

CANADA- MANITOBA

WESTERN ECONOMIC PARTNERSHIP AGREEMENT

THIS AGREEMENT made the 22 day of January, 2009.

BETWEEN: THE GOVERNMENT OF CANADA (herein referred to as “Canada”), as represented by the Minister of the Environment

OF THE FIRST PART;

AND: THE GOVERNMENT OF THE PROVINCE OF MANITOBA (herein referred to as “Manitoba”) as represented by the Minister of Competitiveness, Training and Trade

OF THE SECOND PART.

WHEREAS Canada and Manitoba have an established history of collaboration and working in partnership on initiatives, and wish to further cooperate in promoting and supporting the long-term sustainable economic development of the Province of Manitoba by building on joint economic priorities;

AND WHEREAS Canada and Manitoba continue to discuss other areas separate from this Agreement with potential for collaboration, such as implementation of the Building Canada plan;

AND WHEREAS Canada and Manitoba have agreed to establish a general framework which assists the Parties to formulate strategies jointly and cooperate in the implementation of specific measures for economic growth;

AND WHEREAS Canada and Manitoba wish to establish a framework for collaborative review, by Ministers, of economic issues and opportunities in Manitoba;

AND WHEREAS pursuant to the *Western Economic Diversification Act 1988*, Canada has been authorized to enter into cooperative relationships with the western provinces;

AND WHEREAS the Governor in Council, by Order in Council No. 2008-0789 on the 17 day of April 2008, has authorized the Minister of the Environment to enter into this Agreement on behalf of Canada;

AND WHEREAS pursuant to Order in Council No. 14/2009 on the 7 day of January 2009 the Minister of Competitiveness, Training and Trade is authorized to enter into this Agreement on behalf of Manitoba.

NOW THEREFORE the Parties hereto mutually agree as follows:

SECTION 1.0 DEFINITIONS

1.1 In this Agreement, unless the context requires otherwise:

- (a) “Agreement” refers to this Agreement including all of the Schedules attached hereto;
- (b) “Agreement Effective Date” means April 17, 2008;
- (c) “Agreement Termination Date” means March 31, 2014, or such other date as may be agreed to in writing by the Federal Minister and the Provincial Minister as specified in subsection 7.3;
- (d) “Contribution Agreement” means an agreement between an Implementing Party and a Recipient stipulating the terms and conditions under which the Recipient will receive a financial contribution for a Project approved under this Agreement;
- (e) “Eligible Costs” means all reasonable costs incurred after April 17, 2008 for the purposes of this Agreement that are directly attributable to Projects under this Agreement,

but, unless expressly permitted in this Agreement, shall not include:

- costs of land or costs of acquiring land;
 - costs that involve only a change of ownership of land; and
 - operating costs related to the administration of this Agreement;
- (f) “Federal Minister” means the Minister of the Environment and includes anyone authorized to act on his/her behalf;
 - (g) “Final Claim Date” means January 31, 2014, or such other date as may be agreed to in writing by the Federal Minister and the Provincial Minister as specified in subsection 7.3;
 - (h) “Fiscal Year” means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;
 - (i) “Implementing Party” means the Party or Parties, which will take the lead in implementing a Project;

- (j) “Management Committee” means the committee established pursuant to subsection 6.1 of this Agreement;
- (k) “Ministers” means the Federal and the Provincial Minister;
- (l) “Parties” means Canada and Manitoba;
- (m) “Partnership” as used in this Agreement does not create nor is it intended to create a partnership in either a legal or literal sense, or establish a degree or magnitude of contribution, rather indicates an area of shared interest to Canada and Manitoba;
- (n) “Performance Measurement” is the ongoing monitoring of progress towards the purpose of the Agreement;
- (o) “Project” means any specific activity, undertaken by a Recipient, which is approved for funding under this Agreement;
- (p) “Project Authorization Form” means the document, which describes approved Projects as specified in subsection 7.2;
- (q) “Project Completion Date” means September 30, 2013, or such other date as may be agreed to in writing by the Federal Minister and the Provincial Minister as specified in subsection 7.3;
- (r) “Province” means the Province of Manitoba;
- (s) “Provincial Minister” means the Minister of Competitiveness, Training and Trade and includes anyone authorized to act on his/her behalf;
- (t) “Recipient” means any person, other than the Parties to this Agreement, with whom a Contribution Agreement is signed for the completion of a Project;
- (u) “Shared Costs” includes Eligible Costs and audit, evaluation, and communication costs incurred in direct relation to the implementation of this Agreement;

