public through mechanisms set out in its enabling legislation, as well as legislation applicable to all Crown corporations, including the *Financial Administration Act*, *Access to Information Act*, *Privacy Act*, and *Official Languages Act*. The CIB is responsible for meeting its statutory and legal obligations, including any duty to consult obligations that may arise when it is providing funding that may adversely impact potential or established Aboriginal or treaty rights, and any environmental assessment or regulatory requirements.

The CIB's annual Corporate Plan should set out how the CIB will invest across its priority areas, for example by detailing investment strategies and by ensuring that investments are revenue-generating and in the public interest. It should explain the total capital and operating budget for the organization over a five-year period and should continue to describe how the CIB will conduct due diligence and analysis as it manages its resources and investment portfolio, including under challenging investment scenarios. It should also describe how the CIB plans to implement the Budget 2023 announcement that Crown corporations will achieve spending reductions, starting in its 2023-24 Corporate Plan.

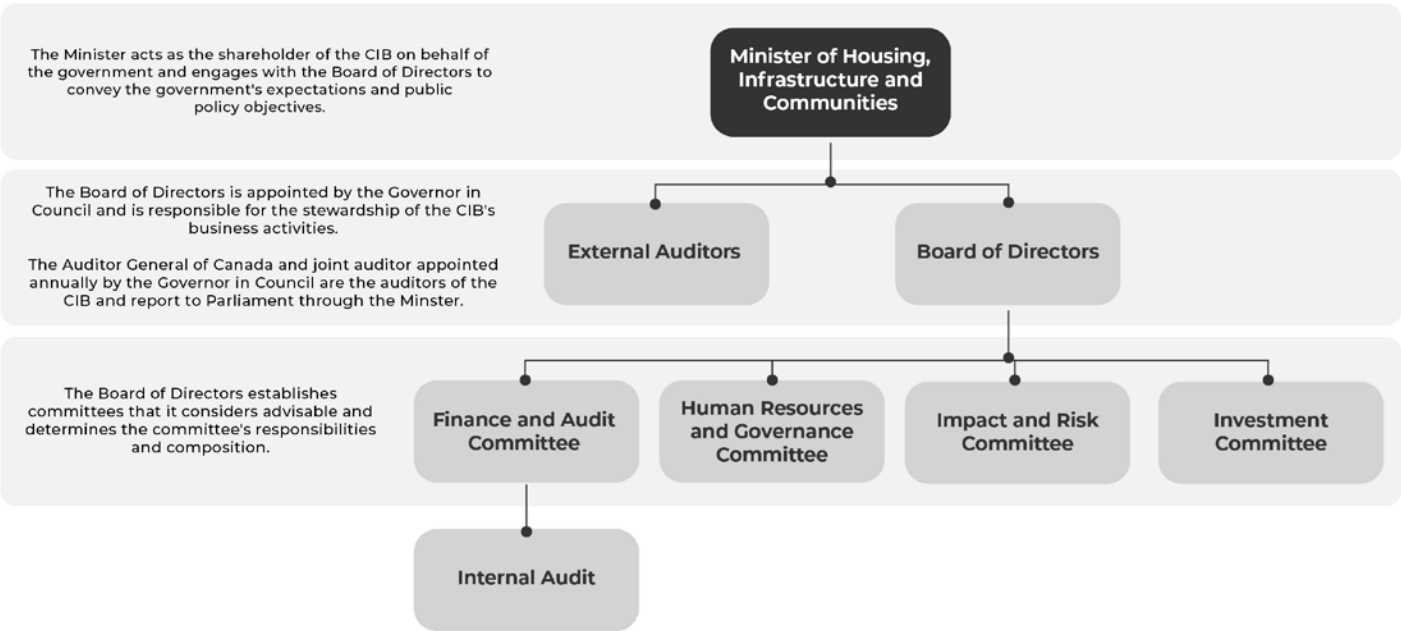
The CIB must remain accountable to the Government and Canadians through its Corporate Plan, which will include plans to achieve objectives and outcomes through its ongoing activities. This should involve articulation of an investment framework with a clear description of the characteristics, thresholds and risks for specific investments or initiatives. Additionally, the CIB should articulate a results framework with a balanced scorecard that highlights: the intended outcomes, such as greenhouse gas emissions reductions and economic growth; the pace of investment activity; and attraction of private and institutional investment over the short- and long-term. The CIB should align its compensation framework to results on this balanced scorecard.

The CIB is required to produce an Annual Report on its operations and activities that must be tabled in Parliament. The Annual Report must include information on the CIB's finances, an auditor's report and information on how the CIB has met the objectives and achieved the outcomes set out in its Corporate Plan. It should seek to publicly communicate the tangible benefits that CIB's investments deliver, focusing on the public interest accrued in certain investments in private infrastructure, including relevant comparisons to capital deployed. It should also demonstrate how the CIB is responding to the priorities and expectations outlined in this Statement of Priorities and Accountabilities.

APPENDIX B – Corporate Governance

Corporate Governance Structure

The CIB is established under the *Canada Infrastructure Bank Act* and subject to federal legislation and policies that apply generally to Crown corporations, including Part X of the *Financial Administration Act*. The CIB is governed by an independent Board of Directors and is accountable to Parliament through the Minister of Housing, Infrastructure and Communities (the “**Minister**”). The chart below provides an overview of our governance structure:



Board of Directors

The CIB is governed by an independent Board of Directors, composed of the Chairperson and not fewer than eight, but not more than 11, other directors. The Board of Directors is currently composed of 9 directors. Stephen Smith stepped down from the Board, effective January 14, 2024. Mr. Smith served on the Board of Directors since the formation of the inaugural Board of Directors on November 16, 2017, and continued to serve following the expiration of his term in November 2021. On January 26, 2024, the Minister announced the departure of

Tamara Vrooman as Chairperson of the Board of Directors, effective January 27, 2024. In the interim, the Minister announced that Jane Bird, a member of the Board of Directors, would assume the responsibility for the leadership of the Board’s oversight of the corporation until a permanent Chairperson is appointed by the Governor in Council.

Collectively, the directors possess a balance of professional skills, infrastructure expertise and investment experience, and reflect gender, linguistic, cultural and regional diversity, including visible minorities and Indigenous peoples.

The Chairperson is appointed by the Governor in Council on the advice of the Minister for a term that the Governor in Council considers appropriate. Each director is appointed by the Governor in Council for terms not to exceed four years. All directors are eligible for reappointment on the expiration of their term.

The table below sets out the members of the Board of Directors and their respective appointment date and term of office. Director biographies and corporate governance policies applicable to the Board of Directors are available on the CIB’s website under [Governance](#).

DIRECTOR	LOCATION	APPOINTMENT DATE	TERM	END OF TERM
JANE BIRD INTERIM CHAIR	Vancouver, British Columbia	October 20, 2023	3 years	October 20, 2026
KIMBERLEY BAIRD	Delta, British Columbia	October 20, 2023	2 years	October 20, 2025
MICHAEL BERNSTEIN	Toronto, Ontario	December 2, 2022	4 years	December 2, 2026
DAVID BRONCONNIER	Calgary, Alberta	November 16, 2017	3 years*	November 16, 2020
MICHÈLE COLPRON	Saint-Lambert, Québec	October 20, 2023	2 years	October 20, 2025
BRUNO GUILMETTE	Montréal, Québec	October 20, 2023	1 year	October 20, 2024
ANDRÉE-LISE MÉTHOT	Flightsburg, Québec	December 2, 2022	4 years	December 2, 2026
POONAM PURI	Toronto, Ontario	November 16, 2017	3 years*	November 16, 2020
PATRICIA YOUZWA	Regina, Saskatchewan	October 20, 2023	3 years	October 20, 2026

* Notwithstanding the expiration of their term, the directors continue in office until their successor is appointed pursuant to subsection 8(8) of the *Canada Infrastructure Bank Act*.

Board Renewal

On October 26, 2023, the Minister announced the reappointments of Kimberley Baird, Jane Bird, Michèle Colpron, Bruno Guilmette and Patricia Youzwa. The Minister also launched an open, transparent, and merit-based selection process to identify candidates recommended for appointment to fill any vacancies and ensure that the Board continues to possess an appropriate mix of diverse skills and experience. The Board completed a skills matrix and competency profile exercise to communicate to the Minister the desired profile and skillset expectations for upcoming director appointments.

Board Responsibilities

The Board is responsible for the overall governance of the corporation in accordance with the *Canada Infrastructure Bank Act* and its by-laws.

The Board has adopted a charter to promote its effectiveness, including with respect to the following:

- » Oversee the management of the businesses, activities, and other affairs of the corporation.
- » Approve the corporate plans and budgets that set out the corporation's strategic direction in alignment with the Minister of Housing, Infrastructure and Communities' Statement of Priorities and Accountabilities.
- » Approve the corporation's annual reports and quarterly financial reports.
- » Set performance targets and monitor the corporation's progress and results.
- » Appoint the Chief Executive Officer, set his annual performance objectives and evaluate his performance.
- » Approve the enterprise risk management (ERM) framework and ensure that the principal risks of the corporation's business are identified and well-managed.
- » Approve investment proposals and oversee the corporation's investment activities and investment portfolio.
- » Oversee the corporation's talent management practices, culture, and ethical conduct.
- » Ensure the highest standards of corporate governance and Board effectiveness are respected.

The Board has established a regular process for evaluating its performance. This process includes evaluating the performance of the Chairperson, Board committees, and the contributions of individual directors. Assessments are conducted through surveys, and director interviews conducted by the Chairperson.

Board Committees

The Board of Directors is supported by four standing Board committees. All directors serve on at least one Board committee and the Chairperson is an ex officio member of all committees. The table below sets out the delegated responsibilities for each of the Board Committees, as well as the membership as of January 27, 2024.

FINANCE AND AUDIT COMMITTEE

Members:

Michèle Colpron (Chair)
David Bronconnier
Bruno Guilmette
Jane Bird

- » Provides oversight on the effectiveness of the CIB's internal controls
- » Oversees the integrity of the CIB's financial reporting and recommends to the Board the annual financial statements and quarterly financial reports
- » Monitors and evaluates the CIB's financial risks
- » Oversees the joint external auditor's qualifications, independence and performance
- » Oversees the finance and internal audit functions
- » Oversees compliance with legal and regulatory requirements, including whistleblowing procedures
- » Oversees risk and compliance policies, with respect to delegations of signing authority, procurement, Anti-Money Laundering / Anti-Terrorist Financing and Sanctions, information security and business continuity
- » Oversees special examinations

HUMAN RESOURCES AND GOVERNANCE COMMITTEE

Members:

Michael Bernstein (Chair)
Kimberley Baird
Jane Bird
Poonam Puri

- » Confirms that adequate processes are in place to identify, assess and manage risks associated with the CIB's people and talent management strategies
- » Recommends the CEO's performance objectives and performance evaluation to the Board
- » Oversees leadership, succession planning and total compensation
- » Monitors and assesses the "tone at the top" set by the CEO and compliance with the CIB's standards of integrity and conduct, including conflicts of interest
- » Monitors risks associated with the CIB's corporate governance framework and compliance with legislation applicable to Crown corporations
- » Participates in the shareholder's process for selecting the Chairperson, the CEO and Board members, and assesses the performance and effectiveness of the Board and its committees

IMPACT AND RISK COMMITTEE

Members:

Patricia Youzwa (Chair)
Kimberley Baird
Jane Bird
Michael Bernstein
Andrée-Lise Méthot

- » Reviews Investment Framework and methodologies, including key performance metrics, to measure the impact of investments
- » Reviews and recommends to the Board new investment programs and initiatives in response to policy direction and government expectations and oversees the performance and outcomes achieved from existing investment programs and initiatives
- » Reviews and approves measurement standards used for measuring and reporting on impact outcomes, such as greenhouse gas emission (GHG) reductions.
- » Reviews and recommends to the Board the CIB's ERM Framework, risk appetite statement and other key risk management policies
- » Satisfies itself that management is operating within the CIB's ERM framework and risk appetite statements and provides advice to the Board
- » Oversees the CIB's strategy to manage and report on Sustainability-related risks and opportunities

INVESTMENT COMMITTEE

Members:

Bruno Guilmette (Chair)

The Investment Committee is comprised of all the directors and functions as a "Committee of the Whole."

