

2008•2009 Annual Statement of Plans and Objectives

Green Municipal Fund



2008–2009
ANNUAL STATEMENT
OF PLANS AND OBJECTIVES

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1 Introduction

The Government of Canada endowed the Federation of Canadian Municipalities (FCM) with \$550 million to establish the Green Municipal Fund (GMF). The Fund was designed to provide a long-term, sustainable source of financing for municipal governments and their partners, and to support communities to improve air, water and soil quality, and to address climate change.

GMF provides low-interest loans and grants, builds capacity, and transfers knowledge to support municipal governments and their partners in building socially, economically, and environmentally sustainable communities. GMF is managed by the FCM Centre for Sustainable Community Development (CSCD).

Grants are available for sustainable community plans, feasibility studies and field tests, while a combination of grants and low-interest loans are available for capital projects. To date, over 650 projects and studies have been approved for funding. That \$380 million investment in municipal sustainability has leveraged more than \$1.9 billion in additional investment from other sources. These initiatives will deliver significant environmental benefits: reduced emission of over 840 tonnes of nitrogen and sulfur oxides and 1.6 million tonnes of carbon dioxide equivalents.¹ Appendix A, "Funding allocations," provides details on the allocation of funding by category, region, community type (urban and rural) and sector.

In 2005, FCM and the Government of Canada signed a new GMF Agreement. The new Agreement expands FCM's ability to focus on funding the best projects, increase emphasis on programs to build municipal capacity, and ensure sustainability of the Fund over the long term.

The Agreement allows FCM to move to a new model for GMF where grants and loans are strategically invested in leading examples of sustainable development. FCM can then collect and share the lessons and expertise gained from those exceptional projects to help other municipal governments build their capacity to follow those examples of leadership.

Shortly after the Agreement was signed, FCM implemented a new competitive Request for Proposals (RFP) process² to allocate grants and low-interest loans to capital projects. Within the same year, CSCD's Knowledge Management Unit was created to integrate capacity building and knowledge transfer into the GMF model. In 2007–2008, GMF Council approved new guidelines and criteria for grants supporting sustainable community plans, feasibility studies and field tests. The new criteria will help FCM target funding to exceptional plans and studies. With this last change, the model of GMF as a source of both funding and leading information is complete.

GMF is now well positioned as a national program with resources that address the full sustainable development needs of municipal governments through both financing and knowledge. Under this model, the Fund fulfills a unique niche in municipal sustainable development.

In 2008–2009, FCM will continue to fund exceptional projects and studies. By completing the shift toward a focus on supporting the best examples, FCM can promote replication and increase the impact of the Fund. GMF thereby moves from being a tool for sustainable change in individual municipalities to becoming a tool that can leverage change in all Canadian municipalities.

¹ Marbek Resource Consultants, 2007.

² Due to its legal implications, the term "Request for Proposals (RFP)" will not be used in 2008–2009 to refer to targeted funding opportunities for capital projects.

1.1

PURPOSE

The purpose of the *Annual Statement of Plans and Objectives* (ASPO) is threefold:

1. To fulfill the requirements outlined in the Agreement with the Government of Canada;
2. To serve as a reporting tool for GMF Council and the FCM National Board of Directors; and
3. To set priorities and targets for FCM in administering GMF.

1.2

SCOPE

The ASPO describes FCM's plans and objectives for GMF in the 2008–2009 fiscal year, and indicators for measuring its success. Specific activities, processes and milestones are captured in each organizational unit's business plan, which are not included in this ASPO.

1.3

HOW THIS DOCUMENT IS ORGANIZED

The ASPO is divided into four main sections:

Section 1, "Introduction," summarizes the present state of GMF and recent achievements.

Section 2, "GMF direction 2008–2009," describes GMF themes for 2008–2009, the management of the Fund, and available financial resources.

Section 3, "Objectives and activities," identifies FCM's objectives for managing GMF in 2008–2009 and the activities required to meet them.

Appendices A to F contain funding allocations, outcome indicators, strategic events, the 2008–2009 budget and an organizational chart.

What is sustainable community development?

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

Brundtland, G. (ed.), (1987), “Our common future: The World Commission on Environment and Development,” Oxford, Oxford University Press.

Sustainable development in a municipal context

Sustainable community development helps municipalities create healthy communities that sustain citizens and natural environments, both today and in the future. It provides a framework that municipal governments can adapt and employ to use resources efficiently in:

- planning and governing their communities
- protecting and enhancing quality of life
- strengthening their local economies

Sustainable community development integrates environmental, social and economic objectives, so that long-term benefits are greater than long-term costs.

A systems approach

FCM believes that municipalities move toward sustainable community development by integrating environmental, social and economic goals — taking a systems approach. As FCM works with municipal governments on their priorities, it shares knowledge and builds capacity, encouraging them to recognize the integrated nature of sustainability.

By taking a systems approach to managing their operations, municipal governments can maximize long-term benefits for their community, including:

- decreased pollution, improved air quality and reductions in greenhouse gas emissions
- social stability with more equitable access to resources, and strong citizen participation in decision making
- economic development and municipal cost savings
- attractive and livable communities
- reduced dependence on cars and increased accessibility for residents of all ages and abilities
- fewer materials sent to incinerators or landfills
- long-term supply of high-quality water

Achieving these benefits typically requires municipal governments to take an inter-departmental, integrated approach to decision making.

2. GMF direction 2008–2009

2.1

THEME

For 2008–2009 the GMF theme is **Building municipal sustainability through financing and knowledge.**

The integration of financing and knowledge as dual offerings of the GMF program was completed in 2007–2008 with the approval and implementation of new guidelines and criteria for grants supporting sustainable community plans, feasibility studies and field tests. This new model for GMF positions the Fund as a source of funding for municipal governments and their partners that are addressing sustainability in an exceptional way, and a source of information and training for municipal governments that are prepared to follow those exceptional examples.

The GMF model

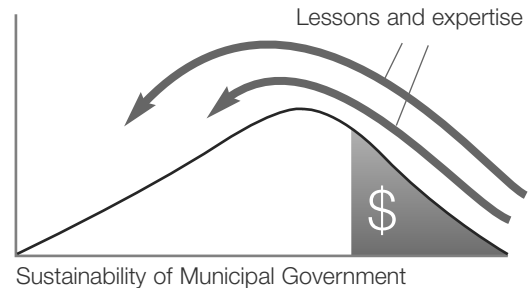
FCM aims to integrate sustainability in municipal decision making and general operations and raise the sustainability bar in Canada. However, with a maximum of \$92 million available as GMF loans and grants each year, FCM cannot hope to do this through funding alone. By strategically allocating funds to the best projects and studies, and sharing the lessons and expertise resulting from those initiatives

FCM launches webinar series

FCM has launched a series of 90-minute webinars to share knowledge resulting from GMF initiatives and other leading sustainable community development projects with Canadian municipal representatives. A webinar is an interactive, web-based workshop that enables participants to learn from the comfort of their homes or offices. Each webinar features presentations from a sector expert and a GMF-funded municipal practitioner. Topics to date have included sustainable transportation, municipal green buildings, and water conservation. The webinars have been well attended by both elected and administrative officials from local governments across Canada.

through capacity building and knowledge transfer, FCM can use GMF to provide direct support to an even greater number of communities. The Federation can continually push the leading edge of the sustainability curve while simultaneously broadening the impact of the Fund beyond those municipalities that receive direct financing. The figure below illustrates this concept.

