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PLANNING

CANADA/NOVA SCOTIA



REGIONAL INDUSTRIAL EXPANSION
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SUBSIDIARY AGREEMENT FOR PLANNING

THIS AGREEMENT made this 22nd day of June, 1976

BETWEEN: THE GOVERNMENT OF CANADA
(hereinafter referred to as
"Canada"), represented by the
Minister of Regional Economic
Expansion,

OF THE FIRST PART,

AND: THE GOVERNMENT OF THE PROVINCE
OF NOVA SCOTIA (hereinafter
referred to as "the Province"),
represented by the Minister of
Development,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated September 12, 1974, (hereinafter referred to as "the GDA"), to achieve the objectives set forth in section 3 thereof;

AND WHEREAS in pursuit of these objectives, Canada and the Province have agreed to seek to achieve a coordinated application of relevant federal and provincial policies and programs through the process of analyzing and reviewing the economic and social circumstances of Nova Scotia and Nova Scotia's relationship to the regional and national economy, and of identifying developmental opportunities and assisting in their realization;

AND WHEREAS Canada and the Province have agreed that additional resources are required to facilitate a process identifying, analyzing, developing and implementing joint economic and socio-economic development opportunities;

AND WHEREAS Canada and the Province are prepared to contribute funds to provide for these resources on the terms and conditions set out in the Agreement for the purpose of enabling a more effective joint process;

AND WHEREAS the Governor in Council by Order in Council P.C. 1976-7/901 of the 13th day of April, 1976, has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 75-1284 of the 18th day of November, 1975, has authorized the Minister of Development to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

SECTION 1 - DEFINITIONS

1. In this Agreement:

- (a) "activity" means a specific, clearly definable unit of work undertaken in pursuit of the identification, analysis, development and implementation of economic and socio-economic opportunities;
- (b) "external staff" means professional and other staff who are not employees of Canada or the Province but who enter into a contract with the Province by which they agree to undertake or participate in work related to the identification, analysis, development and implementation of economic and socioeconomic opportunities;
- (c) "external services" means services and facilities that are required from outside the federal and provincial government in support of an activity under this Agreement and includes accommodation, equipment, office and support services and professional services;
- (d) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;

- (e) "fiscal year" means the period commencing on April 1st of any calendar year and terminating on March 31st of the immediately following calendar year;
- (f) "Management Committee" means the officials designated pursuant to subsection 5.1;
- (g) "Ministers" means the Federal Minister and the Provincial Minister; and
- (h) "Provincial Minister" means the Minister of Development and includes anyone authorized to act on his behalf.

SECTION 2 - PURPOSE AND OBJECTIVE

- 2.1 The objective of this Agreement is to enable Canada and the Province to provide a capability for undertaking studies and conducting such planning as is required to identify and analyze economic and socioeconomic development opportunities in Nova Scotia and to develop strategies, programs and subsidiary agreements pursuant to those opportunities.
- 2.2 Pursuant to the objective stated in subsection 2.1, and subject to the terms and conditions of this Agreement, contributions may be made for the purpose of acquiring external staff and external services.

SECTION 3 - STRATEGY

- 3.1 The broad strategy to be followed in this Agreement is described in detail in Schedule "A" to this Agreement, which strategy shall be considered annually and which may be revised from time to time by the Ministers.

SECTION 4 - SUBJECT MATTER

- 4.1 Schedule "A" attached to and forming part of this Agreement consists of a list of projects that the Province shall arrange to have carried out and which list includes the following programs:
- (i) Physical and Resource Planning;
 - (ii) Research and Studies to Investigate Development Opportunities; and
 - (iii) General Development Planning.
- 4.2 Subject to subsection 4.4, it is mutually understood and agreed that the Province shall assign, engage or acquire the external staff and external services referred to in subsection 2.2 and that such staff or services may be engaged or acquired by such provincial department or agency as may be appropriate having regard to the subject matter of the work being undertaken.
- 4.3 This Agreement shall terminate on March 31, 1980, except that activities approved and commitments made in writing prior to this date shall continue in force until completion. However, Canada shall not pay any claim received after March 31, 1981.
- 4.4 All activity to be undertaken under this Agreement shall be jointly approved by Canada and the Province through the Management Committee before being implemented unless subsequently approved by the Ministers, and shall be consistent with the objectives and intent stated herein.
- 4.5 Each activity to be undertaken under this Agreement shall be described in an appropriate document in sufficient detail to allow proper consideration by the Management Committee.