- » Supervises the management of the CIB's investment activities
- » Reviews and recommends to the Board policies and delegations of approval authorities concerning investment activities
- » Reviews and, if satisfied, is delegated the authority from the Board of Directors to approve the investment decisions and activities
- » Reviews and assesses risks (e.g., credit, financial, market risks) associated with investments and their management
- » Reviews reports on asset management activities related to the performance of closed investments in the portfolio, including financing provided, project schedule and milestones

Board Remuneration

Pursuant to the *CIB Act*, the rate of any remuneration paid to the Board Chair and the other directors is fixed by the Governor in Council. The Board Chair and other directors are not entitled to any performance-based bonuses or other incentives. Information related to the policies and remuneration paid to members of the Board of Directors and Executives is provided in the 2022-23 Annual Report posted on the CIB's website under [Reports & Transparency](#).

Executive Leadership

The Board of Directors has delegated to the Chief Executive Officer the authority to manage the day-to-day business and affairs of the CIB.

Under the direction of the Chief Executive Officer, the Executive Committee leads the CIB's operations and activities to execute on corporate strategy and objectives, implements organizational policies and procedures, and executes direction from the Board of Directors. The Executive Committee includes the:

- » Chief Investment Officer who is responsible for advisory and investment strategy and activities, capital deployment and asset management.
- » Chief Financial Officer who is responsible for corporate finance, asset management, risk, information technology and administration.
- » Group Head, Communications and Public Affairs, who is responsible for government relations, communications, and media and stakeholder relations.
- » General Counsel & Corporate Secretary, who is responsible for legal affairs, the corporate secretariat, as well as the compliance functions and regulatory activities.
- » Group Head, Strategy, who is responsible for sector and portfolio allocations and strategy, the Investment Framework, public outcomes and impacts, corporate outcomes and reporting, and knowledge and research.

The CIB has established three management committees to assist the CEO with the management of the CIB's day-to-day activities: the Executive Committee; Management Investment Committee and Portfolio and Results Committee. Terms of Reference for each of the Committees, describing the committee's purpose, composition, and activities, are available on the CIB's [website](#).

APPENDIX C – Planned Results

Short-Term Corporate Scorecard

STRATEGIC PRIORITY	METRIC	SHORT-TERM TARGET FOR FY2024-25
1. INVEST IN INFRASTRUCTURE	CIB Value of Financial Closes (\$)	\$3.0B - \$5.0B
	Number of Financial Closes (#)	20 - 30
	CIB Value of Investment Commitments (\$)	Tracked as leading indicator for financial closes
	Number of Investment Commitments (#)	Tracked as leading indicator for financial closes
2. USE OUR UNIQUE CIB MODEL TO STRETCH TAX DOLLARS FURTHER BY ATTRACTING PRIVATE CAPITAL AND GETTING PAID BACK	Lending Ratio: Private and institutional capital as a percentage of project cost, net of grants, for new Financial Closes	50%
	Long-Term Private Capital Multiplier: ratio of private & institutional capital to CIB fiscal impact for new Financial Closes	4x
3. BRING THE BEST OF PUBLIC AND PRIVATE SECTOR OPERATING DISCIPLINE	Voluntary Employee Turnover	10%
	Employee Engagement	Median of Peer Group
	Management Improvement Initiatives	Implemented & delivering planned impact

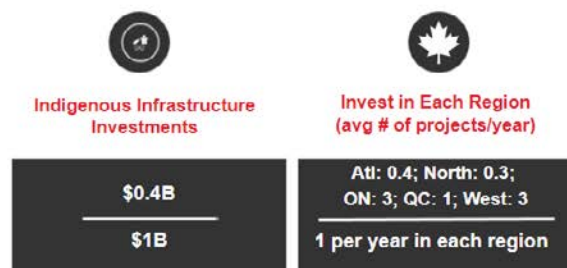
Long-Term Corporate Scorecard (progress reported as of end of Q3, 2023-24)

Strategic Priority 1: Invest in infrastructure

Long-Term Targets



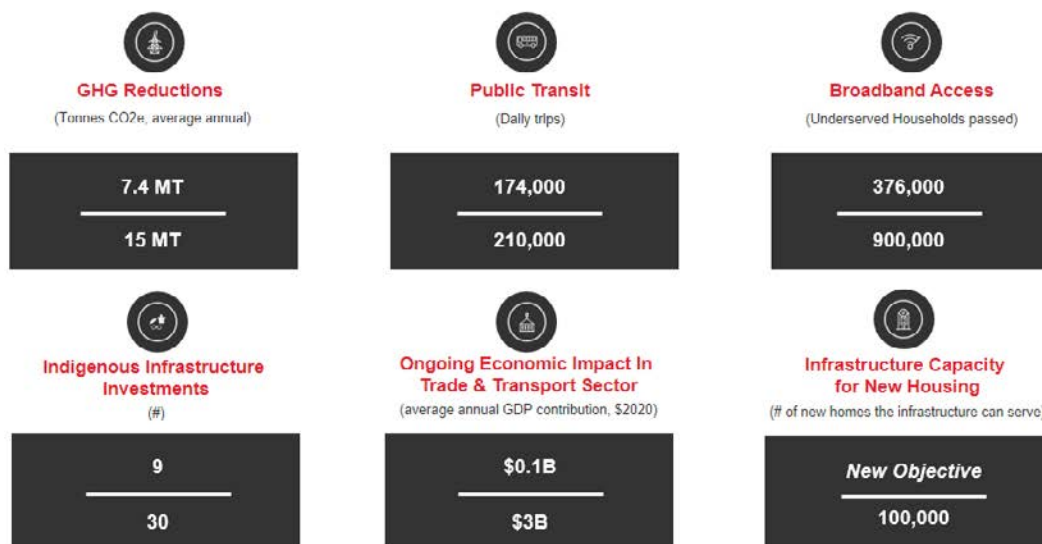
Metrics are shown as current value over the long-term target. Current values are based on Financial Closes and Investment Commitments as at end of Q3, FY23-24.



Metrics are shown as current value over the long-term target. Current values are based on Financial Closes as at end of Q3, FY23-24. Long-term targets are aligned with deployment of the CIB's long-term sector capital allocations.

Strategic Priority 2: Deliver public good benefits to Canadians

Long-term Targets



Metrics are shown as current value over the long-term target. Current values are based on Financial Closes as at end of Q3, FY23-24. Long-term targets are aligned with deployment of the CIB's long-term sector capital allocations.

Table revised on Jan 15, 2025 to address erroneous figure in a previous version

Strategic Priority 2: Deliver public good benefits to Canadians

Reporting Indicators



Strategic Priority 3: Use our unique CIB model to stretch tax dollars further by attracting private capital and getting paid back

Long-term Targets



Metrics are shown as current value over the long-term target. Current values are based on Financial Closes as at end of Q3, FY23-24. Long-term targets are aligned with deployment of the CIB's long-term sector capital allocations.

When measuring outcomes, the CIB considers a project in its entirety, irrespective of the percentage share of financing provided by the CIB.

Table revised on Jan 15, 2025 to address erroneous figure in a previous version

CEO Commitment

I, Ehren Cory, Chief Executive Officer of the Canada Infrastructure Bank (“CIB”), am accountable to the CIB Board of Directors for delivering the results described in this corporate plan and outlined in this appendix. I confirm that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.



Ehren Cory

Chief Executive Officer

March 26, 2024

APPENDIX D – CFO Attestation

In my capacity as Chief Financial Officer of the Canada Infrastructure Bank (CIB), accountable to the CIB Board of Directors through the Chief Executive Officer, I have reviewed the corporate plan and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the financial and related information is reasonably described, and material assumptions having a bearing on the associated financial requirements have been identified and are supported, with the following observations:
Determination of accounting provisions or expected losses on investments are difficult to accurately estimate with the nascent stage of the organization's investing activities. These estimates will be refined over time with ongoing portfolio risk monitoring and loss experience.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed, with the following observations: Projects and investments assumed for the planning period are based on the best available information at the time. Due to the nature of infrastructure investing, transaction development, structuring, negotiation, agreements on commitments and draws may take longer than anticipated.
3. Financial resource requirements have been disclosed and are consistent with the stated assumptions in the corporate plan, and options to contain costs have been considered, with the following observations: Resource requirements are based on the level of business activity assumed within the plan and the organization will actively adjust resource requirements to ensure cost containment opportunities are realized, without jeopardizing the execution of CIB's mandate.
4. Funding has been identified and is sufficient to address the financial requirements for the expected duration of the corporate plan, with the following observations, including observations with regard to appropriations that have not yet been approved: As noted in item #2, the estimates provided are based on the best available information at time of writing; commitments and funding requirements may change.

5. The corporate plan and budget(s) are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the corporate plan), with the following observations: This corporate plan outlines potential commitments and cash funding. Commitments to investments may involve multi-year funding requirements. Authority is being sought to enter into commitments for any of the transactions listed which are determined to deliver outcomes that will benefit the public in accordance with criteria and process set out in the Investment Policy and Framework, some of which may or may not require cash funding in the 2023-24 fiscal year. Total project commitments will exceed the estimated cash funding requirements for the 2023-24 year. Once commitments are entered into, future funding obligations, regardless of fiscal period, must be fulfilled (if conditions precedent are met) in order for CIB to meet its legal obligations under investment agreements. Accounting presentation of the financial statements is based on the CIB's interpretation of the relevant accounting standards and is still subject to concurrence from CIB's Joint Auditors, and therefore is subject to change.
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operation of CIB.

In my opinion, the financial information contained in this corporate plan and budget(s) is sufficient overall to support decision-making.



Evelyn Joerg

Chief Financial Officer

March 26, 2024

APPENDIX E – Financial Statements and Notes

This section presents the consolidated pro-forma financial statements under PSAS. It should be noted that we do not expect any changes to the existing PSAS standards which would have a material impact on our projected financial results.