FIGURE 1 THE GMF MODEL: FUNDING, CAPACITY BUILDING AND KNOWLEDGE TRANSFER



Municipalities, both large and small, are dispersed at all points along the curve: those on the left are interested in learning about practical applications of sustainability in their municipalities, those in the middle already have some knowledge of sustainability, and those on the right have significant experience and expertise. FCM focuses on funding exceptional projects and studies with the greatest environmental benefit — the leading edge of the curve. It collects the lessons and expertise gained from these initiatives and transfers it back, through capacity building and knowledge transfer, to municipalities on the left side of the curve to help them advance.

Under this model, GMF is more than a source of funding: it is a program that recognizes municipal leadership in sustainable development and works to help other municipal governments follow those examples. The application of this new model realizes the vision for GMF introduced in the 2007–2008 ASPO.

2.2

CAPITAL MANAGEMENT

Sound capital management is critical to ensuring long-term sustainability of the Fund. By employing risk mitigation strategies and striving to optimize resource allocation, FCM maintains the Fund capital and creates the interest income needed to finance operating costs and grants.

As of December 31, 2007, GMF managed approximately \$600 million and had an externally restricted opening fund balance of approximately \$537 million.

2.2.1

Cash-flow forecast

FCM uses an ongoing 10-year cash-flow forecast to ensure the long-term viability of the Fund and provide an outlook for future resource distribution. The forecast incorporates the requirements of the Agreement and allows FCM to achieve a fine balance between investment income, loan and grant commitments, disbursements, and operating expenses while positioning the Fund to continue to meet the financial covenants of the Agreement.

The funding targets for 2008-2009 are based on the cash-flow forecast (see subsection 2.2.3).

2.2.2

Risk profile of GMF loan portfolio

The risk profile of the loan portfolio is developed to prudently manage the risks assumed through GMF financing. Six risk levels are used to define the risk profile of the total loan portfolio (disbursed and committed loans): low-risk (risk level A), low-to medium-risk (risk level B), medium-risk (risk level C), medium- to high-risk (risk level D), high-risk (risk level E), and unacceptable risk (risk level F). To manage the risk of the total loan portfolio, management sets target risk levels annually and monitors them quarterly (see Table 1).

City of Port Alberni, British Columbia
**Stage 2 Preliminary Site Investigation
(GMF 9626)**

Project approval date: November 2007
Total project value: \$190,000
GMF grant: \$95,000

The City of Port Alberni will undertake a field test to investigate the site of the former Alberni Plywood industrial property — shown by previous investigations to contain localized contamination — to identify and measure the costs and risks associated with redevelopment and to determine the requirements for remedial action. Successful remediation of the site will reduce soil and groundwater contamination in an important waterfront area, consistent with the goals of the city's sustainable community plan. It will also stimulate greater tax and business revenues for the city and generate long-term potential growth.

TABLE 1 TARGETED RISK PROFILE OF THE TOTAL LOAN PORTFOLIO

Committed and disbursed portfolio	Percentage of total portfolio (%)	Objectives for 2007–2008	Objectives for 2008–2009
Low-risk (A)	40.50	30–40	at least 30
Low-to medium-risk (B)	13.01	20–39	at least 20
Medium-risk (C)	41.13	40–50	20–45
Medium- to high-risk (D)	4.70	up to 5	up to 5
High-risk (E)	0.66	up to 2	up to 2
Unacceptable risk (F)	0.00	0.00	0
	100.00		

³ Data collected as of December 31, 2007.

⁴ Data collected as of December 31, 2007.

⁵ Data collected as of December 31, 2007.

TABLE 2 RISK PROFILE OF THE DISBURSED LOAN PORTFOLIO

Risk level	Number of contracts	Outstanding loan amounts (\$)	Percentage loans in risk level to total disbursed loans (%)
A	7	34,189,368.82	38.30
B	4	9,121,389.27	10.22
C	9	41,702,834.59	46.72
D	2	2,653,808.41	2.97
E	1	1,593,340.97	1.79
F	0	0.00	0.00
Total	23	89,260,742.06	100.00

While the number of low- to medium-risk loans is below target, the total loan portfolio is in line with the target risk levels set in 2007–2008.³

The risk profile of the disbursed loan portfolio shows the risk breakdown associated with loans that are disbursed and in repayment. Currently this loan portfolio comprises 23 loans totaling \$109,901,990.55. Two loans amounting to \$10,050,000.00 have been repaid. The current outstanding exposure of the loan portfolio, after repayments of principal and interest and repaid loans, is \$89,260,742.06.⁴

The majority of borrowers in the loan portfolio in repayment mode are municipal governments or municipally owned corporations. Three loans have been extended to private companies:

2007 funding approvals

Between April 1 and December 31, 2007, GMF funded 81 leading initiatives to make communities across Canada more environmentally, socially and economically sustainable. Over \$5.6 million was allocated to 58 sustainable community plans, feasibility studies and field tests, while almost \$45 million in low-interest loans and \$5.3 million in grants were approved to support 23 capital projects.

- Ensyn — high-risk (risk level E)
- Highmark Renewables — medium- to high-risk (risk level D)
- Windmill Corporation — medium- to high-risk (risk level D)

The committed loans (not disbursed) have also been assigned a risk level. The risk profile of the committed loan portfolio is summarized in the table below.⁵

TABLE 3 RISK PROFILE OF THE COMMITTED LOAN PORTFOLIO

Risk level	Number of contracts	Committed loan amounts (\$)	Percentage loans in risk level to total committed loans (%)
A	25	63,215,089.00	41.80
B	16	22,159,096.93	14.66
C	25	57,208,597.00	37.83
D	5	8,640,456.00	5.71
E	0	0	0
F	0	0	0
Total	71	151,223,238.93	100.00

2.2.3

Funding targets for 2008–2009

Based on the 10-year cash-flow forecast, GMF funding will be available in 2008–2009 as set out in the table below.

Grants for sustainable community plans, feasibility studies and field tests

FCM offers GMF grants to support sustainable community plans, feasibility studies and field tests. Under the Agreement, FCM must aim to commit \$8 to \$12 million per year in GMF grants to these initiatives until March 31, 2009, at which time all remaining grant funds must be disbursed. In fulfillment of this requirement, FCM will make a total of \$8 million available for feasibility studies, field tests and sustainable community plans in 2008–2009.

Loans and grants for capital projects

FCM offers a combination of grants and low-interest loans in support of capital projects. Grants are only offered in combination with loans. Under the agreement, FCM must aim to commit \$50 to \$70 million per year in GMF loans, and \$7 to \$10 million per year in GMF grants, to these initiatives. FCM must also aim to commit \$150 million in GMF loans for brownfield projects by March 31, 2012.

New criteria for plans and studies

In 2007–2008, GMF Council developed and set high standards and criteria within each sector and for each type of application. This change ensured that GMF would only fund exceptional studies, plans and field tests that are likely to result in leading examples of sustainable development. The shift will raise the bar for sustainability, while ensuring adequate distribution among regions and between community types. It will also help FCM manage the demand for study funding so that the annual funding caps can be met and the number of applicant rejections can be minimized.

The new funding framework for plans and studies recognizes the distinct nature of sustainable community plans versus feasibility studies and field tests. FCM has improved the application process for both types of initiatives by designing separate application forms, guidelines and assessment criteria. Where before there were two funding streams (studies and projects), there are now three: plans, studies and projects. The application criteria include new prerequisites that help FCM to identify which applications represent leading examples of sustainable community development.

FCM will monitor the impacts of the new criteria on the quality and number of applications submitted, as well as the effects on funding distribution among community types and regions, and adjust the criteria if necessary.