- 4.6 Subject to the approval of the Federal Minister, costs incurred for approved activities by the Province are eligible if incurred after April 1st, 1975.

SECTION 5 - ADMINISTRATION AND MANAGEMENT

- 5.1 Each of the Ministers shall designate one or more senior officials in equal numbers who shall be responsible for the administration of this Agreement. These officials shall constitute the Management Committee whose function it shall be to oversee the planning and implementation of the programs specified in subsection 4.1, and to fulfill responsibilities identified for the Management Committee elsewhere in this Agreement. In the event of any disagreement in the Management Committee, the relevant matter shall be referred to the Ministers whose decision shall be final.
- 5.2 The Management Committee shall submit for the approval of the Ministers annually, and not later than September 1 of each year, an assessment of the progress made in implementing the Agreement, the effectiveness to date of the program and program items in achieving the objectives intended and the continuing relevance of the objectives themselves, together with the projected budget required for the subsequent fiscal year.
- 5.3 Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its functions.
- 5.4 The signatures thereto of at least two members of the Management Committee shall be sufficient verification for the purpose of this Agreement of any recommendation or decision made, or approval given by the Management Committee, provided that at least one of the members represents the Province and another represents the Federal Minister.

- 5.5 The Management Committee may establish subcommittees to advise and assist it in its work, which subcommittees may include persons who are not members of the Management Committee. Subcommittees will prepare, as requested, submissions and recommendations to the Management Committee on all matters relating to the planning and implementation of the projects in Schedule "A". Progress reports on physical and financial details of projects will be presented to the Management Committee with recommendations for any necessary action consistent with the development strategy adopted.

SECTION 6 - FINANCIAL PROVISIONS

- 6.1 For costs incurred for jointly approved activities during the term of this Agreement, Canada shall contribute fifty per cent (50%) and the Province fifty per cent (50%).
- 6.2 Eligible costs to be financed or shared under this Agreement by Canada and the Province in respect of program items or portions thereof listed in subsection 4.1 shall consist of all costs reasonably and properly incurred by the Province under all contracts approved by the Management Committee and entered into in accordance with this Agreement by the Province with any person or corporation for the acquisition of equipment or the performance of work or services for the execution of the project.
- 6.3 Notwithstanding anything in this Agreement, Canada's total contribution towards costs incurred shall not exceed \$2,500,000 over the term of this Agreement.
- 6.4 The provision of financing by Canada and the Province for the implementation of this Agreement is subject to the Parliament of Canada and the Province having provided funds for such financing for the fiscal year in which such financing is required.

- 6.5 This Agreement and Schedule "A" thereof may be amended as agreed from time to time by the Ministers and any relevant amendments shall be made by the two Ministers in writing. Each program or project item added to Schedule "A" shall form part of this Agreement and shall be governed by the terms thereof as fully and effectively as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to sub-sections 6.1 and 6.3 shall require the approval of the Governor in Council.
- 6.6 The Management Committee may make adjustments in the programs and projects in Schedule "A" during the fiscal year, provided, however, that such adjustments do not increase the total amount of the Agreement. However, the Management Committee may not adjust the ratio of contributions by Canada and the Province to total costs for any project as specified in Schedule "A", unless expressly authorized in writing by the two Ministers.
- 6.7 If, at any stage of a program, it appears to the Province that the costs thereof will exceed the estimated costs specified for any program in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increase.
- 6.8 Upon being so informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and shall prepare and present a report and recommendations to the Ministers in respect of the action proposed to be taken.
- 6.9 The costs to be financed by Canada shall not include any costs relating to the acquisition of lands or interests in lands or any costs arising from conditions of acquisition.