Pro-forma Statement of Financial Position (Unaudited)

\$(000)s AS AT MARCH 31	ACTUAL	LATEST ESTIMATE	PLANNED				
	F2022-23	F2023-24	F2024-25	F2025-26	F2026-27	F2027-28	F2028-29
Financial assets							
Cash	\$ 121,353	\$ 184,336	\$ 184,019	\$ 183,955	\$ 183,904	\$ 183,803	\$ 183,698
Interest receivable	310	1,459	1,959	2,459	2,959	3,459	3,959
Government funding receivable	7,546,298	9,886,433	10,023,291	10,130,215	10,224,151	10,288,835	10,267,051
Loans receivable	1,755,711	3,007,260	6,247,874	9,442,583	12,543,979	15,594,307	18,566,116
HST receivable	1,820	2,952	3,269	3,333	3,385	3,485	3,590
Related party accounts receivable	5,708	-	-	-	-	-	-
	9,431,200	13,082,440	16,460,412	19,762,545	22,958,378	26,073,889	29,024,414
Liabilities							
Accounts payable and accrued liabilities	18,010	12,867	15,032	15,471	16,075	16,633	17,173
Deferred liabilities	3,897	3,822	2,055	2,114	2,176	2,240	2,306
	21,907	16,689	17,087	17,585	18,251	18,873	19,479
Net financial assets	9,409,293	13,065,751	16,443,325	19,744,960	22,940,127	26,055,016	29,004,935
Non-Financial assets							
Tangible capital assets	2,018	2,317	2,169	2,302	1,882	1,448	1,125
Prepaid expenses and advances	277	618	643	668	693	718	743
	2,295	2,935	2,812	2,970	2,575	2,166	1,868
Accumulated surplus	\$ 9,411,588	\$ 13,068,686	\$ 16,446,137	\$ 19,747,930	\$ 22,942,702	\$ 26,057,182	\$ 29,006,803

Pro-forma Statement of Operations and Accumulated Surplus (Unaudited)

\$(000) s	ACTUAL	LATEST ESTIMATE	PLANNED				
			F2024-25	F2025-26	F2026-27	F2027-28	F2028-29
FOR THE 12-MONTH PERIOD ENDING MARCH 31	F2022-23	F2023-24					
Revenue							
Government appropriations investments	\$ 4,448,926	\$ 3,601,000	\$ 3,475,000	\$ 3,450,000	\$ 3,425,000	\$ 3,400,000	\$ 3,375,000
Government appropriations operations	51,500	88,384	84,221	87,180	89,425	92,642	95,900
Interest income	29,712	49,279	61,067	117,583	180,434	220,380	279,145
	4,530,138	3,738,663	3,620,288	3,654,763	3,694,859	3,713,022	3,750,045
Expenses							
Compensation	30,225	38,722	45,258	47,116	49,347	51,235	53,008
General and administration ¹	15,763	19,064	24,985	26,096	26,520	26,230	27,606
Project development	1,479	2,359	4,000	4,000	4,000	4,000	4,000
Concessionary loan provision	189	18,315	69,745	70,635	106,918	95,070	183,261
Loan valuation allowance/ (recovery)	(4,852)	3,105	95,725	201,926	310,046	418,637	529,059
Contingency	-	-	3,124	3,197	3,256	3,370	3,490
	42,804	81,565	242,837	352,970	500,087	598,542	800,424
Annual surplus	4,487,334	3,657,098	3,377,451	3,301,793	3,194,772	3,114,480	2,949,621
Accumulated surplus beginning of year	4,924,254	9,411,588	13,068,686	16,446,137	19,747,930	22,942,702	26,057,182
Accumulated surplus end of year	\$ 9,411,588	\$ 13,068,686	\$ 16,446,137	\$ 19,747,930	\$ 22,942,702	\$ 26,057,182	\$ 29,006,803

¹ General and administrative expenses are net of capitalized transaction costs.

Pro-forma Statement of Change in Net Financial Assets (Unaudited)

\$(000) s FOR THE 12-MONTH PERIOD ENDING MARCH 31	ACTUAL	LATEST ESTIMATE	PLANNED				
	F2022-23	F2023-24	F2024-25	F2025-26	F2026-27	F2027-28	F2028-29
Annual surplus	\$ 4,487,334	\$ 3,657,098	\$ 3,377,451	\$ 3,301,793	\$ 3,194,772	\$ 3,114,480	\$ 2,949,621
Change in tangible capital asset acquisition	(535)	(866)	(468)	(870)	(406)	(430)	(579)
Change in tangible capital asset amortization	466	567	616	737	826	864	902
Change in prepaid expenses and advances	143	(341)	(25)	(25)	(25)	(25)	(25)
Net financial assets, beginning of year	4,921,885	9,409,293	13,065,751	16,443,325	19,744,960	22,940,127	26,055,016
Net financial assets, end of year	\$ 9,409,293	\$ 13,065,751	\$ 16,443,325	\$ 19,558,909	\$ 23,905,523	\$ 29,600,750	\$ 33,914,884

Pro-forma Statement of Cashflows (Unaudited)

\$(000) s	ACTUAL	LATEST ESTIMATE	PLANNED				
			F2023-24	F2024-25	F2025-26	F2026-27	F2027-28
FOR THE 12-MONTH PERIOD ENDING MARCH 31	F2021-22	F2022-23					
Cash provided by (used in)							
Operating activities							
Annual surplus	\$ 4,487,334	\$ 3,657,098	\$ 3,377,451	\$ 3,301,793	\$ 3,194,772	\$ 3,114,480	\$ 2,949,621
Items not involving cash:							
Capitalized interest paid in kind	(23,083)	(40,416)	(46,697)	(103,063)	(142,364)	(166,353)	(202,007)
Amortization of tangible capital assets	466	567	616	737	826	864	902
Loan valuation allowance/(recovery)	(4,852)	3,105	95,725	201,926	310,046	418,637	529,059
Concessionary loan provision	189	18,315	69,745	70,635	106,918	95,070	183,261
Accretion of concessionary loan provision	(4)	(10)	(400)	(756)	(1,328)	(2,878)	(8,634)
Changes in non-cash working capital							
Government funding receivable	(4,115,976)	(2,340,135)	(136,858)	(106,924)	(93,936)	(64,684)	21,784
Related party accounts receivable	(5,708)	5,708	-	-	-	-	-
Interest receivable	(310)	(1,149)	(500)	(500)	(500)	(500)	(500)
Transaction costs	(8,688)	(6,093)	(6,875)	(6,611)	(6,862)	(8,339)	(8,200)
HST receivable	177	(1,132)	(317)	(64)	(52)	(100)	(105)
Prepaid expenses and advances	143	(341)	(25)	(25)	(25)	(25)	(25)
Accounts payable and accrued liabilities	7,369	(5,143)	2,165	439	604	558	540
Deferred liabilities	821	(75)	(1,767)	59	62	64	66
Principal repayment	40	15,000	11,030	36,236	38,258	48,851	56,496
Loan disbursements	(261,570)	(1,241,450)	(3,363,142)	(3,393,076)	(3,406,064)	(3,435,316)	(3,521,784)
Total cash provided by (used in) operating activities	76,348	63,849	151	806	355	329	474
Capital activities							
Acquisition of tangible assets	(535)	(866)	(468)	(870)	(406)	(430)	(579)
Total cash used in capital activities	(535)	(866)	(468)	(870)	(406)	(430)	(579)
Net increase/(decrease) in cash during the year	75,813	62,983	(317)	(64)	(51)	(101)	(105)
Cash, beginning of year	45,540	121,353	184,336	184,019	183,955	183,904	183,803
Cash, end of year	\$ 121,353	\$ 184,336	\$ 184,019	\$ 183,955	\$ 183,904	\$ 183,803	\$ 183,698

2024-25 Corporate Plan vs. 2023-24 Corporate Plan

The CIB's 2024-25 Corporate Plan includes updated assumptions related to financial closes and capital funding. The CIB is targeting approximately \$3-\$5 billion in financial closes per year, depending on timing of closes from particularly large and complex projects. Assuming average of \$3.5 billion of financial closes per year is driven by the CIB's historical track record as well as the market's timing and capacity for the deployment of the CIB's capital and current sector mandates.

Given our increasing organizational maturity, we have also adjusted our operating requirements, in addition to cost savings identified in the CIB's 2023-24 Corporate Plan that was driven from the federal government's "Effective Government" initiatives. Introduced in the 2023 Federal Budget, these initiatives prescribed a 15% reduction to professional fees and travel expenses and a 3% reduction in administration fees (total operating expenses less, professional fees and travel).

The CIB's 2024-25 cash operating plan, excluding the impact of project development expenses, reflects an additional average decrease of \$6.1 million per year or 6.7% per year in operating expenditures across the prior year planning period (F2024-25 to F2027-28).

The savings are mainly driven by lower expected growth in future headcount impacting compensation, administration, and information technology costs, as well as a reduction in professional fees as we took a more conservative approach on deployment of projects across the organization.

The CIB's operating expenses are primarily offset by revenue in F2023-24 and management expects to achieve continued efficiencies with scale. This is evidenced over the 5-year planning period through the downtrend of operating expenses as a percentage of average total assets under management from 1.90% to 0.52%, and similarly, growth of operating profits before loan provisioning and valuation allowances to \$191.0 million over the 5-year planning period.

\$(000) s			LATEST ESTIMATE	PLANNED					
	ACTUAL		F2022-23						
				F2023-24	F2024-25	F2025-26	F2026-27	F2027-28	F2028-29
FOR THE 12-MONTH PERIOD ENDING MARCH 31									
Interest income	\$	29,712	\$ 49,279	\$ 61,067	\$ 117,583	\$ 180,434	\$ 220,380	\$ 279,145	\$ 19,111,454
Operating expenses		47,467	60,145	77,367	80,409	83,123	84,835	88,104	8,220
Operating profit/(loss) before provisions and allowances	\$	(17,755)	\$ (10,866)	\$ (16,300)	\$ 37,174	\$ 97,311	\$ 135,545	\$ 191,041	\$19,119,674

Assumptions – Pro-forma Statement of Financial Position Government Funding Receivable

\$(000) s	ACTUAL	LATEST ESTIMATE	PLANNED				
			F2024-25	F2025-26	F2026-27	F2027-28	F2028-29
AS AT MARCH 31	F2022-23	F2023-24					
Opening balance	\$ 3,430,322	\$7,546,298	\$ 9,886,433	\$ 10,023,291	\$ 10,130,215	\$ 10,224,151	\$ 10,288,835
New investments financial close	4,651,036	3,601,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Government appropriations received - investments	(332,950)	(1,240,865)	(3,338,142)	(3,343,076)	(3,331,064)	(3,335,316)	(3,396,784)
Less recycled principal and interest	-	(20,000)	(25,000)	(50,000)	(75,000)	(100,000)	(125,000)
Reductions, post financial close	(202,110)	-	-	-	-	-	-
Government funding receivable	\$ 7,546,298	\$9,886,433	\$ 10,023,291	\$ 10,130,215	\$ 10,224,151	\$ 10,288,835	\$ 10,267,051

- » The Government of Canada provides funding for the CIB to advance its priorities and deliver on its mandate. Consistent with the CIB's financial reporting framework, at the time an investment reaches financial close, a government receivable is created. The government receivable is reduced when appropriations funding is received. The CIB is forecasting receiving net government appropriations of \$16.7 billion for its investments over the five-years of this corporate plan.