⁶ Committed funds refer to the amount of funding approved to support successful funding applications.

TABLE 4 FUNDING TARGETS FOR CAPITAL PROJECTS⁶

Targeted funding opportunity	Loan commitment (\$)	Loan commitments (%)	Grant commitments (\$)	Grant committed (\$)	Launch Date
Waste	10 million	14.2	1.5 million	21.4	February 2008
Energy	20 million	28.7	2.5 million	35.7	May 2008
Transportation	10 million	14.2	1.5 million	21.4	August 2008
Water	10 million	14.2	1.5 million	21.4	August 2008
Brownfields	20 million	28.7	n/a	n/a	Continuous intake of applications after June 2008
Totals	70 million	100	\$7 million	100	

Loans

In fulfillment of the requirements of the Agreement, \$70 million in low-interest loans will be available for capital projects in 2008–2009. Of this amount, a total of \$20 million will be available for brownfield projects. Low uptake of funds allocated for brownfield projects is a key challenge for FCM and will require a new approach. In 2007–2008, FCM commissioned a report to assess the results of the 2007 brownfields RFP. Based on the information and recommendations contained in the report, FCM will consider the best approaches to eliminating the barriers to brownfield applications in preparation for the 2008–2009 funding opportunity for brownfield projects.

In response to the continued strong demand for funding for energy projects, FCM has also allocated \$20 million to energy projects. The balance of loan funding available in 2008–2009 has been allocated equally among the transportation, waste and water sectors at \$10 million each.

GMF application process

The Peer Review Committee, the GMF Council, and the FCM National Board of Directors are integral to the application process. The Agreement describes the roles and responsibilities of these bodies.

Each application undergoes an independent third-party technical assessment by two or three members of the 60-member Peer Review Committee. These assessments are presented to the GMF Council, which recommends a decision on eligible project proposals to the FCM National Board of Directors. These recommendations are based on criteria outlined in the Agreement, including ensuring an appropriate balance between urban and rural communities as well as among regions within Canada. The FCM National Board of Directors ensures that due diligence is exercised in the decision process and makes the final decision on eligible project proposals.

Grants

A total of \$7 million will be available in grants for capital projects. This amount has been allocated consistent with the funding levels targeted for loans. Equal grant funding will be available for transportation, waste and water projects at \$1.5 million each, while \$2.5 million will be available for energy projects. Under the provisions of the Agreement, brownfield projects are not eligible for grants.

Affordability and Choice Today

Affordability and Choice Today (ACT) is a complementary program to GMF, administered by CSCD. ACT is a national housing regulatory reform initiative delivered under the direction of its four national partners:

- FCM (administrator);
- Canada Mortgage and Housing Corporation (funder);
- Canadian Home Builders' Association; and
- Canadian Housing and Renewal Association.

ACT offers practical solutions and insight on a wide range of regulatory issues relevant to residential development and sustainability. For example, ACT solutions address alternative infrastructure and site development standards, redevelopment and conversion initiatives, urban densification and streamlined approval processes. ACT also sponsors the residential development category of the FCM–CH2M HILL Sustainable Community Awards. The category was first introduced with the 2006 Awards.

In 2007–2008, ACT program staff began preparations for a pilot workshop, to be held in 2008–2009, for front-line municipal engineering staff, municipal champions and others, to facilitate uptake of regulatory and GMF solutions. Work on a renewal proposal and negotiations were also conducted to secure continued core funding from CMHC for 2008–2011. The challenge ahead is to increase regional visibility for ACT, first in Quebec and in the Atlantic region, with very limited resources.

3. Objectives and activities

3.1

A COMMON FOCUS

CSCD administers GMF through four organizational units: the Directorate, the Credit and Risk Management Unit (CRMU), the Operations and Development Unit (ODU), and the Knowledge Management Unit (KMU).⁷ These units share common objectives for GMF on which they focus their resources and activities in support of the theme. Together with the FCM Finance department, the Centre's units will collaborate toward achieving the following objectives adopted for 2008–2009:

- 1. Municipal decision making is influenced by GMF programs.** FCM aims to integrate sustainability into municipal decision making across Canada by focusing on funding leading examples that can be replicated by other municipalities. GMF supports municipal governments to implement sustainable solutions through both financing and knowledge.
- 2. Excellent program and Fund management meets the needs of municipal governments.** FCM aims to support municipal governments to achieve their sustainable community development goals by adopting a client-centred approach for GMF that focuses on continuous improvement. Each CSCD unit has identified how it will meet this objective as it designs, monitors and refines its programs.

These objectives address both the external performance and the internal management of the Fund.

City of Barrie, Ontario

Landfill Gas Assessment (GMF 9657)

Project approval date: November 2007
Total project value: \$25,000
Approved GMF grant: \$12,500

The City of Barrie will undertake a feasibility study to explore options for the productive use of landfill gas (LFG) generated at Sandy Hollow Landfill. With a gas collection system in place, the city expects to recover 70 per cent of the LFG, with a potential reduction in greenhouse gas emissions of 51,000 tonnes per year. Other environmental benefits include reduced odours, potential for explosions, vegetation stress, and risk of soil and groundwater contamination.

⁷ An organizational chart is included in Appendix F.

Aggregating municipal carbon credits

Upcoming federal regulations are expected to enable municipal governments to sell the emission reductions resulting from their initiatives to reduce greenhouse gases as carbon offset credits. Through a new organization set up for this purpose, the Green Municipal Corporation (GMC), FCM plans to help member municipalities validate, verify and register emission reductions resulting from municipal operation and then aggregate these reductions to get the best possible price on the domestic emissions trading markets. Capturing and flaring landfill gas, retrofitting municipal buildings for energy efficiency, and switching fuels for municipal vehicles are all activities that can generate credits that could be sold in domestic markets.

3.2 SHARED ACTIVITIES

The following cross-unit activities will be undertaken collaboratively to achieve the common objectives identified above. Some of these activities are already underway.

3.2.1 Integrated processes

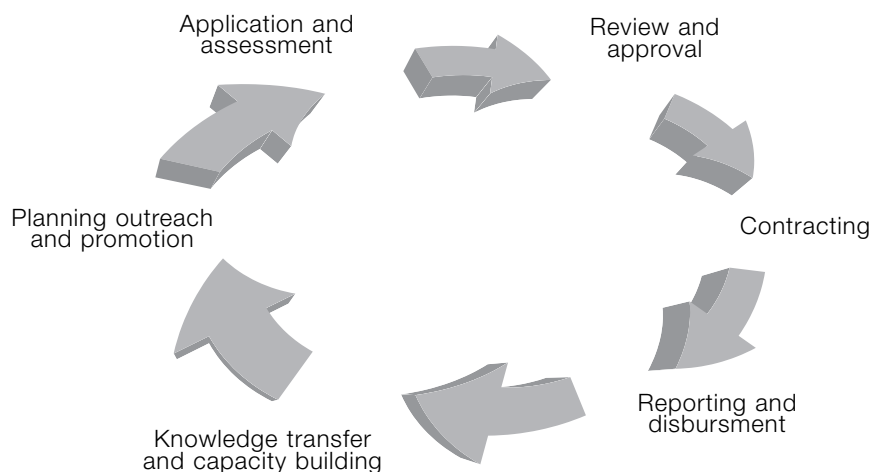
FCM has established a team to implement recommendations of the GMF process review completed in 2007–2008. In 2008–2009, FCM will continue evaluating and implementing recommendations that respond to the following imperatives:

1. Change in vision — using financing to build knowledge and foster change;
2. A more flexible, efficient and client-focused service;
3. Emphasis on product quality and accuracy;
4. Management of the increased volume of proposals and applications;
5. Change in types of projects funded; and
6. Integration of Knowledge Management and Credit Risk functions in the funding lifecycle for GMF initiatives.