SECTION 2.0 PURPOSE

2.1 The purpose of this Agreement:

- (a) is to provide a mechanism for achieving greater federal-provincial cooperation in realizing the economic and regional development potential of the Province of Manitoba by way of collaboration; and

- (b) is to pursue the joint strategic priorities described in greater detail in Schedule “A” attached hereto and forming part of this Agreement, whereby Canada and Manitoba will work together and with other interested stakeholders to help create innovative, entrepreneurial and sustainable communities.
- 2.2 The Parties agree to undertake, in the manner herein provided, the implementation of the joint strategic priorities outlined in Schedule “A” in accordance with the funding provisions set out hereinafter.
- 2.3 The Agreement provides for regular and ongoing discussions between the Parties on Manitoba’s economic development.

SECTION 3.0 PRINCIPLES

- 3.1 To pursue and achieve the purposes stated in Section 2.0, each Party will apply the following basic principles in respect of this Agreement:
- (a) The total Eligible Costs for Projects under this Agreement will be shared by Canada and Manitoba on a fifty-fifty basis;
 - (b) This Agreement allows for flexibility in Project financing and participation, in that each Party may decide to finance or participate in any one Project exclusively or jointly, as long as subsection 3.1 (a) is adhered to;
 - (c) Public-private and non-profit arrangements and the leverage of funds from sources other than government will be considered;
 - (d) Projects will be reviewed in the context of their start-up and long-term self-sustainability, generally without a requirement for additional or ongoing support from either Party;
 - (e) Projects under this Agreement will respect environmental integrity while being consistent with long-term strategies to strengthen and expand the economy of Manitoba;
 - (f) Projects under this Agreement are intended to reduce overlap and duplication and contribute to improved efficiency and effectiveness in the area of economic development activities between Canada and Manitoba through increased collaboration; and
 - (g) This Agreement operates within an environment of fiscal responsibility and accountability.

SECTION 4.0 OBJECTIVES

- 4.1 The Parties will cooperate and work together, in collaboration with economic sector-based organizations, non-profit community organizations and service delivery agencies, on five strategic economic priorities to promote and support the long-term, sustainable economic development of Manitoba, as described in Schedule “A”.

SECTION 5.0 FINANCIAL PROVISIONS

- 5.1 Notwithstanding anything in this Agreement the total amount payable by Canada towards Projects under this Agreement shall not exceed twenty-five- million dollars (\$25,000,000).
- 5.2 Notwithstanding anything in this Agreement the total amount payable by Manitoba towards Projects under this Agreement shall not exceed twenty-five million dollars (\$25,000,000).
- 5.3 Subject to subsections 5.1 and 5.2, the Parties shall each make an overall contribution, which equals 50% of the total Eligible Costs under this Agreement.
- 5.4 The provision of contributions by Canada and Manitoba for the implementation of this Agreement is subject to the Parliament of Canada and the Legislative Assembly of Manitoba having appropriated funds for such financing in the fiscal year in which it is required.
- 5.5 In all cases, total assistance to any Project from all government sources cannot exceed 100% of the Eligible Costs of the Project.

SECTION 6.0 MANAGEMENT COMMITTEE

- 6.1 (a) Upon execution of this Agreement, the Ministers shall establish a Management Committee consisting of two members, one of whom shall be appointed by the Federal Minister, and designated as Federal Co-Chairperson, and one of whom shall be appointed by the Provincial Minister, and designated as Provincial Co-Chairperson. This Management Committee shall be responsible for the general administration and management of this Agreement.
- (b) In the course of management and administration of Projects implemented under this Agreement, the Management Committee shall be guided by the Agreement Principles defined in Section 3.0, the Agreement Objectives defined in Section 4.0, the strategic priorities described in Schedule “A” and the cashflow plan set out in Schedule “B” of this Agreement, which may be amended from time to time.
- 6.2 The Management Committee shall:
- (a) provide for meetings of Ministers, as required;

