

## **PPP CANADA CLOSES P3 CANADA FUND: ROUND 2**

### *Canada's P3 market heats up; new markets emerge*

**Ottawa, 28 July 2010** – On June 30, 2010, PPP Canada closed the P3 Canada Fund's Round 2 call for project proposals. In Round 2, 73 proposals were received for projects in 11 Provinces and Territories. Of those, over half (35) are municipal projects, 7 are water or wastewater projects; 13 are energy or green energy projects; 18 are transportation or transportation-related projects; and 12 are First Nations projects. Several sports, recreation and tourism-related projects were also submitted.

The projects received in Round 2 are at various stages of conceptualization, planning and development. PPP Canada sees this as a positive signal that the P3 Canada Fund is able to leverage increasing consideration of P3 as an alternative infrastructure delivery model, particularly in new P3 markets.

In particular, increasing municipal interest in P3s is a very positive development in the Canadian P3 market. Municipalities have long been innovators in public infrastructure delivery and they continue to be leaders in unlocking new infrastructure sectors to P3 in Canada. The Government of Canada's commitment of an additional \$2 billion per year in base funding to municipalities through the Gas Tax Fund, a predictable funding source above and beyond municipal tax revenues, now makes long-term public-private partnership arrangements a more attractive delivery model. The creation of the P3 Canada Fund has further focused municipalities on P3s and, in Round 2, their interest has been clear.

In Round 2, Provinces and Territories once again confirmed their readiness to consider P3s as an infrastructure delivery model. In addition to Canada's largest and most active P3 markets – British Columbia, Alberta, Ontario and Quebec – every Province and Territory save two has now submitted at least one project to the P3 Canada Fund. Provinces and Territories have jurisdictional responsibility for delivering the majority of large Canadian infrastructure projects and, as a result, their implementation of P3 procurement represents a tremendous opportunity for savings to be generated and value to be added for Canadians.

Interest in P3s from First Nations has also increased significantly in Round 2. PPP Canada is working in partnership with Indian and Northern Affairs Canada to support the implementation of P3s and to meet the infrastructure needs of First Nations communities across Canada.

In addition to the development of new P3 markets in Canada, another key objective of PPP Canada is to increase the value, timeliness and accountability that are being delivered through P3s. Through the assessment of projects in Round 2 and ongoing market development work, PPP Canada will continue to collaborate closely with provincial P3 agencies, advanced Canadian P3 markets and other provincial, territorial, First Nations and private-sector partners to support P3 knowledge transfer, capacity-building and the implementation of best-practices across Canadian jurisdictions.

Canada remains a premier market for P3 investors, as it did throughout the global financial crisis and economic recovery, with a steady pipeline and deals continuing to close. Canadian

jurisdictions maintain secure financial positions and are rated among the highest in the world by rating agencies. Furthermore, they continue to spend to meet the public infrastructure needs of Canadians and a stable Canadian dollar carries low inflation risk and enables Canadian P3s to deliver attractive long-term returns for investors.

*PPP Canada, a federal Crown Corporation, was recently created to work with public and private sector partners to support the use of P3 procurement in Canada. The Government of Canada established the \$1.2 billion P3 Canada Fund to incent the use of P3 procurement in delivering public infrastructure projects. PPP Canada's first investments were approved in early 2010.*

*There will be multiple calls for project submissions in the future. Further information on PPP Canada, the P3 Canada Fund (including the Submission Guide and Form for Round 2) and our other activities can be found on our website at [www.p3canada.ca](http://www.p3canada.ca).*

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