One of the team’s most important activities will be to refine and integrate existing processes to better serve the full lifecycle of a GMF initiative. The funding lifecycle usually begins with planning, outreach, and promotion, and proceeds to application and assessment, review and approval, contract negotiation, disbursement and reporting, and knowledge transfer and capacity building. This lifecycle is illustrated below.

Processes at each step were examined to ensure they anticipate and meet the needs of later steps. FCM is working to improve client service at each step of the cycle, identify opportunities for increasing links between the different steps, and reduce the time it takes projects to progress from initial to later steps of the lifecycle. A compliance manager position has been created to assist in the implementation of the recommendations of the process review.

FIGURE 2 FUNDING LIFECYCLE FOR GMF INITIATIVES



3.2.2

Independent performance audits

As required by the funding agreement, FCM will initiate two independent reviews of the program in 2008–2009. The first will assess the management of GMF, and will include:

- FCM's compliance with the Agreement;
- the effectiveness and efficiency of the Fund;
- the effectiveness of the processes for setting Fund priorities and for selecting eligible projects;
- the general operation of the GMF Council and the Peer Review Committee;
- the accuracy of the reported environmental, economic and social benefits and cost savings;
- the effectiveness of stakeholder consultation conducted in relation to the operations of the Fund; and
- the lessons learned and potential for replication of eligible projects.

The second will assess the performance (value for money) of GMF to ensure the economy, efficiency and effectiveness with which the funds have been used.

The results of these reviews will be forwarded to the ministers of the environment and natural resources before September 30, 2009, and will be tabled in Parliament and made available to the public. Subsequent reviews will be held every five years.

2007 Mission to Alberta

Between July 28 and August 3, 2007, 36 elected and senior staff municipal officials, representing 26 municipal governments, travelled to Alberta to join FCM's 12th annual Community Energy Planning Mission. Delegates visited over 15 leading sustainable community development sites and projects, including a net-zero home, a LEED® Gold police station, a street sand recycling yard, and a large-scale wind farm. While all previous Missions visited European countries, the 2007 Mission marked the first time that delegates saw innovative projects in a Canadian context.

3.3

UNIT ACTIVITIES

The functions and planned activities for each CSCD unit are described below. Each unit will develop detailed workplans based on these activities.

3.3.1

Directorate

Created in 2007–2008 as a result of the GMF process review, the Directorate integrates the work performed by CSCD business units to strive for maximum efficiency and effectiveness. The Directorate develops and implements measures to assess the Fund's impact on municipal sustainability, as well as performance indicators for GMF program management. The Directorate also monitors compliance with the Agreement and other reporting requirements,⁸ and with GMF Council and FCM National Board of Directors' policies.

In May 2007, new GMF Council bylaws were approved that included a confidentiality policy and conflict of interest guidelines for council members. Conflict of interest guidelines were also adopted for Peer Review Committee members. The Directorate is currently updating the existing confidentiality policy included in their contract.

City of Victoriaville, Quebec**Thermal Hydrolysis of Secondary Sludge from Victoriaville's Wastewater Treatment Plant to Reduce the Amount for Disposal (GMF 9508)**

Project approval date: August 2007

Total project value: \$216,000

Approved GMF grant: \$107,500

The City of Victoriaville will undertake a feasibility study to review a thermal hydrolysis treatment technology to improve its wastewater sludge treatment process. The city expects that the technology will cut carbon dioxide emissions associated with the transportation and disposal of sludge in landfill, and reduce energy consumption at the water treatment plant. This initiative is part of the city's goal to use and treat water sustainably.

⁸ A reporting system consisting of the ASPO, quarterly reports, and the *GMF Annual Report* ensures that the Government of Canada and the public have direct access to information about the performance of GMF.

⁹ Credit in the GMF context is the evaluation of credit risk on loan files, loan structuring and risk mitigation. The GMF Agreement allows FCM to increase the financial offer, and related credit risk, for projects with superior or exceptional benefits. The CRMU ensures the Fund's long-term sustainability by monitoring the loan portfolio and risk concentration.

TABLE 5 DIRECTORATE OBJECTIVES AND ACTIVITIES

FCM objective	Unit activities	
	Management	Compliance
Municipal decision making is influenced by GMF programs	<p>Lead the integration of all GMF units to maximize the impact of funding and knowledge transfer resources.</p> <p>Develop a plan to integrate social and economic sustainability initiatives with GMF financing and knowledge transfer tools.</p>	
Excellent program and Fund management meets the needs of municipal governments	<p>Manage the annual GMF budget process and review monthly financial statements.</p> <p>Develop new indicators for a management information system to be used for reporting and strategic decision making.</p> <p>Develop a system to measure the impact of CSCD resources (financial and otherwise) on municipal sustainability.</p> <p>Implement the recommendations of the GMF process review to increase the efficiency and effectiveness of GMF processes.</p> <p>Implement a continuous improvement management system for GMF.</p>	<p>Monitor and report on indicators monthly.</p> <p>Supporting the activities of GMF Council and the GMF Peer Review Committee.</p> <p>Produce and distribute reporting and compliance documents, such as the ASPO, the <i>GMF Annual Report</i> and quarterly reports.</p> <p>Report on the investment of non-allocated GMF funds.</p> <p>Assess, prioritize and implement recommendations from the <i>Compliance and Operational Review of the Green Municipal Funds, Final Report, September 2004</i>, conducted by KPMG, according to the implementation plan.</p> <p>Manage the compliance review and performance audit required under sections 11.05 and 11.07 of the Funding Agreement.</p> <p>Review GMF processes and procedures to ensure they comply with the agreement between FCM and the Government of Quebec.</p>

3.3.2

Credit and Risk Management Unit

The CRMU ensures that GMF will continue its work long into the future. The unit minimizes the risk to GMF financing and to GMF projects to preserve Fund capital and generate adequate interest income to fund operating costs and grants. The CRMU recommends and monitors the GMF portfolio risk profile; reviews loan applications, comments on risk assessments, recommends loan terms and conditions; and ensures GMF documents reflect the intent and terms of the Agreement, Council policies, and FCM National Board of Directors' decisions as they pertain to credit risk.⁹

GMF Investment Committee

The GMF Investment Committee, guided by an Investment Policy, oversees matters related to the management of non-allocated funds. The CRMU supports the GMF Investment Committee by scheduling meetings, setting production timelines and ensuring reports are submitted accordingly.

CIBC Global Asset Management is an independent investment manager that manages the investment portfolio for non-allocated or reimbursed funds according to directives set by the Agreement and the Investment Policy.

TABLE 6 CRMU OBJECTIVES AND ACTIVITIES

FCM objective	Unit activities		
	Loan Portfolio Management	Credit Analysis	Loan Monitoring
Excellent program and Fund management meets the needs of municipal governments	<p>Integrate further the credit risk management function into GMF processes and new structures, including the new Contract Authority function and FCM Finance.</p> <p>Implement the limit-per-exposure and risk-per-borrower policy framework.</p> <p>Develop the link between GMF loan risk management and FCM cash management.</p> <p>Develop credit risk procedures and methodology.</p>	<p>Structure loan transactions and develop risk mitigation strategies.</p> <p>Monitor for changes in the risk levels of borrowers and for credit risk concentration in the committed and disbursed loan portfolios.</p>	<p>Regularly monitor loan files for compliance with loan covenants.</p> <p>Ensure that the loan files are complete as per the Key Document File.¹⁰</p>

¹⁰ The Key Document File is a list of the documents that are required to consider a loan file complete for administrative and legal purposes.