- (b) appoint non-voting members, to assist the Management Committee;
- (c) approve, as may be agreed to, all operational procedures for the implementation of the Agreement, conduct of its own meetings, and the establishment and mandate of appropriate advisory, coordination and implementation sub-committees, which may be delegated to perform such tasks as the Management Committee deems necessary;
- (d) provide reports to the Ministers, as required;
- (e) discuss each Project prior to its approval and consult on the implementation status of all Projects funded under this Agreement;
- (f) confirm approval of all Projects that will be funded under this Agreement by ensuring that Project Authorization Forms are prepared and signed by both Parties for all Projects undertaken under this Agreement;
- (g) upon Management Committee's approval of the Project Authorization Forms pursuant to subsection 6.2 (f), the Implementing Party or Parties shall be afforded the authority to take such action as may be necessary to carry out Projects in accordance with normal administrative and management procedures of the Implementing Party;
- (h) for all Projects, exchange and sign amendments to approved Project Authorization Forms pursuant to subsection 6.2 (f) prepared by either Implementing Party;
- (i) exchange amendments to Project Authorization Forms approved pursuant to subsection 6.2 (f) for Projects being funded exclusively by one government (the Implementing Party) where these amendments are administrative in nature and do not provide for additional funding beyond the original amount approved;
- (j) ensure that records are maintained that show all Projects undertaken under this Agreement together with the name of the Implementing Party or Parties, total costs, Eligible Costs, the financial contribution provided by each Party, date the Project was approved, and a summary Project description;
- (k) subject to applicable privacy legislation, ensure a full and free flow of information between the Parties;
- (l) in accordance with Schedule C: Communications Protocol, develop and implement a communications plan and public information program respecting this Agreement and be responsible for the review and management thereof;
- (m) develop and implement an evaluation plan respecting this Agreement, and submit to the Ministers a final report of the evaluation of this Agreement within 30 days of the Agreement Termination Date;

- (n) meet as required, but at least once every six months for the purposes of this Agreement;
- (o) carry out any other duties, powers or functions specified elsewhere in this Agreement or, such as may be assigned to the Management Committee by both Ministers;
- (p) propose amendments to the Agreement to the Ministers, if required; and
- (q) develop and implement a strategy for measuring results and performance of the Agreement within six months of the signing of this Agreement.

6.3 The Management Committee shall operate beginning from the date of the execution of this Agreement until the Agreement Termination Date.

SECTION 7.0 PROJECT AUTHORIZATION

7.1 All Projects to be undertaken under this Agreement shall be consistent with the objectives set forth in Section 4.0 and federal expenditures related to and under this Agreement are subject to and bound by the terms and conditions of the Western Diversification Program.

7.2 Each Project approved under this Agreement shall be described in an appropriate Project Authorization Form that will be developed by the Management Committee, which shall include:

- (a) the Project name and description;
- (b) the total cost and Eligible Costs of the Project;
- (c) the Implementing Party;
- (d) the purpose and objectives of the Project and a description of how it meets one or more of the strategic priorities described in Schedule "A";
- (e) the Project start date;
- (f) an outline of how the Project is to be carried out and progress reported;
- (g) the Project Completion Date;
- (h) performance data to be provided by the Recipient;
- (i) the total financial contribution required under the Agreement and the share to be borne by each of the Parties;
- (j) to whom and how payments shall be made;

- (k) the ownership and responsibility for the operation and maintenance of the Project after completion (if applicable);
- (l) an indication of whether revenue accruing from the Project, if any, is to be shared by Canada and Manitoba and, if so, in what proportion;
- (m) an indication of screening for environmental impacts;
- (n) ownership of assets at the end of a Project (if applicable); and,
- (o) such other information as may be reasonably required by the Management Committee.

7.3 No Project may be approved after March 31, 2012, and, subject to the renewal of the terms and conditions of the Western Diversification Program, no Project Completion Date shall extend beyond September 30, 2013, no Project shall be amended after September 30, 2013, no claim shall be paid by the Implementing Parties unless it is received by January 31, 2014, and no payments shall be made after March 31, 2014, or such other dates as may be agreed to in writing by the Federal Minister and the Provincial Minister

7.4 Project Authorization Forms and amendments to Project Authorization Forms shall be signed by the Management Committee Co-Chairs.