Loans Receivable

\$(000) s	ACTUAL	LATEST ESTIMATE	PLANNED				
			F2024-25	F2025-26	F2026-27	F2027-28	F2028-29
AS AT MARCH 31	F2022-23	F2023-24					
Opening balance	\$ 1,457,743	\$ 1,755,711	\$ 3,007,260	\$ 6,247,874	\$ 9,442,583	\$ 12,543,979	\$ 15,594,307
Drawdowns	261,570	1,241,450	3,363,142	3,393,076	3,406,064	3,435,316	3,521,784
Capitalized interest paid in kind	23,083	40,416	46,697	103,063	142,364	166,353	202,007
Transaction costs (net of amortization)	8,688	6,093	6,875	6,611	6,862	8,339	8,200
Concessionary loan provision	(189)	(18,315)	(69,745)	(70,635)	(106,918)	(95,070)	(183,261)
Accretion of concessionary loan provision	4	10	400	756	1,328	2,878	8,634
Cash received from principal repayment	(40)	(15,000)	(11,030)	(36,236)	(38,258)	(48,851)	(56,496)
Loan valuation allowance	4,852	(3,105)	(95,725)	(201,926)	(310,046)	(418,637)	(529,059)
Loans receivable	\$ 1,755,711	\$ 3,007,260	\$ 6,247,874	\$ 9,442,583	\$ 12,543,979	\$ 15,594,307	\$ 18,566,116

- » Loans receivable is driven by drawdowns and also includes capitalized interest earned, and capitalized transaction costs that are part of the initial carrying value of the loan and amortized to income, based on the effective interest rate (EIR) method. Drawdowns of ~\$3.4 billion per year is a best estimate of cash funding required based on the CIB's long-term capital model (described in Capital and Investment Budget section below). For simplicity, we have assumed these investments are loans receivable recognized at amortized cost, however they could take on the form of equity investments, fair value loans or derivatives such as royalty agreements. The loans are reduced for any concessionary loan provision, cash received from principal repayment and the loan valuation allowance.
- » Interest paid on investments and principal repayments are to be recycled and used for future funding needs. These funds are maintained in a business account at a Schedule I Canadian Bank. CIB Finance monitors the funds available to cover its cash flow requirements and uses these funds prior to submitting drawdown requests to central agencies.
- » A concessionary loan provision is recognized when a loan is deemed to be significantly concessionary (exceeding 25%) relative to its face value, discounting using the Government of Canada average cost of borrowing. The concessionary loan provision is recognized at a cost equivalent to the face value less the discount on a prorated basis as funds are advanced and subsequently reversed over the life of the loan.

- » Loan valuation allowance is comprised of general and specific valuation allowances.
 - » The general valuation allowance applies to loans receivable and is based on a short-term estimate of portfolio credit risk that is monitored on an ongoing basis and adjusted with changes in credit risk. A reduction to the general valuation allowance would lead to a recovery and recognized as revenue. The budgeted general allowance is approximately 2% of the loan receivable amount and could differ based on actual results.
 - » A specific valuation allowance is established in instances of known impairment events (by extension write-offs) that applies to all financial assets that would reduce their expected recoverability. Note, an impairment event is not often predictable in advance of its occurrence. The budgeted specific allowance is estimated based on the lifetime expected credit loss of the portfolio.

\$(000)s FOR THE 12-MONTH PERIOD ENDING MARCH 31	ACTUAL		LATEST ESTIMATE	PLANNED				
	F2022-23		F2023-24	F2024-25	F2025-26	F2026-27	F2027-28	F2028-29
General loan valuation allowance	\$	4,852	\$ (3,105)	\$ (60,145)	\$ (126,872)	\$ (194,805)	\$ (263,034)	\$ (332,413)
Specific loan valuation allowance				(35,580)	(75,054)	(115,241)	(155,603)	(196,646)
Loan valuation allowance	\$	4,852	\$ (3,105)	\$ (95,725)	\$ (201,926)	\$ (310,046)	\$ (418,637)	\$ (529,059)

Other Items

- » HST receivable is based on the CIB's current tax status as a not-for-profit being substantially funded by government appropriations. This assumption may change over time as the CIB's business develops and as a result, recoverability may change.
- » Accounts payable and accrued liabilities include the short-term incentive compensation accrual based on projected staff as well as the portion of the long-term incentive that is payable within 12 months for each fiscal year.
- » Non-financial assets include capitalized assets for leasehold improvements related to office expansion and computer equipment for new hires and replacement machines that are past their useful life.

Assumptions – Pro-forma Statement of Operations and Accumulated Surplus

Revenue

Over the planning period, given the long-time horizon for infrastructure investments and the uncertainty in the final structures for new investment commitments, the CIB projects investment income on both deals that have reached financial close based on their expected effective return, and assumed investment income on future commitments using sector specific average historical return profiles. Actual results will differ from our forecasts.

- » Government appropriation revenue is recorded when an investment reaches financial close consistent with the recording of Government funding receivable noted above. The CIB is forecasting \$17.1 billion of government investment appropriation revenue over the five-years of this corporate plan.
- » Interest income is comprised primarily of accrued interest from investments which is inclusive of amounts being paid in kind and capitalized to the outstanding loan receivable balance plus interest earned on cash balances. Given the CIB's unique approach to financing projects, the timing and amount of revenue on new commitments can vary significantly. For non-committed capital we applied a blended average interest rate by sector based on historical data from committed capital projects. For reasons of simplicity, we've assumed most of these investments are debt financed.
- » Concessionary interest is recognized in a similar manner to the provisioning methodology noted in the loan receivable section above. For uncommitted capital the concessionary value for each sector is determined as the interest rate differential (difference between the GoC yield and applicable sector weighted average interest rate) factor multiplied by the interest payment in the period.

Expenditures

The budget was developed through a comprehensive review by division including planned costs for professional fees, administration, information technology and premises and equipment and headcount requirements.

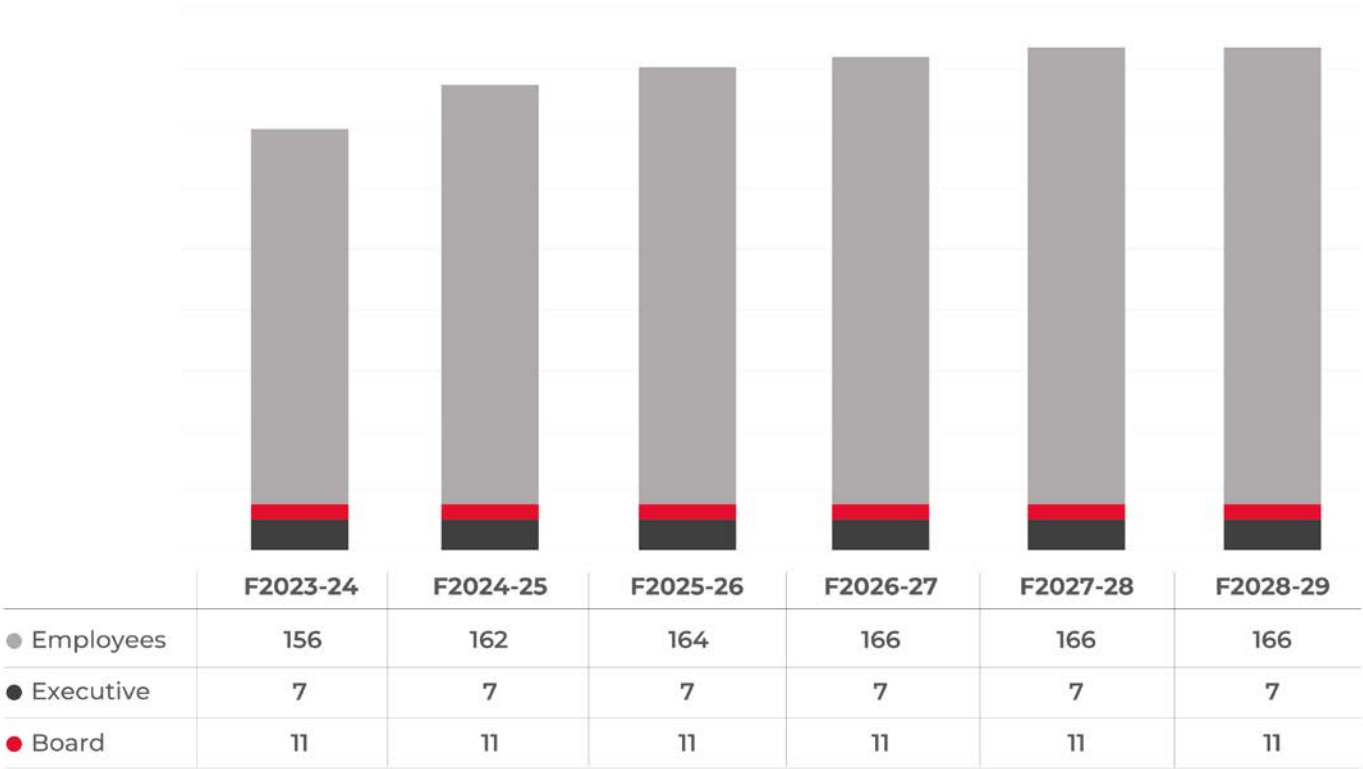
Expected spend is primarily driven by our pace of deal volume, which results in professional fees and resource requirements to execute these transactions.

Compensation

Compensation expense includes projected salaries, short-term and long-term incentives, benefits, and payroll related taxes. Compensation assumptions were reviewed against market, including costs for employees and directors, as well as benefits and performance pay.

The Executive team continuously monitors and manages long-term staffing requirements to execute on the mandate, and the focus continues to be on resourcing the CIB predominantly with full-time employees. The CIB expects modest growth in headcount over the five-year period, subject to change if the CIB enters into new sectors or has an increased mandate. Contractors and professional service firms are used to supplement resources when the CIB faces short-term increases in activity levels or special projects. Contractor and professional service costs are included in the Professional Fees line in the financial statements, and such services are subject to the CIB’s Procurement Policy.

Over the course of this plan, the CIB’s work force is expected to increase from 163 to 173 permanent positions to manage its growing portfolio. The following chart outlines the anticipated growth trajectory in full-time employees by department as well as total headcount including Board members.



General and Administration

General and administrative expenses include professional fees, communication, information and technology, office leases and leasehold improvements, travel, and other administrative expenses. A contingency of 10% of operating costs, excluding compensation, has been included to account for required operating activities that are not part of the related year's initiatives, and uncertainties in estimates.

Project Development

- » Project Development expenses primarily relate to accelerator funding that the CIB invests in due diligence and early construction works to accelerate high impact infrastructure projects in which the CIB expects to make a long-term investment, and are distinct from any expenses related to the CIB's internal operations. Project acceleration shortens critical paths to construction and operations by (i) expediting due diligence, planning and development activities which could include engineering studies, demand forecasting or other activities necessary to establish the project business case and (ii) shortens the critical paths of high-impact projects in which the CIB expects to invest in as part of the overall CIB capital plan. Accelerator funding is either expensed as incurred, or capitalized over the life of the project, depending on each project's characteristics. The budgeted amount of \$20.0 million over the planning period represents the amount of accelerator funding estimated to meet the criteria of an expense and contains uncertainty in both the timing and total amount of the expense.