3.3.3

Operations and Development Unit

The ODU manages the screening and approval process for all GMF funding applications. It designs the applications for funding, reviews applications, recommends funding according to consensus assessments (undertaken by the Peer Review Committee), and monitors and reports on projects. The unit provides expertise and feedback to municipalities that wish to pursue sustainable development initiatives, and recommends funding allocations to best meet GMF strategic objectives while remaining within funding caps.

Loans and grants for capital projects are designed, marketed and evaluated in compliance with the Agreement and with specific directives of the FCM National Board of Directors. The ODU launches targeted funding opportunities for capital projects in each of the following funding sectors: brownfields, energy, transportation, waste and water. In addition to launching new funding opportunities in these sectors, the ODU will study the feasibility of creating a targeted funding opportunity for integrated community projects — a category of project funding provided for under the Agreement.

Moving Innovation into Practice: FCM Sustainable Communities Conference 2008

The FCM Sustainable Communities Conference and Trade Show 2008 was held February 14 to 16, 2008, in Ottawa, Ontario, at the Fairmont Château Laurier and Government Conference Centre. Presentations and workshops on the conference theme, “Moving Innovation into Practice,” focused on building municipal capacity in the areas of social, economic and environmental sustainability. The conference is the pre-eminent event in Canada for municipal governments and their partners to network and learn about sustainable community development. Highlights from the conference are available on the CSCD website at <www.sustainablecommunities.fcm.ca>.

The GMF Agreement requires FCM to set an appropriate balance in the number of approved eligible projects among regions, and between urban and rural communities, within Canada. Targets to meet this requirement are set out in Appendix B, Compliance Indicators 2008–2009.

The unit also manages the contracting and disbursement processes for successful applications. It prepares, negotiates, and administers the GMF funding agreements with municipal governments and their partners.

TABLE 7 ODU OBJECTIVES AND ACTIVITIES

FCM objective	Unit activities		
	Development	Operations	Contracting
Municipal decision making is influenced by GMF programs	<p>Design, assess, review and continually improve targeted funding opportunities for capital projects to enable municipal governments and their partners to develop and implement sustainable projects in different regions and community types across Canada.</p> <p>Monitor the success of the 2008–2009 funding opportunities for brownfield and transportation projects in achieving the annual funding targets.</p>	<p>During the first year of implementation, monitor impact of new study criteria and recommend improvements as needed.</p> <p>Provide expertise and feedback to municipalities</p>	
Excellent program and Fund management meets the needs of municipal governments	<p>Review and modify documents for targeted funding opportunities for capital projects to improve clarity and transparency, such as communicating loan structures and reporting requirements at the time of application.</p>	<p>Manage the application and approval process for all GMF funding applications.</p> <p>Implement process improvements.</p>	<p>Manage the contract and disbursement processes.</p> <p>Explore and evaluate opportunities to simplify loan and grant agreements.</p> <p>Review mechanisms to finalize project loan and grant agreements in a timely manner.</p> <p>Review disbursement process to improve efficiency and effectiveness.</p>

Town of Watson Lake, Yukon
Town of Watson Lake Solid Waste Management Plan (GMF 9597)
Waste RFP

Project approval date: August 2007
 Total project value: \$1,332,000
 Approved GMF grant: \$250,000
 Approved GMF loan: \$815,600

The Town of Watson Lake will implement a capital project to transform its currently unsupervised landfill into a monitored, fenced and gated facility that includes a boiler, glass crusher, compactor, conveyor belt, shredder and material screener, and a covered area for recycling. The town estimates that 70 per cent or more of its waste can be diverted, and anticipates that the discontinuation of open trench burning will reduce health and safety risks to workers and the public, improve air quality, and reduce the production and infiltration of leachate.

Town of Annapolis Royal, Nova Scotia
Development of SCP Back to the Future (GMF 9525)

Project approval date: November 2007
 Total project value: \$18,040
 Approved GMF grant: \$9,020

The Town of Annapolis Royal will develop a “Back to the Future” sustainable community development plan to incorporate existing environmental initiatives and to recommend improvements in energy services, water services, waste management and sustainable community development. As a member of FCM’s Partners for Climate Protection program, the town aims to reduce energy consumption and greenhouse gas emissions.

3.3.4

Knowledge Management Unit

The KMU captures the knowledge and lessons generated by GMF-funded initiatives and uses them to leverage change in municipal practices. FCM aims to inform municipal governments of the best examples set by municipal leaders and to inspire and support them to establish and surpass their own sustainable development goals.

The impact of each loan and grant is maximized by transferring knowledge and building municipal capacity to replicate exceptional projects.

The KMU is responsible for three integrated, collaborative functions: research, capacity building and communications. The unit conducts research related to the GMF funding sectors, including identifying key results and lessons learned from GMF-funded initiatives. It builds the capacity of municipal governments to implement sustainable community development projects and practices through

KMU definitions

The following definitions describe key KMU operational functions:

Knowledge management: The organization of intellectual resources and information, for example, from GMF-funded initiatives, and other knowledge and experience generated or collected by CSCD.

Knowledge transfer: The communication of specialized knowledge, for example, from GMF-funded initiatives and other information generated or collected by CSCD, to a wider group, such as municipal governments.

Knowledge products: Information in various media that FCM can transfer that will help municipalities to implement policies, practices and projects that are more sustainable.

Capacity building: Creating the necessary skills to act on knowledge and to improve an organization's ability to act on the results or learnings from transferred knowledge.

tools and training. Finally, the KMU transfers knowledge and performs communications activities related to outreach and promotion, publications and web development, and media relations activities.

A key KMU activity for 2008–2009 will be to implement a new outreach strategy to improve awareness and uptake of GMF programs in Quebec. Representation from Quebec continues to be a challenge for GMF, as Quebec municipalities have only been able to access the Fund since 2004¹¹ — four years after other regions of Canada. Through the outreach strategy, FCM aims to achieve the target set for Quebec representation in Appendix B, Compliance Indicators.

¹¹ FCM signed an agreement with the Government of Quebec in September 2003 granting Quebec municipalities access to GMF.

Town of Banff, Alberta**Hybridizing Public Transit in the Unique Town of Banff (GMF 9769)****Transportation RFP**

Project approval date: August 2007

Total project value: \$4,129,639

Approved GMF grant: \$300,000

Approved GMF loan: \$300,000

Through a new capital project, the Town of Banff will acquire a new municipal transit fleet of four NOVA 40-foot diesel hybrid-electric buses to replace the current 1985 standard diesel engine fleet in an effort to meet the environmental targets set for both the town and the National Park. These new buses, and the marketing and programming associated with them, are expected to increase ridership by at least 25 per cent and achieve a variety of social, economic and environmental benefits. These benefits include reduced greenhouse gas emissions; lower costs for fuel, maintenance and repair; and improved access and functionality for residents and visitors.