7.5 Projects must be consistent with the priorities identified in Schedule "A".

7.6 Recipients must be a legal entity and would normally include, but not restricted to:

- (a) Non-profit organizations;
- (b) Post-secondary institutions;
- (c) Hospitals and regional health centres, for purposes of undertaking research, and for development of new technology;
- (d) Indian Bands, as represented by their Chief and Council;
- (e) Federal Crown Corporations.
- (f) Provincial Government Departments, agencies and Crown Corporations; and,
- (g) Municipal Governments and organizations created by them.

SECTION 8.0 PAYMENT PROCEDURES

- 8.1 Subject to subsections 3.1 (b), 5.1 and 5.2, each Implementing Party shall be responsible to contribute to Eligible Costs of approved Projects as set out in the Project Authorization Forms.
- 8.2 Notwithstanding subsection 13.1 of this Agreement, any Eligible Costs incurred on Projects under this Agreement prior to the Agreement Effective Date will be reviewed by Canada and Manitoba to ascertain their eligibility for funding and their compliance to the purpose and objectives described in Section 2.0 and subsection 4.1 of this Agreement.
- 8.3 Where payments are made under this Agreement by Canada to Manitoba, such payments may be made to any agency of Manitoba and to any account or fund administered by the agency as may be designated by the Provincial Minister. The Provincial Minister is hereby authorized to make such designation.
- 8.4 Where payments are made under this Agreement by Manitoba to Canada, such payments may be made to any agency of Canada and to any account or fund administered by the agency as may be designated by the Federal Minister. The Federal Minister is hereby authorized to make such designation.
- 8.5 Each Implementing Party shall maintain proper and accurate accounts and records relating to the Projects undertaken pursuant to this Agreement, and shall upon reasonable notice make such accounts and records available at all reasonable times for inspection and audit by the other Party.
- 8.6 Upon termination of the Agreement, a final reconciliation of federal and provincial expenditures and authorized commitments shall be made to ensure equal cost-sharing of the Agreement. If expenditures are unequal, an equalization payment will be made by the other Party within 30 days following the Agreement Termination Date, unless the Parties mutually agree in writing to some alternative equalization arrangement.
- 8.7 If, prior to the termination of this Agreement, any revenue is received by either Canada or Manitoba as a result of the recovery of a contribution or the disposition of equipment or works under a Project, such revenue shall be accounted for in the final reconciliation of expenditures.

SECTION 9.0 CONTRIBUTION AGREEMENT PROCEDURES

- 9.1 The Parties shall ensure that all Contribution Agreements shall be consistent with Canada's international and domestic trade agreements.
- 9.2 The Parties shall ensure that any Contribution Agreement entered into by the Implementing Party with a Recipient for any Project hereunder shall be administered in accordance with

the administrative, management and Contribution Agreement procedures of such Implementing Party.

- 9.3 The Parties shall ensure that any Contribution Agreement entered into by the Implementing Party with a Recipient shall provide that the Recipient shall indemnify and save harmless both Parties to the Agreement and their Ministers, officers, and employees from and against all claims, demands, losses, damages, costs of any kind based upon any injury to or death of a person, or damage or loss of property arising from any willful or negligent act, omission or delay on the part of the Recipient or its servants or agents in carrying out the Contribution Agreement.
- 9.4 The Parties shall ensure that any Contribution Agreement entered into by the Implementing Party with a Recipient shall include provisions for competitive tendering processes for Eligible Costs of Projects, which comply with normal procedures of the Implementing Party or Parties.
- 9.5 The Parties shall ensure that reports, documents, plans, maps and other materials and intellectual property prepared by a Recipient who has been awarded a Contribution Agreement by the Implementing Party shall be shared with the other Party on request.

