

# Economic Analysis for the Partnership Agreement

## **DRAFT Schedule A – Services**

### **SERVICES:**

In BC the Southern Mountain population of Woodland Caribou is a species which has been listed as threatened under the federal Species at Risk Act. In the South Peace region of BC, the West Moberly and Sauteau First Nations have made significant contributions to support the recovery of the Central Group of Southern Mountain Caribou.

On February 21, 2020, BC, Canada, West Moberly First Nations, and Sauteau First Nations entered an agreement titled the Intergovernmental Partnership Agreement for the Conservation of the Central Group of Southern Mountain Caribou (the “Partnership Agreement”) to outline the measures that will be taken to support the protection and recovery of the Southern Mountain Caribou. This Partnership Agreement will provide a framework for government-to-government cooperation on caribou recovery for the Central Group of Southern Mountain Caribou

The specific purpose of the Partnership Agreement is to set out and confirm the actions that the Parties have agreed to take in order to achieve their shared objective of immediately stabilizing and expeditiously growing the population of the Central Group to levels that are self-sustaining and support traditional aboriginal harvesting activities, consistent with existing Aboriginal and Treaty rights.

The Partnership Agreement indicates that BC will seek to bring forward regulatory measures that, if approved, would include the creation of conservation areas that will no longer be available for resource extraction activities. The creation of such conservation areas would likely result in the deletions of forest tenure and could be expected to have an impact on the Annual Allowable Cut (AAC) and other resource activities in the areas adjacent to Mackenzie, Dawson Creek, Tumbler Ridge Chetwynd and other communities. These measures would likely result in tenure deletions, modifications and other impacts to resource sectors and tourism sectors impacting sector jobs and related support service jobs in the area.

Key conservation measures identified in the Partnership Agreement:

- Permanent protection of 168,000ha of caribou habitat
- Renewable interim protection of 564,000ha of high elevation caribou habitat
- Snowmobile management measures
- Land Use Objectives
- Commitment to habitat restoration

The Ministry would like the Contractor to complete an independent economic analysis of the impacts of the conservation measures proposed in the Partnership Agreement.

Areas of focus are expected to be:

- Impacts resulting from reductions in AAC;
- Impacts to mineral and mining sectors; and
- Impacts to tourism sectors.

Timber supply volume estimates will be supplied by the Ministry, Information on tenures in the area of assessment will be provided by the Ministry. The Contractor will undertake a comprehensive analysis to determine the estimated direct and indirect labour market and job impacts from the Partnership Agreement on communities, businesses, labour, other relevant sectors such as recreation and tourism and regional and provincial GDP and government revenue. This analysis should include the following components

- An assessment of the economic implications (direct and indirect impacts) of the conservation measures for communities, businesses, and the labour market overall, taking into account the baseline economic outlook for the region outlined in the 2018 BC Labour Market Outlook, and potential transition of jobs to other sectors, including mining, LNG etc.
- A comparison of net positive economic impacts of the implementation of the Partnership Agreement versus net negative economic impacts of the Partnership Agreement. Consideration should be given to the potential for job creation through the habitat restoration and recovery activities that will take place under the Partnership Agreement,
- In completing the work, the Contractor will engage directly with local governments communities, businesses and sectors in order to ensure the direct and indirect impacts for businesses, communities and the overall labour market in the region are fully captured in the analysis.

## **Outputs**

The Contractor will provide the Ministry with a detailed written report that includes the information specified above. The report will include quantitative estimates, detailed description of all data sources, assumptions and methods used in the analysis and associated justification / rationale. The final report will be shared publicly.

The Contractor will review the draft report with local governments and the Ministry before it is finalized.

Specific Report Sections (to be confirmed)

## **Inputs**

The Contractor will be provided with the following documentation to support the work.

- Draft Intergovernmental Partnership Agreement for the Conservation of the Central Group of the Southern Mountain Caribou (Partnership Agreement)
- 2018 BC Labour Market Outlook
- Information on tenures anticipated to be affected by conservation measures
- Access to Ministry and Federal economics team for information/data queries. The contractor will be required to obtain any additional data necessary to complete the scope of work.

## **Outcomes**

Through the delivery of the Services the Province wishes to realize the following outcomes and, without limiting the obligation of the Contractor to comply with other provisions of this Part, the Contractor must use commercially reasonable efforts to achieve them:

- A detailed understanding of the direct and indirect impacts from the Partnership Agreement on communities, businesses, labour, other relevant sectors such as recreation and tourism and regional and provincial GDP and government revenue.

The parties acknowledge that the Contractor does not warrant that these outcomes will be achieved.

### **Reporting requirements**

The Contractor will provide a detailed written report to the Ministry and will be available to present the draft report to the Ministry, Canada, West Moberly First Nation and Saulteau First Nation and local governments.

The Contractor will also be available to present the report to communities, sectors and businesses that participated in the initial engagement undertaken by the Contractor.