SECTION 7 - PAYMENT PROCEDURES

- 7.1 Subject to subsection 7.2, payments by Canada shall be made promptly to the Province on the basis of claims setting out the costs actually incurred and paid, for approved activities, submitted in a form satisfactory to the Federal Minister.
- 7.2 In order to assist with the interim financing of activities, Canada may, if the Province so requests, make interim payments to the Province of up to one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs incurred, as certified by a senior officer of the Province.
- 7.3 The Province shall account for each interim payment by submitting to Canada, within 120 days after such payment by Canada, a detailed statement of the actual expenditures incurred and paid, verified in a form and manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between Canada and the Province.

SECTION 8 - CONTRACT PROCEDURES

- 8.1 All contracts under this Agreement shall be supervised and awarded in accordance with procedures to be approved by the Management Committee, and reports produced by consultants or resulting from such contracts shall become the property of both parties.
- 8.2 In the awarding of contracts pursuant to the recommendation of the Management Committee, the Province shall retain the services of Canadian firms or individuals where practical and consistent with economy and efficiency.

SECTION 9 - RECORDS AND AUDITS

- 9.1 The Province shall maintain proper and accurate accounts and records relating to the cost of the program, and Canada may audit the amounts of all progress claims and payments and the provincial accounts and records relating thereto.

SECTION 10 - MONITORING

- 10.1 All substantive amendments to contracts shall require the prior approval of the Management Committee.
- 10.2 Any member of the Management Committee or his representative shall be permitted to inspect the project at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the project which may be required by the Federal Minister or the Provincial Minister.

SECTION 11 - PUBLIC INFORMATION

- 11.1 Canada and the Province agree to cooperate in the development and implementation of a program of public information respecting implementation of projects under this Agreement, and further agree to supply, erect and maintain on the direction of the Management Committee:
- (a) during the course of construction of capital projects, a project sign or signs consistent with Federal-Provincial Identity graphics guidelines, and in both official languages, specifying that the relevant project is a Canada-Nova Scotia Regional Development Project, financed by contributions from the Department of Regional Economic Expansion of the Government of Canada (and any other Federal agency, where relevant), and the Government of the Province of Nova Scotia, or such other wording to the like effect as may be agreed upon by the Ministers; and

- (b) where relevant upon completion of each project, a permanent sign or plaque to the effect set forth in (a).

- 11.2 Any public announcement of the measures covered and of the products generated by this Agreement, as well as any official opening ceremony for any project under this Agreement, where such ceremony is indicated and appropriate, shall be arranged jointly by the Ministers

SECTION 12 - GENERAL

- 12.1 No member of the House of Commons of Canada or the Legislative Assembly of the Province of Nova Scotia shall be admitted to any part or share of payments made pursuant to this Agreement or to any benefits arising therefrom, nor shall such member undertake or participate in any study or analysis pursuant to a contract as a result of which Canada may be required to pay any amounts pursuant to this Agreement.
- 12.2 In addition to the activities covered under this Agreement, Canada and the Province may independently undertake analyses and studies related to the identification and analysis of developmental opportunities in Nova Scotia. The cost of such studies shall be borne by the party undertaking the study and shall not be eligible for cost-sharing under this Agreement.
- 12.3 With regard to the applicability of labour standards, the parties agree as follows:
 - (i) rates of pay shall be those prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
 - (ii) labour conditions shall be specified in all tendering documents and shall be posted conspicuously in the work place;

it being expressly understood and agreed that to the extent to which there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply.

- 12.4 The terms and conditions of the GDA shall apply to this Agreement.
- 12.5 With respect to the implementation of the program or a project, the Province shall indemnify and save Canada harmless against all claims and demands of third parties in any way arising out of the implementation of such program or project, except as such claims or demands relate to the act or negligence of any officer, employee or agent of Canada.

SECTION 13 - EVALUATION

- 13.1 During this Agreement, Canada and the Province shall jointly effect an assessment of the programs listed in Schedule "A" with regard to the stated objectives. Annual progress reports shall be submitted by the Management Committee to the Ministers on or before the annual meeting of the Ministers as prescribed under subsection 9.1 and section 10 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of this Agreement with respect to the general economic and socioeconomic development of Nova Scotia.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion, and on behalf of the Province by the Minister of Development.