SECTION 10.0 PUBLIC INFORMATION

- 10.1 The Parties shall fully cooperate in public information activities for approved Projects. They shall be guided by the principles that all interested persons should be kept informed, that the contributions of both Parties should be fairly acknowledged, and that both Parties have an opportunity to participate in all public information activities.
- 10.2 The Management Committee shall develop and implement a communications plan, a public information program and guidelines for public information activities for approved Projects and be responsible for the review and management thereof pursuant to the terms of Schedule C, Communications Protocol.
- 10.3 A specific promotional and public information activity may be delivered by the Implementing Party or jointly by both Parties.
- 10.4 All public information material developed or paid for in whole or in part by Canada, undertaken in connection with the Agreement, shall be in both official languages. The cost of translation shall be paid by Canada
- 10.5 All public information activities shall indicate that the Project is being implemented pursuant to the provisions of this Agreement and they shall fairly reflect each Party's contribution to this Agreement.

- 10.6 An appropriate Canada-Manitoba Western Economic Partnership Agreement identifier, approved by the Management Committee, shall be prominently displayed in all public information material related to this Agreement.
- 10.7 All reports, and news releases arising out of the communications plan and public information program, and initiated by the Parties, shall ensure that the public is informed that the activity has been carried out under the provisions of this Agreement.
- 10.8 The Parties shall ensure that all information material produced for or by Recipients shall clearly and prominently indicate that Project funding was provided under the provisions of this Agreement.

SECTION 11.0 ENVIRONMENTAL ASSESSMENT

- 11.1 All relevant and applicable federal and provincial environmental protection legislation and policies shall apply to all Projects under this Agreement.
- 11.2 The Parties acknowledge that efforts shall be made to avoid duplication in the environmental assessment process and, where possible, the assessment shall be conducted in the most effective manner that shall fully satisfy the requirements of the other Party.
- 11.3 Both Parties shall freely exchange information on all environmental assessments carried out on Projects under this Agreement.

SECTION 12.0 EVALUATION

- 12.1 Management Committee shall develop an evaluation plan for this Agreement that includes both an interim and a final evaluation, and set aside appropriate funding needed to implement such a plan.
- 12.2 The evaluation plan will provide for reporting on strategic outcomes and shall identify responsibilities for evaluation activity and data collection; the character and timing of data collection; major evaluation issues; and costs associated with implementation of the plan.
- 12.3 The Management Committee shall approve the terms of reference of the evaluation plan.
- 12.4 The Management Committee shall submit a report of the final evaluation of the Agreement on or before the Agreement Termination Date.
- 12.5 Each Party shall provide the other with all relevant information and data as may be reasonably required for the evaluation of this Agreement.

SECTION 13.0 ADMINISTRATION

- 13.1 Subject to subsections 3.1 (b), 5.1 and 5.2, each Party shall be responsible for contributing to the Eligible Costs of Projects undertaken.
- 13.2 The Implementing Party of any Project hereunder shall be responsible for taking such steps as may be necessary to carry out the Project in question. In particular, the Implementing Party may enter into one or more Contribution Agreements for this purpose.
- 13.3 All relevant and applicable federal and provincial legislation and policies shall apply to all Projects undertaken under this Agreement.
- 13.4 The Parties will be responsible for cost-sharing those portions of this Agreement that are common in nature such as implementation of parts of the communications plan and evaluation plan, and as agreed to by the Management Committee.

SECTION 14.0 GENERAL

- 14.1 This Agreement, including the Schedules, may be amended from time to time by the written agreement of the Ministers subject to their appropriate authorities, but no amendment to subsections 2.1, 2.2, 2.3, 3.1, 5.1 and 5.2 shall be made without the approval of the Governor-in-Council and the Lieutenant Governor-in-Council.
- 14.2 The Parties shall keep each other informed of any disagreements or contentious issues. Disagreements or contentious issues that cannot be resolved by the Management Committee or by further reference to the Ministers shall be resolved through arbitration.
- 14.3 No Member of the House of Commons of Canada or of the Senate of Canada or of the Legislative Assembly of the Province of Manitoba shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.
- 14.4 The Parties shall ensure that where one Party hereto is responsible for the implementation of a Project, it shall indemnify and save harmless the other Party, its officers, servants and agents against all claims and demands of third parties in any way arising out of the implementation of such initiative, except to the extent to which such claims or demands relate to the act or negligence of any officer, employee, or agent of the other Party.
- 14.5 Where the ongoing responsibility for the operation, maintenance and repair of any Project hereunder is to be vested in a Recipient, the Contribution Agreement arrangements made between the Implementing Party and the said Recipient shall provide a clause in order to save the Parties harmless from any claims, demands, actions, and causes of action which may be made against them arising from the operation, maintenance and repair of any such Project by the Recipient.