Non-Operating Expenses

- » A concessionary loan provision is recognized when a loan is deemed to be significantly concessionary, please refer to the loans receivable section above for further details.
- » Loan valuation allowance is comprised of general and specific valuation allowances, please refer to the loans receivable section above for further details.

Cash Operating Expense Budget (Unaudited)

\$ (000s) FOR THE 12-MONTH PERIOD ENDING MARCH 31	ACTUAL		LATEST ESTIMATE	PLANNED										
	F2022-23			F2023-24	F2024-25	F2025-26	F2026-27	F2027-28	F2028-29					
Compensation	\$	30,225	\$	38,722	\$	45,258	\$	47,116	\$	49,347	\$	51,235	\$	53,008
Professional Fees														
Deal		15,730		14,103		18,170		18,855		19,679		20,523		21,157
Non-Deal		3,569		3,982		3,820		3,025		3,026		2,973		3,116
Knowledge and Research		54		250		500		513		525		538		552
Total Professional Fees		19,353		18,335		22,490		22,393		23,230		24,034		24,825
General & Administration														
Administration		3,274		3,287		4,802		5,419		4,881		5,026		5,430
Information Technology		726		2,300		1,904		2,191		2,390		2,578		2,709
Premises and Equipment		827		1,068		1,600		1,900		1,500		1,510		1,510
Travel		340		466		915		938		961		985		1,010
Contingency		-		-		3,124		3,197		3,256		3,370		3,490
Total General & Administration		5,167		7,121		12,345		13,645		12,988		13,469		14,149
Total Operating Expenses		54,745		64,178		80,093		83,154		85,565		88,738		91,982
Project Development		1,479		2,359		4,000		4,000		4,000		4,000		4,000
Total delivery cost	\$	56,224	\$	66,537	\$	84,093	\$	87,154	\$	89,565	\$	92,738	\$	95,982

The operating budget was developed in line with the expense assumptions noted above and adjusted from an accrual basis, as per the Pro-forma Statement of Operations and Accumulated Surplus, to a cash basis. The primary adjustments include the timing of short-term and long-term incentive accruals, capitalized assets and transaction costs and the related amortization of those expenses.

For 2024-25, the planned total cash operating expenses are \$80.1 million and the forecasted total cash operating expenses over the five-year planning period is \$429.5 million. For 2023-24 the CIB is estimating actual operating expenses of \$64.2 million, versus \$77.5 million in the 2023-24 corporate plan. The positive variance is mainly attributed to lower-than-expected expenses related to compensation and professional fees.

The total delivery cost planned for 2024-25 is \$84.1 million and includes an additional \$4.0 million for project development expenses. The forecasted total delivery cost over the five-year planning period is \$449.5 million and includes an additional \$20.0 million for project development expenses. As mentioned previously, funds for project acceleration are distinct from any expenses related to the CIB's internal operations.

Capital and Investment Budget

The CIB provides flexible financing terms to accelerate transactions and enable projects to proceed, while prudently ensuring funding is provided based on construction progress. This results in less visibility on the timing of the deployment of capital. We expect that most transactions will require capital to be deployed based on spend over the life of the construction period which is challenging to forecast per year.

It is prudent for the CIB to ensure there is a sufficient capital budget each year to appropriately meet funding needs. To safeguard, the CIB has developed a long-term capital model to project financial closes and funding requirements. In building the capital projections, the CIB considers existing commitments, uncommitted capital, and the composition of its portfolio over a five-year time horizon and manages towards the balanced scorecard it has established for its investment portfolio as part of its strategic priorities.

The exercise of forecasting the capital needs evolves every year as we gain more experience from projects closed to date and through modifications to capital allocation. Our committed capital drives our key assumptions and scenario analysis and includes those projects that have reached financial close and near closed deals where the CIB and partners have agreed

upon terms that set out capital commitment and other financial terms of an investment, such as tenor, interest rate and financing structure. Historical experience, scenario analysis and contractual capital deployment schedules are factored into the corporate plan's investment funding expectations.

Uncommitted capital represents the gap between committed capital and our annual long-term financial close targets. Projections for income, principal repayment, funding, and loan provisions are based on assumptions related to blended average interest rates, operating period length, provisions for repayment structures (e.g. straight-line amortization, bullet repayments, etc.) and credit rating by sector based on our existing investments. Funding is projected using draw curves which are based on financial models for deals that have reached financial close or are in final stages of due diligence and provide capital deployment timing and distribution by sector in each year.

Financial Closes

Over the five-year planning period, the total financial close forecast is \$17.5 billion. As mentioned previously, the CIB is targeting approximately \$3-\$5 billion in financial closes each year. For purposes of our investment funding forecast, we have assumed financial closes of \$3.5 billion per year, however these can vary depending on the timing of closes of projects, particularly large and complex projects.

Investment Funding

Based on the total financial close forecast of \$17.5 billion, the 5-year capital funding budget anticipates investment appropriations of \$17.1 billion for capital funding net of principal and interest payments received. Our estimated draws of \$3.4 billion in F2024-25 considers delays in capital deployment based on historical experience and updated forecasts. Note that on existing investments in our portfolio, the CIB has a contractual agreement to fund up to \$9.6 billion in 2024-25.

The total forecast for the deployment of capital includes funding for existing investment commitments, a forecast based on projects expected to reach financial close, and a provision for uncommitted capital which includes a forecast for projects expected to reach financial close. This supports the execution of the CIB's investment approach which provides flexible funding terms as required to advance projects. The forecasted funding of investment commitments may change over time.

The CIB monitors project advancement prudently, recognizing we are entrusted with investing public funds and only provide funds based on conditions precedent related to activity. Although this forecast is based on historical experience and analysis, the timing of funding can vary significantly due to timing of future financial closes, construction delays, changes in scope, etc., making it challenging to forecast within specific fiscal years.

\$(000) s FORECAST INVESTMENT FUNDING	PRE- F2023-24	LATEST ESTIMATE	PLANNED					TOTAL
		F2023-24	F2024-25	F2025-26	F2026-27	F2027-28	F2028-29	
Financial Close	\$ 1,670,549	\$ 1,241,450	\$ 2,651,191	\$ 1,734,213	\$1,283,453	\$ 497,502	\$ 284,985	\$ 9,363,343
Near Financial Close			644,323	859,837	555,657	293,759	127,248	2,480,824
Total Committed	1,670,549	1,241,450	3,295,514	2,594,050	1,839,110	791,261	412,233	
Total Uncommitted			67,628	799,026	1,566,954	2,644,055	3,109,551	8,187,214
Total Forecast Invest- ment Funding	\$1,670,549	\$ 1,241,450	\$3,363,142	\$ 3,393,076	\$3,406,064	\$3,435,316	\$3,521,784	\$20,031,381

The CIB looks to be prudent in its planning. The total forecast investment funding is a best estimate of cash required based on the current investment portfolio and investment pipeline, however it is important to note that CIB is contractually obligated to fund based on the terms of its contractual agreements.

APPENDIX F – Legislative and Policy Compliance

The CIB is governed by the *Canada Infrastructure Bank Act* and is subject to the general governance framework for Crown corporations in Part X of the *Financial Administration Act* (“FAA”) and other federal legislation and policies that apply generally to Crown corporations. The CIB also complies with Treasury Board policies, Governor in Council directives that apply generally to Crown corporations. The CIB has not received a ministerial directive under section 89 of the *Financial Administration Act*.

The following illustrates the CIB’s efforts to comply with a selection of the legislation and policies to which it is subject.

Access to Information Act and Privacy Act

The CIB is committed to meeting its obligations under the *Access to Information Act* and the *Privacy Act* while respecting the protection of personal information and the confidentiality of commercially sensitive information received from proponents of infrastructure projects. The powers, duties and functions of administering the *Access to Information Act* and the *Privacy Act* rest with the CEO as the head of a government institution. These responsibilities have been delegated to the General Counsel & Corporate Secretary.

The CIB has adopted procedures for ensuring that formal access and privacy requests are processed in accordance with the provisions of the legislation and related Treasury Board policies. Employee education activities are also delivered regularly to promote awareness of their duties and responsibilities in managing records of business value and personal information. The CIB publishes on its website the annual report submitted to Parliament on the administration of the *Access to Information Act* and the *Privacy Act*, including the statistics on information requests received and completed. The disclosure of travel and hospitality expenses for the members of the Board, the CEO and senior executives is proactively published on our website within 30 days after the end of the month of reimbursement.

The CIB is aware of the updated Directive on Proactive Publication under the *Access to Information Act* and is currently updating its internal processes to publish its monthly reports related to Travel & Hospitality Expenses on the Open Government Portal, in accordance with the updated directive. The CIB currently publishes other proactive disclosures, including completed requests under the *Access to Information Act* on the Open Government portal. Summaries of completed requests under the *Access to Information Act* are also posted on the Open Government portal (open.canada.ca) within 30 days after the end of the calendar month in which the requests were closed.

Information and policies related to the collection, use and disclosure of personal information, including the purposes for which this information is collected and used, related information holdings and personal information banks are disclosed in the Privacy Policy published on the CIB's website.

Accessible Canada Act

The *Accessible Canada Act* aims to identify, remove, and prevent barriers facing people with disabilities. The CIB is committed to improving the inclusion, equal opportunity, access, and participation of persons with disabilities through the identification, prevention, and removal of barriers to accessibility. In support of this goal, the CIB has published a multi-year Accessibility Plan. The plan outlines the CIB's strategy and offers a clear roadmap towards meeting our accessibility commitments and goals.

Employment Equity Act

The CIB is committed to building a workforce that reflects the gender, linguistic and cultural diversity of Canada and is developing a diversity and inclusion strategy to ensure that the CIB is an inclusive workplace that can attract, hire, retain and promote talent for diverse backgrounds. The CIB has created a diversity, equity and inclusion committee comprised of employees from across the organization to contribute to and guide goals and actions that support a positive, respectful, and productive workplace.

Canadian Human Rights Act

The CIB is committed to providing equal employment opportunities regarding hiring, compensation, promotion, training, and other terms of employment for all persons. The CIB's obligations under the *Canadian Human Rights Act*, and its value to promote a diverse, inclusive, and respectful workplace are embedded in the Code of Conduct for Employees and the Respectful Workplace Policy published on the CIB's website.

Official Languages Act

The CIB has put in place a governance structure and tools to comply with Parts IV, V, VI and VII of the *Official Languages Act*, the Official Languages (Communications with and Services to the Public) Regulations, and the Treasury Board Policy on Official languages (including related directives). During this planning period, the CIB will look to update its official languages policy and related guidance to ensure compliance with respect to the latest amendments to the *Official Languages Act* regulations (communications and services to the public). The CIB's *official languages action plan* introduced in 2019 will also be reviewed and updated to reflect the Government of Canada's priorities for official languages.