TABLE 8 KMU OBJECTIVES AND ACTIVITIES

FCM objective	Unit activities		
	Capacity Building	Communications	Research
Municipal decision making is influenced by GMF programs	<p>Plan and deliver the Sustainable Communities Mission, the Partners for Climate Protection (PCP) program, the FCM-CH2M HILL Sustainable Community Awards program, workshops, and the FCM Sustainable Communities Conference.</p> <p>Promote and support municipal champions in sustainability and build a variety of partnerships to deliver Capacity Building activities and products.</p> <p>Deliver and evaluate the pilot regional facilitator program.</p> <p>Identify and develop new Capacity Building resources and tools and use them in capacity-building initiatives and to support a resource-rich web presence.</p> <p>Address inquiries and provide support to municipal governments.</p>	<p>Develop a three-year communications strategy.</p> <p>Implement the Quebec outreach strategy approved by GMF Council in 2007–2008 to improve awareness and uptake of GMF.</p> <p>Work with Capacity Building and Research to coordinate the development and implementation of a knowledge transfer strategy.</p> <p>Lead promotion and outreach activities to engage municipal governments and promote GMF.</p> <p>Design an Internet-based system that allows clients to better search and retrieve knowledge products.</p>	<p>Collaborate with the other KMU branches by analyzing resources produced by GMF and other sources, to develop training and capacity-building materials.</p> <p>Analyze key trends and initiatives associated with GMF, as required.</p>
Excellent program and Fund management meets the needs of municipal governments	<p>Develop a three-year strategic work plan for the Capacity Building program.</p>	<p>Coordinate the design and implementation of an electronic knowledge management system that will store, classify and track knowledge products.</p> <p>Establish a system for measuring and analyzing the level of awareness, understanding and impact of GMF programs and products.</p>	<p>Collaborate with the ODU in the review of GMF reports.</p> <p>Conduct research, as required, to stay apprised of developments in the GMF sectors.</p>

4. Looking ahead

FCM has influenced municipal thinking on sustainable development in Canada, and GMF has supported many inspiring initiatives. Thanks to the leadership of municipal governments committed to sustainability, the benefits have been demonstrated, and more and more municipal governments are following their example. A progression of policy, programs and services has occurred and the capacity to act has grown. Yet general practice in the sectors covered by GMF has not shifted significantly toward sustainability.

Canada's infrastructure gap is massive and growing, and a renewed focus on public spending on infrastructure is inevitable.¹² At this critical time, it is important for FCM to support municipal governments to continue to integrate sustainability into their decision making. More excellent examples that demonstrate the successful application of leading approaches are needed in all sectors of municipal activity. More lessons and expertise gained through GMF-funded studies and projects must be shared with municipal governments across Canada to help them implement more sustainable initiatives.

The new guidelines and criteria for grants supporting sustainable community plans, feasibility studies and field tests will help FCM meet these needs by targeting funding to exceptional plans and studies. FCM can then engage municipal leaders to share the knowledge they gained through GMF projects with other communities, and help them build their capacity to establish and surpass their own sustainability goals. The Fund's transition from a source of funding to a source of both funding and knowledge completes its evolution into a unique municipal leadership program that pushes forward the boundaries of sustainable community development.

As municipal governments continue to raise the sustainability bar with innovative, leading-edge studies and projects, GMF will continue to evolve to keep pace with municipal leadership. It is the best way for GMF to remain a valuable asset to FCM and the communities it serves.

¹² Mirza, Dr. Saeed. McGill University. *Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure*, a report for the Federation of Canadian Municipalities. Ottawa, Ontario: Federation of Canadian Municipalities. Ottawa, Ontario: Federation of Canadian Municipalities, November 2007.

Funding allocations

Note: The following tables reflect data as of December 31, 2007. Data collected prior to December 31, 2007, have also been updated.

TABLE 9 APPROVED CAPITAL IMPLEMENTATION PROJECTS BY REGION

Region	Population ¹³		Since inception		2007–2008 to date ¹⁴		2006–2007		2005–2006		2004–2005		2003–2004	
		% of pop.	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals
Atlantic	2,331,769	7.1	16	10.2	0	0.0	3	7.3	2	6.5	8	36.4	3	7.5
British Columbia (including Yukon)	4,341,681	13.3	38	24.2	7	30.4	12	29.3	3	9.7	5	22.7	11	27.5
Ontario	12,686,952	38.9	54	34.4	8	34.8	14	34.1	14	45.2	5	22.7	13	32.5
Prairies (Alberta, Manitoba, Saskatchewan, Northwest Territories and Nunavut)	5,611,557	17.2	28	17.8	5	21.7	7	17.1	3	9.7	3	13.6	10	25.0
Quebec ¹⁵	7,651,531	23.5	21	13.4	3	13.0	5	12.2	9	29.0	1	4.5	3	7.5
Total	32,623,490	100.0	157	100.0	23	100.0	41	100.0	31	100.0	22	100.0	40	100.0

¹³ Source: Statistics Canada 2006 Census

¹⁴ April 1, 2007, to December 31, 2007.

¹⁵ In March 2004, the first municipal proposals were approved following the signature in 2003 of an agreement between the Government of Quebec and FCM authorizing Quebec municipalities to receive GMF funding.

TABLE 10 URBAN–RURAL BALANCE OF APPROVED SUSTAINABLE COMMUNITY PLANS, FEASIBILITY STUDIES AND FIELD TESTS

Municipality type ¹⁶	Population ¹⁷		Since inception		2007–2008 to date ¹⁸		2006–2007		2005–2006		2004–2005		2003–2004	
		% of pop.	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals
Small, rural and remote	6,262,154	19.8	197	33.8	17	29.3	31	32.3	26	31.0	30	34.1	93	36.2
Towns and cities	25,350,743	80.2	386	66.2	41	70.7	65	67.7	58	69.0	58	65.9	164	63.8
Total	31,612,897	100.0	583	100.0	58	100.0	96	100.0	84	100.0	88	100.0	257	100.0

¹⁶ Rural and urban status is based on the Statistics Canada definition of census metropolitan area and census area. All remaining communities are considered rural. Regional organizations are considered rural except in metropolitan areas.

¹⁷ Source: Statistics Canada 2006 Census.

¹⁸ April 1, 2007, to December 31, 2007.

TABLE 11 URBAN-RURAL BALANCE OF APPROVED SUSTAINABLE COMMUNITY PLANS, FEASIBILITY STUDIES AND FIELD TESTS

Municipality type ¹⁹	Population ²⁰		Since inception		2007-2008 to date ²¹		2006-2007		2005-2006		2004-2005		2003-2004	
		% of pop.	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals	Approvals	% of approvals
Small, rural and remote	6,262,154	19.8	197	33.8	17	29.3	31	32.3	26	31.0	30	34.1	93	36.2
Towns and cities	25,350,743	80.2	386	66.2	41	70.7	65	67.7	58	69.0	58	65.9	164	63.8
Total	31,612,897	100.0	583	100.0	58	100.0	96	100.0	84	100.0	88	100.0	257	100.0

¹⁹ Rural and urban status is based on the Statistics Canada definition of census metropolitan area and census area. All remaining communities are considered rural. Regional organizations are considered rural except in metropolitan areas.

²⁰ Source: Statistics Canada 2006 Census.