- 14.6 Nothing in this Agreement restricts or prevents either Implementing Party from arranging with or entering into agreements with the other Party for the delivery of part or all of any Project under this Agreement.
- 14.7 Either Party to this Agreement may terminate this Agreement, without cause, by providing at least 180 days notice of such termination in writing to the other Party's member of the Management Committee.
- 14.8 Notwithstanding the termination or expiration of this Agreement, it is acknowledged and agreed that those rights and obligations that by their very nature are intended to survive such termination or expiration shall survive, including, but not limited, to Sections 5.0, 8.0, 10.0, 13.0 and 14.0.
- 14.9 This document and Schedules "A" "B" and "C" form the entire Agreement.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of the Environment and on behalf of Manitoba by the Minister of Competitiveness, Training and Trade.

IN THE PRESENCE OF:

GOVERNMENT OF CANADA

WITNESS

The Honourable Jim Prentice, PC, QC, MP

Minister of the Environment

WITNESS

The Honourable Lynne Yelich, PC, MP

Minister of State (Western Economic
Diversification)

IN THE PRESENCE OF:

GOVERNMENT OF MANITOBA

WITNESS

Andrew Swan
Minister of, Competitiveness,
Training and Trade

SCHEDULE “A”

STRATEGIC PRIORITIES

CANADA-MANITOBA WESTERN ECONOMIC PARTNERSHIP AGREEMENT

INTRODUCTION

For the governments of Canada and Manitoba, economic development is a shared responsibility, as well as a shared goal. For this reason, federal-provincial economic partnership agreements are an important mechanism for joint planning and programming where governments share mutual objectives of promoting Manitoba’s sustainable economic growth.

This five-year Western Economic Partnership Agreement (EPA) builds on the successes of previous federal-provincial infrastructure and economic development agreements, including the former Western Economic Partnership Agreement and the current Canada-Manitoba Infrastructure Program. Continuing in this tradition of co-operation between federal, provincial and local governments and organizations, the current Agreement will promote and support long-term, sustainable economic development in Manitoba.

This Schedule provides an economic context for the Agreement and outlines five strategic priorities for coordinated federal-provincial regional economic development programming over the next five years. This Agreement will: Support Knowledge Based Research and Development; Increase Value-Added Production; Support Trade and Investment Promotion; Enhance Productivity and Competitiveness; and Promote Economic Development through Tourism Opportunities.

ECONOMIC OVERVIEW

A Diversified, Growing Economy

Manitoba is the least resource-dependent province in western Canada and the most economically balanced of all provinces, with no single industry dominating the landscape. It has a variety of manufacturing and service industries, including aerospace, bus and furniture manufacturing, food processing, pharmaceuticals, financial services, electricity, culture and transportation. Manitoba’s diversified economy creates a more stable and predictable business and labour force climate, though the large number of small and medium-sized firms require greater critical mass, along with a coordinated approach, to serve as a dynamic growth engine.

Over the last ten years, employment growth in Manitoba has outpaced labour force growth (employment expanded by 70,900 jobs while labour force increased by 61,800 people). The result of having more jobs created than people to fill them has been a steady decline in the unemployment rate, a very competitive labour market, strong wage growth and increased reporting of skill shortages in selected industries. Recently, Manitoba's international immigration levels have begun to boost the population and, along with a young Aboriginal community, add much needed growth to the labour force in the province. Further strategic investments in Manitoba's education and training infrastructure in Winnipeg, Brandon, Thompson and The Pas will help to improve the availability of skilled young adults, foreign credential recognition, skills training and education for under-represented population groups and continue this momentum.

The business environment is a generally favourable one, with competitive business cost factors including land, buildings and utilities. Private capital investment has been growing significantly across a number of industries. Some positive trends in the utilities, aerospace, nutraceuticals and transportation sectors could draw attention to Manitoba as an attractive investment destination and encourage growth in partner industries including professional, scientific and technical services and alternative energy development.