Pay Equity

The CIB is working toward developing and implementing a proactive pay equity plan to identify and close the gender wage gap, ensuring workers receive equal pay for work of equal value in accordance with the new Pay Equity Act and the regulations applicable to federally regulated public-sector workplaces.

Trade Agreements

As a Crown corporation, the CIB sets its own principles, policies, and procedures in respect of the procurement of goods and services. The CIB's Procurement Policy and the Procurement Procedure reinforces the CIB's commitment to open, transparent, and non-discriminatory procurement practices. All procurement opportunities meeting the trade agreement thresholds are posted publicly to ensure equal access to all qualified suppliers, while acknowledging that the CIB reserves the right to engage in non-competitive procurements in appropriate circumstances. As is required and requested, related reporting is submitted to government.

Values and Ethics

CIB has adopted a Code of Conduct for Employees and companion policies that reflect the highest standards for good governance, integrity, and transparency. The Code of Conduct for Employees incorporates the Values and Ethics Code for the Public Sector and describes the guiding principles and the following seven guidelines for ethical conduct that all employees must demonstrate to exercise sound, ethical judgment in their actions and decisions:

- » We promote a diverse, inclusive and respectful workplace;
- » We maintain a healthy, safe and secure workplace;
- » We communicate openly and honestly;
- » We avoid and disclose conflicts of interest;
- » We decline inappropriate gifts, hospitality and other benefits;
- » We protect the CIB's assets and information; and
- » We comply with laws and regulations.

Each employee is required, upon joining the CIB and annually thereafter, to certify their compliance with the Code of Conduct and acknowledge that they have a duty to prevent, correct and promptly report their knowledge of a potential breach of CIB's policies.

The CIB has also adopted the Disclosure of Wrongdoing Policy for Employees, which describes the internal procedures for employees to disclose wrongdoing in the workplace or breach of the CIB's policies, legislation, or regulations. The CEO has designated the General Counsel & Corporate Secretary as the Senior Officer accountable for supporting the CEO in meeting the requirements of the Public Servants Disclosure Protection Act.

Conflict of Interest Act

The Board has adopted a Code of Conduct for Directors, which incorporates the duties and responsibilities under the *Conflict of Interest Act* and the Ethical and Political Activity Guidelines for Public Office Holders released by the Privy Council Office. Directors must annually review and affirm their commitment to and compliance with the Code of Conduct.

Violence and Harassment in the Workplace

The CIB is committed to providing a safe, healthy, and supportive workplace environment that is free of sexual harassment, harassment, violence, and discrimination, and where persons are treated with respect, fairness, and courtesy. The CIB's Respectful Workplace Policy follows the amendments to the *Canada Labour Code* under Bill C-65 and the Workplace Harassment and Violence Prevention Regulations. During the 2023-24 financial year, all employees completed mandatory training on how to recognize, minimize, prevent, and respond to harassment, violence and discrimination in the workplace.

Duty of Consult and *Impact Assessment Act*

The CIB is responsible for meeting its statutory and legal obligations, including any duty to consult obligations that may arise when it is providing funding that may adversely impact potential or established Aboriginal or treaty rights, and any environmental assessment or regulatory requirements. The *Impact Assessment Act* also provides a process for non-designated projects on federal lands, which requires federal authorities to determine whether a proposed project is likely to cause significant adverse environmental effects before making a decision that would enable the project to proceed. To this end, the CIB has adopted due diligence guidelines to meet its legal obligations with respect to the Crown's duty to consult Indigenous groups and decisions for non-designated projects on federal lands. The CIB works in collaboration with other federal authorities, as well as provincial or regulatory agencies to avoid duplication of effort and to create a streamlined project approval process.

APPENDIX G – Risk and Risk Responses

The CIB mandate to finance revenue generating projects that are in the public interest and the nature of our activities requires us to assume higher risks than those that the private sector is willing or able to accept. By assuming higher risk, we are able to attract greater private sector investment allocation to the infrastructure asset class.

As discussed in section three of this corporate plan, the adoption of a revised ERM Policy and Framework along with adjustments to Credit Policies and Procedures, employee training and the establishment of risk culture is ongoing.

Risks associated with the CIB's focus on achieving key outcomes and attracting private sector investment are clearly identified, assessed, and mitigated as part of the decision-making process.

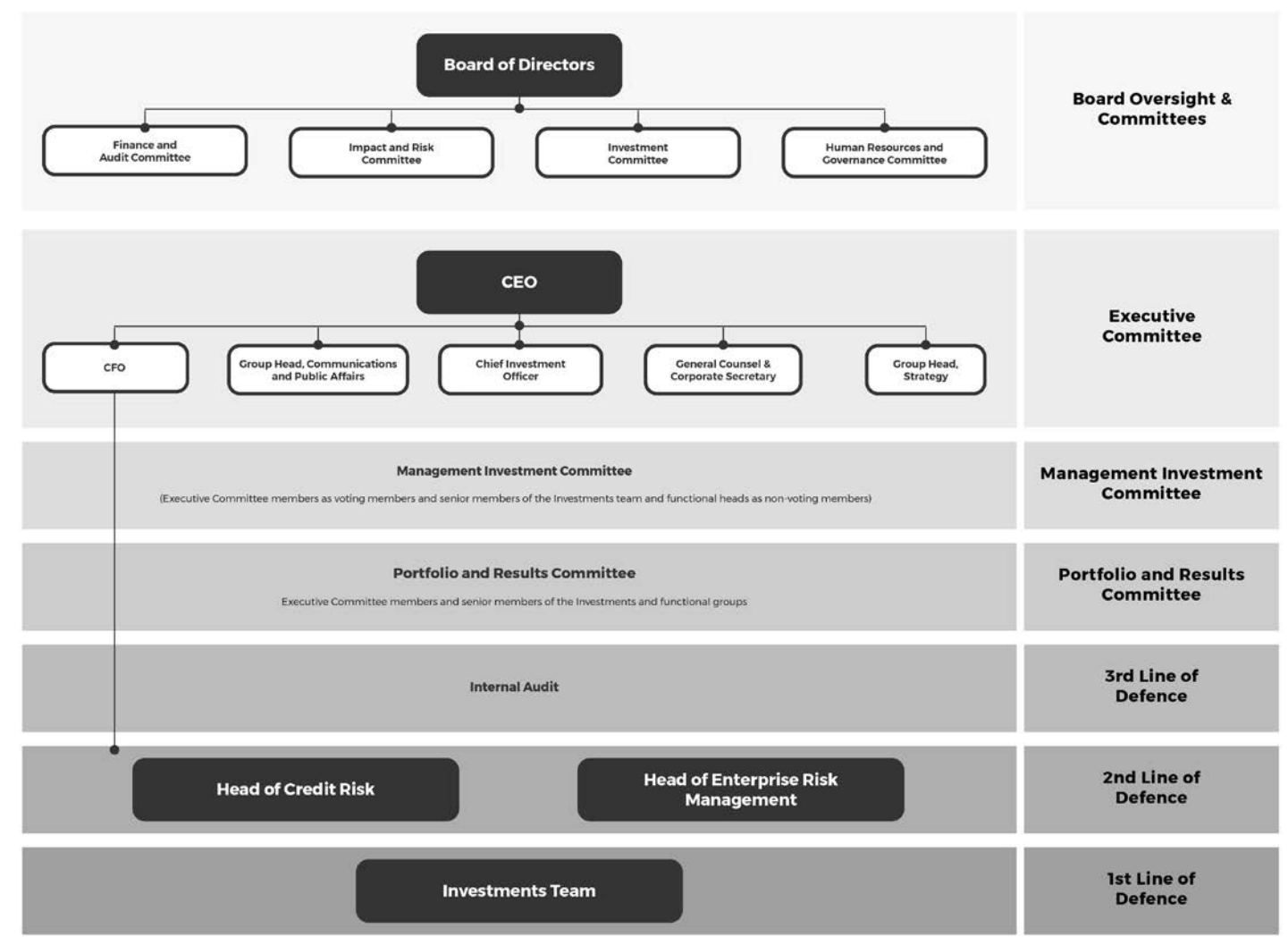
CIB's Risk Management Approach

The CIB recognizes that assuming some level of risk is an essential part of doing business, in particular given the context of our specific mandate and business model, which differ materially from those of traditional financial institutions. The CIB incorporates a four-pronged approach to manage its risks, with a focus on enterprise risk, investment risk, credit risk and operational risk. Each area of risk management is regularly reviewed by Executive Management and respective Board Committees.

The CIB remains focused on maturing its four-pronged risk management approach across the organization via processes and procedures. It continues to foster a strong risk culture in order to address and mitigate potential challenges early and to support informed risk-based decision making and resource allocation.

Risk Governance Model

The CIB’s risk governance model is illustrated in the table below and supported by the Enterprise Risk Management framework, risk management processes and procedures and risk management training.



Risk Management Policy and Framework

The CIB’s ERM Policy and Framework was revised internally in 2023 to provide the vision, principles, objectives, taxonomy, governance structure, risk assessment process and reporting for effective risk management at the CIB. The policy and framework apply to all CIB employees and activities. The Policy and Framework are being supplemented with risk appetite statements and key risk indicators to support risk taking strategies and decisions and to provide insight into emerging risks that the CIB may face.

Investment Risk Rating Methodology

The CIB has developed an in-house internal risk rating methodology to support the CIB's Investments team through its evaluations and resulting investment risk rating for each investment under consideration. The methodology provides for a consistent approach for risk rating Project Finance transactions in accordance with best market practices. With respect to corporate borrowers, the CIB uses industry standard corporate debt rating methodologies. The underlying risk rating for a borrower constitutes a fundamental input to the assessment of CIB's lifetime provisionary losses.

Risk-related Policies and Procedures

A dedicated digital repository has been created where all CIB policies and procedures, including risk-related ones, are classified, stored and available to all employees.

Information security and information management policies are in place, including IT-related procedures with respect to cybersecurity, business continuity and acceptable use of technology, as well as the corresponding training and testing.

An operational risk management program is being revised, including the key risk indicators reported to the Board each quarter.

APPENDIX H – Alignment to Government Priorities

The CIB's priorities and activities focus on the infrastructure and investment spaces, and therefore are aligned with the government's Investing in Canada infrastructure plan. CIB activities also align with government-wide priorities in the following key areas.

Transparency and Open Government

The CIB is committed to being open and transparent with Canadians about its operations, investments and decision-making processes, while respecting the confidentiality of commercially sensitive information obtained from partners and counterparties, as required under the *CIB Act* and the *Financial Administration Act*.

In alignment with this priority, we make available the following information on our website:

- » Quarterly financial reports;
- » Summary corporate plans, including operating budgets and capital budgets, once submitted to the Minister and tabled in Parliament;
- » Annual reports of our operations, including annual audited financial statements and auditor's report, once submitted to the Minister and tabled in Parliament;
- » Travel and hospitality expenses incurred by Board members and senior executives;
- » Annual reports on the administration of the *Access to Information Act* and the *Privacy Act*; and
- » Annual public meetings and related documents
- » Policies related to accountability and decision-making, including with respect to procurement and investment activities.