In the Presence of:

GOVERNMENT OF CANADA

Witness

Minister of
Regional Economic Expansion

GOVERNMENT OF
THE PROVINCE OF NOVA SCOTIA

Witness

Minister of Development

CANADA-NOVA SCOTIA
SUBSIDIARY AGREEMENT FOR PLANNING

SCHEDULE "A"

A. INTRODUCTION

The General Development Agreement between Canada and Nova Scotia emphasizes the need for coordinated planning and the identification of economic and socioeconomic development opportunities. Schedule "A" of the GDA defines the broad areas where opportunities exist and identifies planning as the subject of a subsidiary agreement.

B. STRATEGY

In order to realize opportunities within the areas identified in the GDA and to identify new ones, it is necessary for the Province, with the assistance and cooperation of Canada, to engage in planning additional to that which is currently being conducted. Specifically, this Agreement provides for joint funding of planning activities aimed at identifying development opportunities and for planning the necessary supportive elements to these opportunities.

Planning will be undertaken under this Agreement in areas where the Province does not possess inhouse capability or expertise and in pursuit of opportunities identified jointly by Canada and the Province. Several areas identified in the GDA, such as the development of the Halifax-Dartmouth Metropolitan area, development of the Strait of Canso area, development of resource industries, and industrial development, are the subject of subsidiary agreements already signed or being negotiated. Other areas such as ocean industry, science and technology including shipbuilding and ship repair, offshore oil and gas, energy and tourism, and recreation require further study to more precisely identify the opportunities within them which could lead to the development of a subsidiary agreement. It is the intent of this Agreement to focus on those areas where these opportunities exist and to do the research and planning which could bring these opportunities and consequent subsidiary agreements to fruition.

Consultants will be engaged to conduct much of the planning and to produce documents relating to individual opportunities. All federal or provincial inhouse expertise will be utilized. Planning will be a joint effort between the Department of Regional Economic Expansion and the Province and the opportunities pursued will be those which are jointly identified.

C. PROGRAMS

Three programs have been included in this Agreement. They are:

- (1) Physical and Resource Planning;
- (2) Research and Studies to Investigate Development Opportunities; and
- (3) General Development Planning.

(1) Physical and Resource Planning

This program deals with the assembly and analysis of baseline data and information regarding the location of development projects. The program will provide information regarding broad, sub-regional development patterns, and assessments of the socioeconomic and environmental impact on development at different locations. This is particularly important for projects which require unique physical attributes (e.g., oil platform construction requires protected, deep water, steep gradient harbours). The program will complement and utilize information from the resource survey programs in other subsidiary agreements and ongoing activities of the Maritime Resource Management Center.

Activities in this program include studies dealing with land use, the assimilation of baseline data and information, and possibly environmental impact studies.

One project that could be undertaken immediately is Coastal Zone Resource Inventory and Mapping. The purpose of this project is to enable Canada and the Province to undertake resource inventory and mapping as the basis for improved management relating to the development, conservation and protection of Nova Scotia coastal lands and waters. The objective of the project is to acquire, analyze and consolidate in written and cartographic form a broad range of information on the physical, biological, economic and social resources of Nova Scotia's coastal zone. This information is required and will be applied to specific recognized needs such as, but not limited to, the following:

- (a) general resource-base information for environmental impact assessments in coastal areas;
- (b) information for comparing the resource implications of potential coastal industrial sites;
- (c) information providing a reference source for delineating and assessing ecologically critical coastal areas in need of protection;
- (d) information for the development of contingency protection plans in the event of major disasters such as marine oil spills; and
- (e) information for selecting coastal areas in which governments have particular interests in securing public access and use, such as for coastal parks, recreation complexes, industrial parks and docking facilities.

A Coastal Zone Resource Inventory and Mapping may be the subject of a separate agreement between the Department of Environment, the Department of Regional Economic Expansion and the Province of Nova Scotia. As the project's main emphasis is planning, DREE participation will be funded under this Agreement.