²¹ April 1, 2007, to December 31, 2007

TABLE 12 SUSTAINABLE COMMUNITY PLANS, FEASIBILITY STUDIES AND FIELD TESTS BY SECTOR
(Dollar figures presented in \$1000s)

Sector	Since inception		2007-2008 to date ²²		2006-2007		2005-2006		2004-2005		2003-2004	
	Total (\$)	%	Grant (\$)	%	Grant (\$)	%	Grant (\$)	%	Grant (\$)	%	Grant (\$)	%
Brownfields	95	0.2	95	1.7	n/a		n/a		n/a		n/a	
Energy	14,127	27.5	1,680	29.7	1,889	18.9	3,532	32.1	2,207	21.2	4,819	33.5
Planning	14,764	28.7	2,225	39.4	4,455	44.6	2,970	27.0	3,450	33.1	1,664	11.6
Transportation	2,903	5.6	30	0.5	51	0.5	489	4.5	690	6.6	1,643	11.4
Waste	9,622	18.7	200	3.5	1,699	17.0	2,265	20.6	2,056	19.7	3,402	23.6
Water	9,930	19.3	1,424	25.2	1,898	19.0	1,732	15.8	2,019	19.4	2,857	19.9
Total approved	51,441	100.0	5,654	100.0	9,992	100.0	10,988	100.0	10,422	100.0	14,385	100.0
Less²³	-4,866		-1,136		-1,651		-1,042		-598		-439	
Net	46,575		4,518		8,341		9,946		9,824		13,946	

²² April 1, 2007, to December 31, 2007.

²³ Less = Cancelled projects and amounts not disbursed on completed projects.

TABLE 13 CAPITAL IMPLEMENTATION PROJECTS BY SECTOR (Dollar figures presented in \$1000s)

Sector	Since inception		2007–2008 to date ²⁴			2006–2007			2005–2006			2004–2005			2003–2004		
	Total (\$)	%	Grant (\$)	Loan (\$)	%	Grant (\$)	Loan (\$)	%	Grant (\$)	Loan (\$)	%	Grant (\$)	Loan (\$)	%	Grant (\$)	Loan (\$)	%
Brownfields	18,604	4.8	0	0	0.0	0	3,250	4.8	0	15,354	23.8	n/a	n/a	0	n/a	n/a	0
Energy	171,575	44.4	3,200	36,026	78.0	2,099	33,197	52.3	2,243	18,213	31.7	4,856	21,118	27.5	11,102	39,521	46.2
Integrated projects	16,013	4.1	0	0	0.0	0	0	0.0	5,912	7,010	20.0	3,091	0	3.3	0	0	0.0
PPRGA ²⁵	3,630	0.9	0		0.0	1,080		1.6	930		1.4	810		0.9	810		0.7
Transportation	42,673	11.0	600	1,989	5.1	600	4,026	6.9	458	0	0.7	3,000	12,000	15.9	0	20,000	18.2
Waste	33,055	8.6	1,500	6,978	16.9	2,500	7,250	14.4	80	2,425	3.9	0	1,485	1.6	3,544	7,293	9.9
Water	100,744	26.1	0	0	0.0	3,500	10,000	20.0	0	11,927	18.5	3,530	44,408	50.8	1,827	25,552	25.0
Total approved	386,294	100.0	5,300	44,993	100.0	9,779	57,723	100.0	9,623	54,929	100.0	15,287	79,011	100.0	17,283	92,366	100.0
Less²⁶	-73,352		-2,048	-12,676		-1,244	-36,091		-2,108	-17,444		-30	-1,061		0	-650	
Net	312,942		3,252	32,317		8,535	21,632		7,515	37,485		15,257	77,950		17,283	91,716	

²⁴ April 1, 2007, to December 31, 2007.²⁵ Project Reporting Grant Agreements (PPRGA) grants to capital projects.²⁶ Less = Cancelled projects and amounts not disbursed on completed projects.

Compliance indicators 2008–2009

GMF Agreement requirements

The following table outlines the requirements of the Agreement and the associated compliance indicators against which FCM will measure and report on its progress in 2008–2009. FCM will report on its progress against these indicators quarterly.

²⁷ Entries in this column are extracted from the Agreement.

TABLE 14 COMPLIANCE INDICATORS 2008–2009

GMF Agreement requirement ²⁷	Indicator ID	Indicator	Target 2008–2009
FCM shall use its best efforts to commit to granting \$8 to \$12 million per year, from April 1, 2005, to March 31, 2009, at which time all the remaining GMF funds will have been disbursed (for a total of \$50 million).	B1.1	GMF feasibility study, field test and sustainable community planning grant amount approved	\$8,000,000
	B1.2	Cumulative net amount of grants committed to feasibility studies, field tests and sustainable community plans	\$56,000,000
	B1.3	Cumulative net amount of grants disbursed to feasibility studies, field tests and sustainable community plans	\$50,000,000
FCM shall use its best efforts to commit to granting \$7 to \$10 million per year from April 1, 2005, to March 31, 2009.	B2	GMF capital project grant amount approved	\$7,000,000
FCM shall use its best efforts to commit to lending \$50 to \$70 million per year to Eligible Projects.	B3	GMF capital project loan amount approved	\$70,000,000
FCM shall maintain at all times Fund Assets, excluding the value of the Reserve for Guarantees and the Reserve for Non Performing Loans, of at least \$500 million.	B4	Amount of Fund assets	\$525,000,000
FCM shall use its best efforts to commit to having 80% to 90% of Fund Assets in loans to Eligible Projects by March 31, 2016, and thereafter.	B5	Percentage of Fund assets in loans to eligible projects	25%
FCM shall use its best efforts to commit to lending or guaranteeing loans to support brownfield remediation and development totalling in aggregate at least \$150 million by March 31, 2012.	B6.1	Cumulative net amount of loans or loan guarantees to brownfield remediation capital projects approved by the FCM National Board of Directors	\$48,000,000
	B6.2	Net amount of loans or loan guarantees to brownfield remediation capital projects with signed contracts	\$20,000,000
The total amount of loan guarantees made in respect of Eligible Projects will not exceed an amount equal to twenty (20) per cent of the Amount.	B7	Per cent of the amount of loan guarantees made to eligible projects	0%
FCM shall use its best efforts to ensure that at least fifteen per cent (15%) of loans outstanding at any time will be to borrowers other than municipal governments.	B8	Per cent of approved loans outstanding to borrowers other than municipal governments	10%

²⁸ The Government of Canada accepts and agrees that the ASPO is published a month after the end of the fiscal year to permit for its development and approval process timelines.

GMF Agreement requirement	Indicator ID	Indicator	Target 2008–2009
FCM shall use its best efforts to attempt to earn on average at least one and fifty one-hundredths per cent (1.5%) per annum above the Government of Canada Bond rate for equivalent terms on loans to borrowers other than municipal governments.	B9	Average interest rate on approved loans outstanding to borrowers other than municipal governments	5%
FCM shall maintain separate accounts for the Fund and agrees to obtain and have carried out annually an independent third-party audit of the financial operation of the Fund, including investment of the unallocated portion of the Fund Assets, and loans, grants and loan guarantees to Eligible Recipients for Eligible Projects according to a framework and time-frame approved by the Board that measures its overall performance in achieving the purpose as described in Article II. FCM will convey the audited annual financial statements to Canada no later than five months after FCM's fiscal year end, along with a statement of goals and objectives for the following Fiscal Year.	B10	Third-party audit of the 2007–2008 financial operation of the Fund, including investment of the unallocated portion of the Fund assets, and loans, grants and loan guarantees to eligible recipients for eligible projects	Report on March 31, 2009
FCM will make public an Annual Report of the Fund's activities and performance no later than five months after FCM's fiscal year end, and will convey it to the minister for tabling in Parliament. The report will be based on information derived from a result-based management framework developed by FCM, on recommendation of Council and approved by the Board.	B11	Publication of the 2007–2008 <i>GMF Annual Report</i> and distribution to the minister of environment and the minister of natural resources, for tabling at Parliament, and other stakeholders.	Report on August 31, 2008
FCM will provide an Annual Statement of Plans and Objectives annually to each of the ministers at least two months before the fiscal year begins.	B12	Publication of the 2008–2009 ASPO and distribution to the minister of environment and the minister of natural resources, for tabling at Parliament, and other stakeholders.	Report on April 30, 2008 ²⁸
FCM to initiate the first independent five-year review (compliance audit), to be tabled with the ministers of environment and natural resources within six months following March 31, 2009.	B13	Independent review (compliance audit) final draft completed.	March 31, 2009
FCM to initiate an independent performance audit, to be tabled with the ministers of environment and natural resources within six months following March 31, 2009.	B14	Independent performance audit final draft completed.	March 31, 2009

