

Guidelines for the Interim Development and Implementation of ESI Demonstration Projects

In advance of the creation of a permanent governance structure, regional working groups are proceeding with the development and implementation of demonstration projects. At the last meeting, the Governance Working Group discussed various guidelines that the group felt was necessary to provide to groups developing the demonstration projects. These concepts have been grouped and are summarized below:

1. Scope

To qualify for funding, demonstration projects must:

- a. Fall within one of the four themes of the LNG ESI:
 - i. Ecosystem monitoring and assessment – including cumulative effects assessment, modelling and monitoring;
 - ii. Ecosystem restoration and enhancement;
 - iii. Ecosystem research and knowledge exchange; and,
 - iv. Stewardship education and training.
- b. Focus on those environmental values that are common across large ecological units (be regional) and are of common interest to the participants in the regional forum.
- c. Consider the results of Environmental Assessments and Oil and Gas Commission permitting provisions for natural gas transmission pipelines, LNG facilities or ongoing natural gas extraction, and add value in a manner that does not duplicate or replace such results.
- d. Not require changes to policy, legislation or regulation in order to be implemented.
- e. Not duplicate other programs and initiatives. However, RSFs may be able to leverage funding from other initiatives in support of demonstration projects.
- f. Be approved by the RSF.

2. Technical Requirements

RSFs are responsible for determining the technical requirements (criteria) of individual projects.

However, projects must;

- a. Be undertaken by persons who have training, experience and expertise in the required discipline;
- b. Consider adequate time periods necessary to generate reliable, scientifically credible and trusted information that increases knowledge about the project focus;
- c. Develop and present data in a format that is at a minimum, consistent with current government/industry standards and systems.

3. Accountability

- a. Members of the RSFs must demonstrate that they have the delegated authority from their organizations to participate in and make decisions regarding a demonstration project. RSFs may determine the best mechanism to document such support (i.e. MOU, LOU or letter from each principal appointing a member).

- b. Before approving project funding, the RSF must demonstrate that it has followed the appropriate procedures (such as procurement policy and project principles) required to spend ESI funding. The province will manage and directly fund contractors who are implementing demonstration projects on behalf of the ESI.
- c. The prioritization and selection of a demonstration project should be based on a collaborative approach. The RSF must demonstrate that it has clear support from its principals for the implementation of a demonstration project.
- d. Should discussions on ESI governance result in the creation of another regional body, such as a statutory trust, the new body would become accountable for meeting these criteria.

4. Transparency

- a. Results, data, reports, etc., resulting from demonstration project(s) must be made available to the public, so it is useful for all parties to inform and guide management practices, policies, regulations, and or decision-making for natural resource management.
- b. Minutes and decisions of the RSFs must be shared with the GWG and be available to other working groups. The GWG may develop a common portal for the storage and distribution of ESI information.

5. Reporting

- a. RSFs must maintain a written record of activities in the form of meeting minutes and decision documents.
- b. Before the province can disburse ESI funding, the RSF must:
 - i. demonstrate that there is broad support for a project for which funding is being requested;
 - ii. demonstrate that the RSF has agreed upon the required financial management mechanisms;
 - iii. Confirm that a project is within the funding envelope allocated to the region.The RSF can demonstrate the above by providing a signed document (letter, MOU etc.) signed by all members of the RSF.
- c. RSFs will be required to share and report out on the results of a demonstration project and report out on how the projects funding deliverables were met.

6. Funding

- a. Subject to meeting the criteria outlined in this document, each RSF will receive an agreed-upon amount of funding in the 2015-16, 2016-17 and 2017-18 fiscal years to support the implementation of demonstration projects.
- b. RSFs must demonstrate transparency and impartiality to the expenditure of ESI funds, and must document all activities related to the selection, management and funding of any contracts to deliver a demonstration project.
- c. Until an independent body is established to manage ESI funds, the Province will be accountable for the financial management of ESI funds for each of the RSF demonstration projects (see 3.b.).