Each year, the CIB holds an annual public meeting to share financial and operational results. The public meeting provides an opportunity for the public to provide feedback and engage in a dialogue with the CIB's Board and CEO on matters directly relating to its business and

operations. Following the public meeting, CIB publishes on its website the related proceedings, presentations, and responses to questions. The last annual public meeting took place on June 13, 2023. CIB will continue to support increased transparency of its activities, operations, investments, and decision-making processes over the planning period. This effort will include providing increased disclosure and access to information by employing a variety of ways and means – from traditional methods to digital approaches – to communicate to Canadians.

Gender-Based Analysis Plus (GBA+)

The CIB invests in infrastructure in the public interest, including across five priority sectors with a core objective to provide a broad set of infrastructure benefits to Canadians across the country. In line with the Statement of Priorities and Accountabilities, the CIB seeks to achieve impact outcomes through its infrastructure investments including GHG reduction, connecting Canadians, increasing economic growth, and addressing the Indigenous infrastructure gap. These public impacts are the focal point of our investment framework, which considers these outcomes for Canadians as the CIB's return on investment.

The CIB provides detailed reporting on the public impacts of its projects for Canadians, including for Indigenous communities and by region. It is also important to better understand the distribution of the CIB's investments and public impacts across diverse groups of Canadians. To support this objective, the CIB has now also completed GBA+ analyses of the expected distribution of public impacts across its priority sectors.

Infrastructure in CIB's priority sectors creates expected benefits for a wide range of Canadians, with an overall distribution that is relatively balanced across income, gender, and age. Some infrastructure categories show some variation in impacts, with public transit more likely to benefit younger and lower income Canadians, and CIB's broadband sector concentrated on lower income and rural areas. Unlike the outcomes from the use and operations of the infrastructure, the benefits from the construction phase are more concentrated and likely to disproportionately benefit male workers.

The GBA+ impact findings demonstrate the broad impacts of CIB's work, but also highlight the need to continue to monitor the infrastructure areas in which the CIB invests. GBA+ analysis of the expected outcomes across our priority sectors will be reviewed annually and shared in the Annual Report, with the findings included as considerations for portfolio construction and to ensure diverse populations can continue to access and benefit from CIB projects.

Diversity and Employment Equity

The CIB is committed to providing an inclusive environment for our employees that recognizes how our distinct skills, backgrounds, and knowledge make us stronger, where everyone brings something to the table, and we can all learn from one another.

Our cross-functional, employee-led Diversity, Equity and Inclusion (DE&I) Committee continues to provide consultation on internal CIB programs and recognition on DE&I matters. A new DE&I governance structure has been designed and approved by the CIB Executive Committee and will begin to implement recommended action items in support of governance, accountability, education, and communication on D&I matters.

The CIB launched its first self-identification questionnaire in support of the *Employment Equity Act* in 2023 that will help the CIB design and monitor measures to achieve greater diversity, equity, and inclusion.

Indigenous and Northern Interests

The CIB will contribute to the government's commitment to achieve reconciliation with Indigenous communities, and to establish and maintain mutually respectful relationships.

Through its active engagement and outreach activities, CIB meets with various groups across the country. Indigenous communities and organizations, along with stakeholders representing northern territories have pressed for considerations of the unique infrastructure gaps facing their communities and regions. CIB has met with all three territorial governments to discuss their overall priorities and to identify potential projects for CIB involvement. CIB will continue to explore opportunities to work with Indigenous and Northern communities to understand the challenges and opportunities relevant to these communities' infrastructure needs, including how they intersect with our mandate.

In March 2021, the CIB launched the Indigenous Communities Infrastructure Initiative (ICII), with the aim of building new infrastructure projects in Indigenous communities. The initiative will generate more investments in projects that are vital to economic growth and environmental protection with Indigenous communities across Canada. This ICII was developed with input from Indigenous leaders, communities, and infrastructure organizations, to create an initiative that will support access to capital for community-based projects.

We are also actively investing in Indigenous communities across Canada and have set a target to invest at least \$1 billion in Indigenous infrastructure across our priority sectors.

The CIB has established a dedicated, specialized team, comprised of subject matter expertise and Indigenous representation for this purpose. This team is dedicated to providing advice and developing projects with Indigenous communities and will conduct internal due diligence on all project investment opportunities.

Sustainable Development

The CIB makes investment commitments to projects that are in the public interest. Consistent with our purpose as set out in the *CIB Act*, one factor we consider is whether a project contributes to the sustainability of infrastructure in Canada. This could mean, for example, that a project contributes to the government's ability to fund and maintain critical infrastructure assets for the benefit of Canadians over the long term, or that it would result in positive climate impacts and community benefits.

Investing in a low carbon future for all Canadians is a driving force behind many of our investments. A significant portion of our effort is dedicated to investing in public transit, clean power and green infrastructure projects and ensuring that meaningful progress is made in reducing greenhouse gas emissions and creating a sustainable future for all Canadians. The CIB has established as one of its key performance metrics a target for GHG reductions associated with its investment. This target is revised periodically and currently is set at 15 Mt of annual average GHG reductions associated with our investments.

In December 2022, the CIB issued a publication dedicated to “[Sustainability and Impact at the CIB](#)” which provided a detailed overview of activities and progress related to sustainability. The document shared the CIB’s “Sustainability Framework,” consisting of three pillars indicating how the CIB would advance sustainability outcomes through its investments, as an impact investor and as a corporation. The document also described our approach to contribute to net-zero objectives, a calculation of the CIB’s GHG footprint (scope 1 and 2 GHG emissions) associated with CIB operations, and the CIB’s first Task Force on Climate-related Financial Disclosure (TCFD).

Over the course of 2023-24 the CIB has continued to advance its efforts to advance sustainability

in accordance with the framework. This includes developing its approach to manage physical and transition risk, exploring how the CIB can use its influence with investment partners to further sustainability outcomes and enhancing TCFD disclosures through work to calculate the financed emissions of our projects (i.e. scope 3) and undertake climate related scenario analysis. These efforts will be reflected in our 2023-24 Annual Report. In 2024-25 the CIB will build on this work by further developing its understanding of its financed emissions and exploring how it can use its investment influence to encourage partners to make use of low-carbon construction materials in projects.

The CIB has established a Sustainability Working Group. The group is comprised of leadership and representatives from across the organization, to ensure a wide range of input and perspective on sustainability issues impacting the CIB, such as policy and sustainability-focused outputs for the organization. The CIB regularly liaises with other climate-action focused stakeholders in our industry and participates in the Crown Corporations Greening Community of Practice (CCGCP).

Safe Workspaces

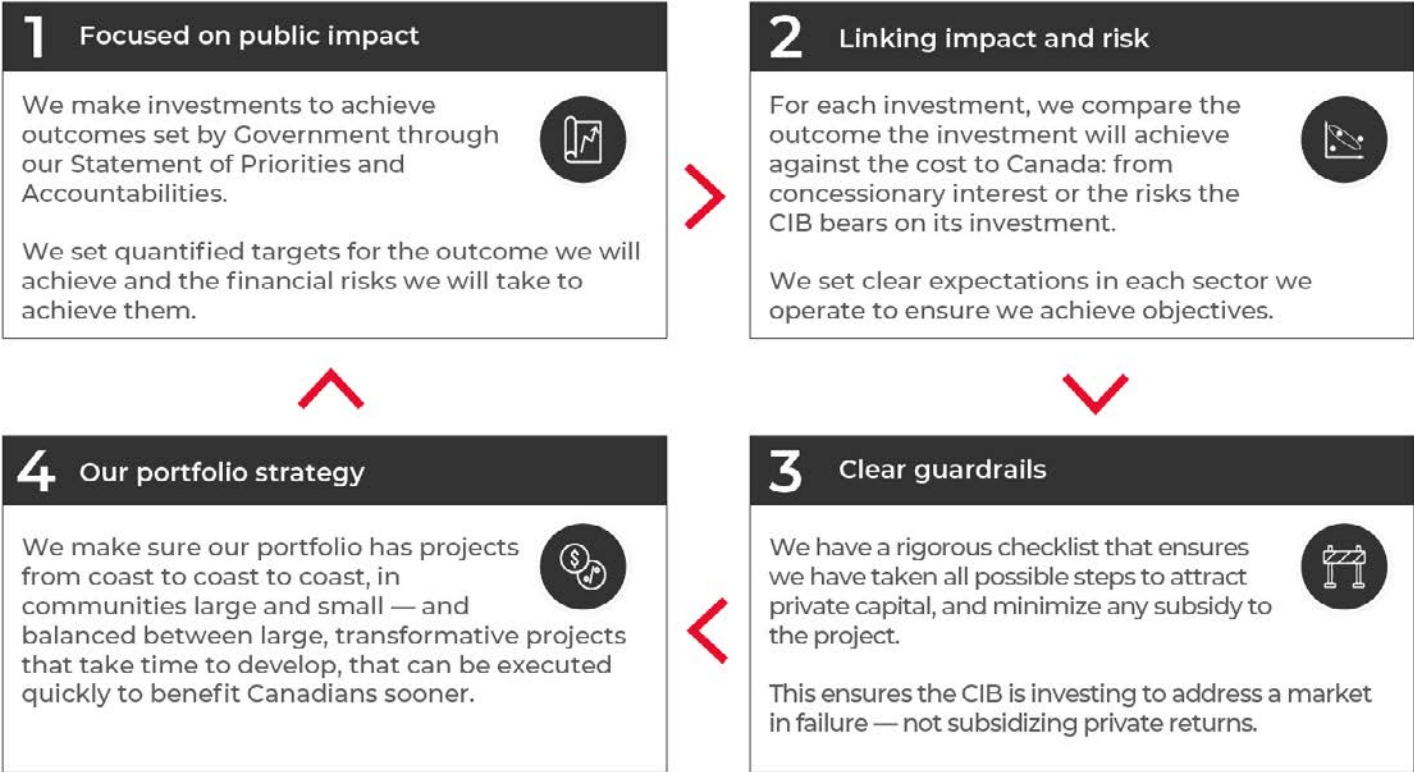
The CIB is committed to supporting a safe and healthy work environment that prioritizes the prevention of harassment, workplace violence, and discrimination. Our employees have access to a comprehensive set of policies and resources that outline the CIB's expectations and employee accountabilities while required annual training highlights avenues for addressing workplace harassment and violence. The CIB offers an extensive learning curriculum for its employees that includes programming specific to mental health and wellness. Our Workplace Health and Safety Committee, representing a variety of cross-functional CIB employees, is trained and certified with the Federal Policy Workplace certificate and the *Canada Labour Code* certification and works to address and mitigate workplace health and safety risks.

APPENDIX I– CIB Investment Framework

The most critical activity of the CIB is to make infrastructure investments that will generate outcomes for Canadians in accordance with our legislated mandate, the priorities outlined in the SPA and other relevant direction.

The Investment Framework is a methodology that governs CIB investment decisions and ensures that our investments align with CIB outcomes and result in benefits for the public. The Investment Framework guides the organization in its evaluation and approval of proposed investments, consistent with the CIB Board’s authority to make final investment decisions within approved priority sectors.