GMF Agreement requirement	Indicator ID	Indicator	Target 2008–2009
The Board will establish a Council to oversee and advise the Board on Regional Balance of Approved Feasibility Studies, Field Tests and Plans	B15.1	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in Atlantic Region (pop. 7.3%)	7–12%
	B15.2	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in British Columbia Region (pop. 13.3%)	13–20%
	B15.3	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in Ontario Region (pop. 38.9%)	30–39%
	B15.4	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in Prairie Region (pop. 17%)	17–23%
	B15.5	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in Quebec Region (pop. 23.5%)	12–15% ²⁹
The Board will establish a Council to oversee and advise the Board on Rural/Urban Balance of Approved Feasibility Studies, Field Tests and Plans.	B16.1	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in urban communities (pop. 77.7%)	65–75%
	B16.2	Cumulative percentage of approved feasibility studies, field tests and sustainable community plans in rural communities (pop. 22.3%)	25–35%
The Board will establish a Council to oversee and advise the Board on Regional Balance of Approved Capital Projects.	B17.1	Cumulative percentage of approved capital projects in Atlantic Region (pop. 7.3%)	7–12%
	B17.2	Cumulative percentage of approved capital projects in British Columbia Region (pop. 13.3%)	13–20%
	B17.3	Cumulative percentage of approved capital projects in Ontario Region (pop. 38.9%)	30–39%
	B17.4	Cumulative percentage of approved capital projects in Prairie Region (pop. 17%)	17–23%
	B17.5	Cumulative percentage of approved capital projects in Quebec Region (pop. 23.5%)	12–15% ³⁰
The Board will establish a Council to oversee and advise the Board on Rural/Urban Balance of Approved Capital Projects.	B18.1	Cumulative percentage of approved capital projects in urban communities (pop. 77.7%)	60–70%
	B18.2	Cumulative percentage of approved capital projects in rural communities (pop. 22.3%)	30–40%

²⁹ Over the next five years, GMF will strive to increase Quebec representation from 11.5% of studies and 13.5% of projects (as of October 31, 2007), to between 20 and 25% of approved studies and projects.

³⁰ Over the next five years, GMF will strive to increase Quebec representation from 11.5% of studies and 13.5% of projects (as of October 31, 2007), to between 20 and 25% of approved studies and projects.

Operational indicators 2008–2009

The following table outlines the operational indicators against which FCM will measure and report on its progress in 2008–2009. FCM will report on its progress against these indicators quarterly.

TABLE 15 OPERATIONAL INDICATORS 2008–2009

Activity category	Indicator ID	Indicator	Targets 2008–2009
Knowledge transfer	C1.1	Number of requests for knowledge products	>65
	C1.2	Mentions of GMF and its programs in media	50
	C1.3	Average daily website visitors	>1,200
Building the network hub	C2.1	Total number of e-mail subscribers from municipal governments	1,000
Engagement	C3.1	Cumulative number of municipal governments engaged	>100
	C3.2	Cumulative number of municipal governments engaged in Quebec	>20
Capacity building	C4.1	Number of CSCD-led workshops	12
Sustainable community plans, feasibility studies, and field tests	C5.1	Intent to apply – perform preliminary review	<=10 working days
	C5.2	Application – perform preliminary review	<=10 working days
	C5.3	Application – perform technical review	<=15 working days
	C5.4	Peer review process	<=15 working days
	C5.5	Preparation and delivery of draft contracts following Board approval	<=20 working days
Capital projects	C6.1	Peer review process	<=15 working days
	C6.2	Preparation and delivery of draft contracts for proposals approved in 2008–2009	<=60 working days
	C6.3	Preparation and delivery of final contracts	<=20 working days
Loan portfolio	C7.1	Per cent of total loan portfolio in low-risk loans	At least 30%
	C7.2	Per cent of total loan portfolio in low- to medium-risk loans	At least 20%
	C7.3	Per cent of total loan portfolio in medium-risk loans	20-45%
	C7.4	Per cent of total loan portfolio in medium- to high-risk loans	Up to 5%

Activity category	Indicator ID	Indicator	Target 2008–2009
	C7.5	Per cent of total loan portfolio in medium- to high-risk loans with indicators/Credit Watch	Up to 2%
	C7.6	Per cent of total loan portfolio in unacceptable risk/Critical Watch loans	0%
Sectoral balance of approved capital projects	C8.1	Amount of approved grants for capital projects in energy sector	\$2,500,000
	C8.2	Amount of approved grants for capital projects in water sector	\$1,500,000
	C8.3	Amount of approved grants for capital projects in waste sector	\$1,500,000
	C8.4	Amount of approved grants for capital projects in transportation sector	\$1,500,000
	C8.5	Amount of approved loans for capital projects in energy sector	\$20,000,000
	C8.6	Amount of approved loans for capital projects in water sector	\$10,000,000
	C8.7	Amount of approved loans for capital projects in waste sector	\$10,000,000
	C8.8	Amount of approved loans for capital projects in transportation sector	\$10,000,000
	C8.9	Amount of approved loans for capital projects in brownfield remediation sector	\$20,000,000
Peer Review Committee	C9.1	Number of federal representatives on the Peer Review Committee (currently 20 members)	25
	C9.2	Number of members on the Peer Review Committee (max. 75 members)	75

Events 2008–2009

The following table lists events to be organized and delivered by FCM.

TABLE 16 EVENTS 2008–2009

Key event	Event date
2008 Sustainable Communities Conference	February 14 to 16, 2008
2008 Sustainable Community Awards	To be confirmed
2008 Sustainable Communities Mission	To be confirmed
Council teleconference	May 15, 2008
Council meeting	August 14–15, 2008
Council meeting	November 20–21, 2008
Council meeting	February 5–6, 2009
Launch of funding opportunity for brownfield projects	Continuous intake of applications after June 2008
Launch of funding opportunity for energy projects	May 2008
Launch of funding opportunity for transportation projects	August 2008
Launch of funding opportunity for waste projects	February 2008
Launch of funding opportunity for water projects	August 2008

GMF budget 2008–2009

The following table outlines the GMF budget for the 12 months ending March 31, 2009.

TABLE 17 GMF BUDGET 2008–2009

Expenses	Budget 2008–2009 (\$)
Management	
Personnel costs	3,152,912
Professional services	283,572
Travel, meetings and functions	158,665
Other operating expenses	2,033,207
Total management	5,628,356
Total Directorate (including Compliance)	
Total Council	298,850
Total Peer Review Committee	344,643
Total Operations and Development	906,010
Total Contract Authority	
Total Credit and Risk Management	298,500
Total Communications	861,250
Total Capacity Building	750,000
Total Research	315,600
Total expenses	9,403,209
Maximum budget allowed	10,500,000

Organizational chart

The following organizational chart situates CSCD within FCM and illustrates the structure of the Centre.

FIGURE 3 CSCD ORGANIZATIONAL CHART