(2) Research and Studies to Investigate
Development Opportunities

This program will fund studies to investigate specific development opportunities. The objective of the program is to provide the necessary background information and strategy for turning broadly defined development opportunities into job and income-creating activities. Strategically, it deals primarily with attracting investment by the private sector to Nova Scotia. In certain instances, studies under this program will be jointly financed with private industry. It includes technical feasibility and pre-engineering studies required to put into place supportive infrastructure and social infrastructure where applicable for certain specific opportunities.

Several study areas have been identified that may be included in this program. Depending upon the analysis of the steel industry currently being conducted by the Department of Regional Economic Expansion and the Province, a potential steel industry could be the subject of one or more in-depth studies, including research aimed at basic infrastructure, community development, and social amenities. Another area which could also give rise to various studies or opportunities is transportation. This area is particularly important to the Gateway Concept of Nova Scotia being the principal entry and redistribution point of European-North American cargo. Investigation is required in the area of ocean industry, science and technology, especially with regard to broadening its role within the Nova Scotia economy. Two studies have been identified in this area; one is the potential for the development of the shipbuilding and ship repair industry and the other is the future development of steel offshore drilling rig and platform design and construction.

The objectives of the shipbuilding and ship repair study are: to investigate and identify the potential for ship-building, repair and maintenance, until 1995, in the light of anticipated developments in Nova Scotia and Canada; and to recommend the restructuring of the industry and the systems, and inputs necessary to realize this potential opportunity. This study has been partially funded under the Interim Planning Agreement and funds for completing the study are being included in this Agreement.

The objective of the offshore drilling rig and platform study is to assess a potential role for Nova Scotia in the world drilling rig construction industry and to recommend on remodelling of existing and/or construction of new manufacturing facilities; corporate structure and ownership of the industry in Nova Scotia; financing of the industry's future activities; component and materials supply; marketing strategy; and implementation of all other recommendations.

(3) General Development Planning

The objective of this program is to increase the efficiency of the provincial government in undertaking development within Nova Scotia. Areas to be investigated under this program include basic economic and social research and analysis. With regard to basic economic research and analysis, an updating of the Nova Scotia input/output tables and their extension and modification for benefit/cost analysis will be undertaken.

The input/output tables produced by the Atlantic Development Board with the assistance of Statistics Canada for the year 1965 have been extremely valuable in analyzing development opportunities within the province. Unfortunately, these tables are now outdated and Statistics Canada does not intend to update them. Consequently, their updating and modification for general benefit/cost analysis has been included in this Agreement.

D. MANAGEMENT

The Management Committee will be responsible for authorizing funds to cover the cost of all projects, making changes in the scope or cost of projects, and reallocating funds among projects and programs. In order for funds to be approved, a project brief describing the project, indicating cost estimates and funding, and organization and management of the project must be submitted to the Management Committee prior to any commitments and/or expenditures being made on the project. Expenditures on projects made without the prior approval of the Management Committee will not be eligible for cost-sharing under this Agreement unless they receive the approval of the Federal and Provincial Ministers.

To expedite the management process, a subcommittee will be established consisting of representatives from DREE and the Province. The functions of this subcommittee will be to prepare project briefs for approval of the Management Committee, monitor projects, recommend amendments to projects, recommend reallocation of funds, and generally keep the Management Committee informed on the progress of all projects under this Agreement.

CANADA-NOVA SCOTIA
SUBSIDIARY AGREEMENT FOR PLANNING
(SCHEDULE "A")

PROGRAM DESCRIPTION	ESTIMATED TOTAL COST (\$'000)	FEDERAL SHARE (\$'000)	PROVINCIAL SHARE (\$'000)
1. PHYSICAL AND RESOURCE PLANNING	1,500*	750	750
2. RESEARCH AND STUDIES TO INVESTIGATE DEVELOPMENT OPPORTUNITIES	3,000	1,500	1,500
3. GENERAL DEVELOPMENT PLANNING	500	250	250
TOTAL	5,000	2,500	2,500

* DOES NOT INCLUDE DEPARTMENT OF ENVIRONMENT 40% SHARE OF \$1,418,000
COASTAL ZONE RESOURCE INVENTORY PROJECT.