The Investment Framework has four components:



Component 1: Focused on Public Impact and Defining Outcomes

Modernizing infrastructure and achieving outcomes that benefit Canadians are critical to the success of the CIB. Both imperatives are included among the CIB's top strategic priorities.

The Investment Framework supports these priorities by establishing clear quantifiable outcomes to define what will be considered success. These outcomes are informed by Government priorities as articulated through the *CIB Act*, SPA, Federal Budgets, and other broader Government policy to ensure its investing activities align to the public interest.

Investing to modernize infrastructure is measured in terms of the overall increase in total infrastructure investment in Canada from the CIB and private and institutional investors.

To quantify this outcome, the CIB evaluates an investment's potential as part of the overall CIB portfolio in accordance with the following attributes which will indicate the scale and diversity of its investments:

- » How it contributes to the pace of capital deployment – both in terms of number of investments and total value
- » How it feeds into a diversity of capital deployed across the CIB's priority sectors and regions of the country
- » Whether it is made in partnership with and will benefit Indigenous Peoples, consistent with the \$1B target articulated in the SPA

This outcome leads to creation of construction jobs as infrastructure projects are enabled and delivered with CIB financing.

The CIB also evaluates capital success factors which reflect unique elements of the CIB mandate, including:

- » Attracting private and institutional capital to invest alongside the CIB
- » The use of resources to provide for concessional interest rates, bearing risks associated with infrastructure project development to catalyze investment

The **outcomes of investments** are measured by the extent to which a project achieves positive public impact outcomes for climate action, connectivity of Canadians, Economic Growth, and Indigenous Infrastructure.

To quantify this outcome, the CIB measures its progress in terms of delivering Growth Plan outcomes and similar results in long-term benefits from new infrastructure as follows:

- » **Climate action** – reductions in Greenhouse Gas emissions, consistent with Canada's 2030 and 2050 goals
- » **Connecting people and communities** – including improved broadband access, increased transit ridership, and closing Indigenous infrastructure deficits
- » **Economic growth** – through increased trade volume and agricultural productivity

Component 2: Linking Impact Outcomes to Deployment of Capital and Risk Appetite

The CIB differs from a traditional investor in many respects, but one of the most fundamental ways in which the CIB differs is how it measures the return on its capital. While a traditional investor will look to maximize return in the form of profits, the CIB seeks returns in the form of outcomes that benefit Canadians.

This provides the flexibility and scope for the CIB to use its capital to innovate, take more risk than the market will take, and be a patient impact investor.

Determining how and when to deploy this capital and for what type of return, however, requires an understanding of the differences among projects and sectors and the differing impacts and outcomes that may be achieved.

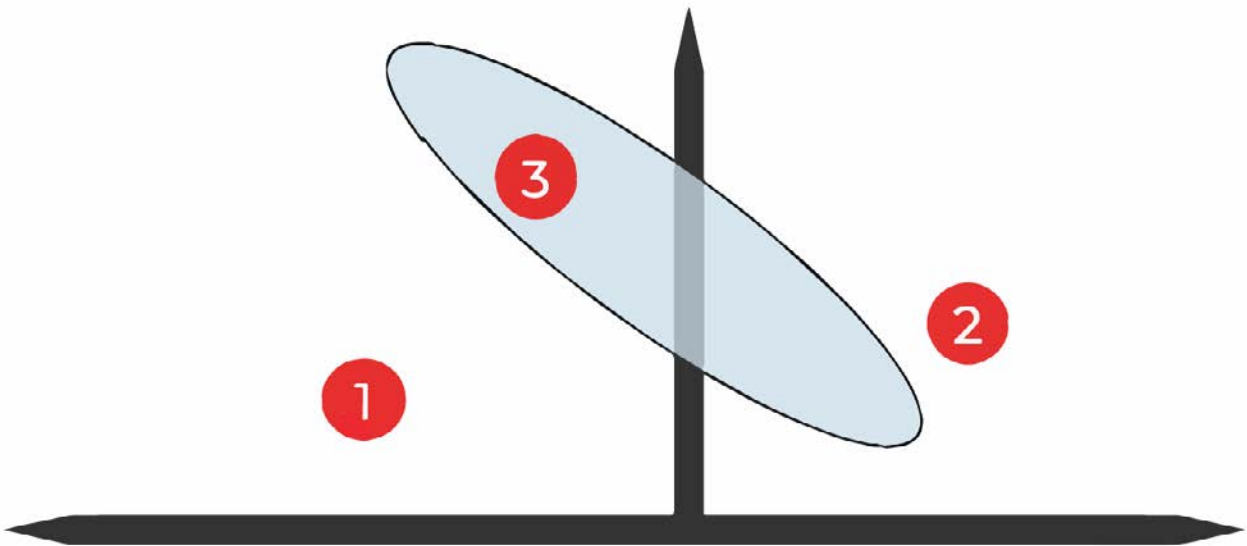
For this reason, the Investment Framework links the achievement of the portfolio's public interest outcomes to the use of the CIB's financial resources.

It does this by comparing the public interest outcome of an investment to its use of the CIB's financial resources. The CIB is willing to invest more in projects that better achieve target public interest outcomes.

For each project under consideration through the Investment Framework, the public interest outcome must link to one of the public interests defined in the first component of the Investment Framework and be rigorously quantified in collaboration with project proponents.

Public Interest Outcome

(i.e., Greenhouse gas reduction, transit ridership, broadband households passed, economic growth, Indigenous infrastructure gaps addressed)



Fiscal Impact

(Risk/Return)

1	The outcomes from this investment do not yet justify a CIB investment. We evaluate whether we can improve the outcomes – or make the project happen with less CIB investment.
2	This investment exceeds our expectations – can we accelerate it? Are there other similar opportunities we can develop?
3	If we consistently make investments in our target zone, we will achieve our overall objectives for the portfolio.

The financial resources for a project are quantified in terms of its fiscal impact. Fiscal impact includes concessionary pricing relative to the Government of Canada’s borrowing rate and the impact of the risk being assumed in any given investment, including a credit risk assessment that considers factors such as market conditions, construction costs and other factors that can have a material impact on the likelihood of the CIB’s investment being repaid. The fiscal impact can be positive or negative depending on pricing and risk. Fiscal impact aligns to the impact of the investment on the Government of Canada’s consolidated surplus or deficit.

The CIB is actively exploring investment approaches to ensure it is fully utilizing its capital and allocation with the fiscal framework to accelerate delivery of high impact projects.

Identifying the public interest outcome and the fiscal impact provides the CIB with an understanding of the value of a proposed investment, and also enables the CIB an opportunity to improve investments by:

- » Working with project proponents to improve their project's public interest outcomes (e.g., increasing the scale of a district energy project to allow it to connect to more premises and increase GHG reduction).
- » Crowding in private capital which reduces the size of CIB's investment
- » Providing financing on less concessional terms, or optimizing risk transfer

'Target Zones' developed for each sector create clear expectations for the relationship between public interest outcomes and use of financial resources. They also reflect the characteristics of investments in that subsector – the target zone for power transmission reflects the larger capital cost, the risk profile and the high public interest outcomes, while the target zone for ZEBs reflects the smaller capital cost, different risk profile and outcomes from those investments.

Component 3: Clear Guardrails

The Investment Framework enables the CIB to focus on the outcomes from its investments.

This focus on outcomes, however, does not replace the need for the CIB to operate within clear guardrails for evaluating and deciding on potential investments. In addition to assessing the public impact outcomes of the investment against the use of the CIB's financial resources, this step ensures that CIB Investments are consistent with the *CIB Act*, aligned with federal policy objectives and reflect and best practice amongst investment organizations.

The CIB has established two sets of "guardrails" to ensure this takes place.

The first set of guardrails speak to consistency with the purpose set by the *CIB Act*, that it is:

- » An infrastructure project
- » In the public interest by achieving one or more of our public interest outcomes
- » In or partially in Canada
- » Revenue generating – that is, does grow the total funding available for infrastructure projects through a revenue source, cost savings or other periodic source of income

- » Involving private and institutional capital at an appropriate point in the project life

The second set of guardrails relate to investment structuring and ensure that the CIB investment is sized to address a gap that is preventing the project from proceeding:

- » The transaction has taken all reasonable steps to increase public impact outcomes (e.g., reduce more GHG) and reduce CIB fiscal impact (e.g., crowd in private capital, ensure an appropriate market return on private capital, shrink investment amount)
- » That the project would not proceed, or would proceed in a substantially more inefficient form, absent the CIB's involvement

The CIB assesses this gap by considering the project's financials in a structure with and without the CIB. The CIB seeks to provide the minimal level of support that is required to catalyze an investment decision in a project that delivers against a public interest outcome. If a project has sufficient financial returns to proceed absent the CIB's investment, the CIB will not invest. This ensures that there is no undue private benefit from the CIB's investment.

This financial diligence takes into account prevailing regulations (e.g., carbon pricing), other federal financial support and support from other levels of government and assesses the level of return for private partners. This gap that is preventing a project from proceeding could stem from:

- » **An economic gap:** the project's financial benefits are insufficient to cover operating costs and provide a reasonable return on private sector capital
- » **A commercial risk gap:** there are specific risks that private investment cannot effectively price or bear – for example the pace of initial demand growth on a new infrastructure asset
- » **A structural investment gap:** where commercial investment products are not easily available, for example in lending at required scale to support Indigenous infrastructure projects or to aggregators of building retrofit packages
- » **A risk transfer gap:** where the CIB's investment supports a public sponsor's decision to pursue a delivery model that transfers incremental risk to a private sector investor.

For example, broadband projects in many rural areas are not profitable, but ensuring access to 50/10 mbps interest is a public policy priority. This is an economic gap preventing the projects from proceeding.

CIB investment through lower cost financing is helping these projects to proceed and help achieve universal access to broadband.

Component 4: Taking a Portfolio View

Investments across the CIB's priority sectors have very different characteristics with respect to outcomes, time, geography, and capital deployment.

For example, ZEB and retrofit initiatives are targeted programs involving projects of relatively small size, that can advance quickly through the project lifecycle, with potential projects in every region of the country. Other investments, however, such as transmission lines or public transit systems have very long development lifecycles, require considerable time and resources and are more likely to be concentrated in certain regions. The buses will each yield GHG reductions, but the quantity will be modest in keeping with the size of the investment. A larger investment in a sector such as clean power or transit may yield substantially larger GHG reductions.

In this context, the CIB sets expectations for the relationship between outcomes and fiscal cost with regard to how they drive a diversified portfolio across our balanced scorecard outlined in Appendix C. The CIB's Investment Framework therefore requires that the CIB maintain an overall portfolio strategy that manages and balances the outcomes the CIB seeks to achieve across its investment portfolio and sets clear expectations for investments to be made in each priority sector and subsector.

The portfolio view component of the Investment Framework sets clear expectations for investments in each subsector based on the role they place in achieving overall portfolio objectives.



CONTACT US

contact@cib-bic.ca

Investments: investments@cib-bic.ca

1-833-551-5245

Canada Infrastructure Bank

150 King Street West,

Suite 2309, P.O. Box 15

Toronto, ON M5H 1J9

FOLLOW US