Manitoba has an abundance of rich agricultural land and natural resources. A significant cluster of excellence has been established in the province involving cereal research, functional foods and nutraceuticals. As interest in these industries continues to grow worldwide, the value of the functional foods and nutraceuticals industry is expected to expand over the next decade, promising to become a large segment of the agri-food industry. Providing training and employment opportunities in the mining and forestry industries for local residents, including Aboriginal Manitobans, has and will help to stimulate further economic growth in the north specifically, as well as other regions of the province.

Most of the natural resources and manufactured goods developed in Manitoba are for export, making transportation a key service sector for the province. Having an open, dynamic economy, located in the mid-continent of North America, has created opportunities for high levels of trade and investment activity with other provinces, the USA, Mexico, Latin America and the Asia-Pacific Region. Maintaining this momentum and encouraging foreign investment opportunities are significant areas of importance.

Manitoba has a number of international tourist attractions and is investing in tourism industry training and business productivity enhancement projects that promote increased international visits. A number of small firms have been attracting eco-tourists to Manitoba's northern and remote wilderness, encouraging international visitors to experience Manitoba's rich Aboriginal heritage. Attracting and retaining high quality professional employees in the industry will improve competitiveness across the sector and assist in future growth.

Innovation is a key driver of modern competitive economies. It is stimulated by an environment of globally competitive businesses, entrepreneurial talent, effective capital markets to meet the needs of firms at every stage of development, an excellent research and commercialization

infrastructure to support the development of new technologies, and a skilled workforce. Manitoba must pursue innovation and technology-based economic development to enhance the depth and competitiveness of its knowledge based sectors. An integrated approach to innovation in Manitoba will require a balance between the three key goals of growing basic research capacity; building receptor capacity of Manitoba firms to commercialize technology from a position of competitive advantage; and formation and development of more globally competitive technology-based companies.

Connecting the training and funding infrastructure in the province with Manitoba's sector council network which reaches 198,000 Manitoba workers and 2,800 Manitoba companies has the potential to significantly expand the R&D base as well as commercialize new products and services.

STRATEGIC PRIORITIES

Canada and Manitoba will work together, in collaboration with economic sector-based organizations, non-profit community organizations and service delivery agencies, on five strategic economic priorities to promote and support the long-term, sustainable economic development of Manitoba.

Initiatives may include, but are not limited to, capital projects, industry development projects, pilot projects, start-up leading to self-sustainability, studies including feasibility studies, business plans and strategies, market-related research and innovative research.

- **Support Knowledge Based Research and Development**
 - Stimulate innovation through the enhancement and use of Manitoba's existing knowledge-based infrastructure that supports the development of new technologies and commercialization of new products.
 - Strengthen and continue to build Manitoba's business clusters in areas such as advanced manufacturing, composite materials, aerospace, nutraceuticals, biotechnology, advanced media, information and communications technologies, and environmental industries, including alternative energy development.

- **Increase Value-Added Production**
 - Encourage the economic growth of rural communities by supporting research and the development of new or improved products, technologies or innovations in such areas as functional foods, fibre industries and alternative energies.
 - Support the development and diversification of northern Manitoba's natural resource industries, such as mining and forestry, and support the development of human

resources to ensure northern Manitobans can take full advantage of the economic opportunities in the region.

- **Support Trade and Investment Promotion**

- Capitalize on Manitoba's mid-continent location, extensive intermodal transportation network, and diversified and export-oriented economy to enhance trade and investment opportunities and promote Manitoba as a gateway to other provinces and international markets such as the United States, Mexico, Latin America and the Asia-Pacific Region.
- Support programs and services that will enhance foreign investment opportunities in Manitoba and attract and support incremental investment in the economy through targeted immigration initiatives.

- **Enhance Productivity and Competitiveness**

- Provide support to Manitoba's established and emerging industry clusters through commercialization and investments intended to increase innovation, enhance productivity and improve competitiveness in the new global economy.
- Provide support to projects that encourage the development and adoption of leading-edge technology and processes, including innovative management and business processes.
- Address labour and skills shortages through development and training initiatives with industry organizations and post-secondary institutions.

- **Promote Economic Development through Tourism Opportunities**

- Support initiatives that will significantly develop Manitoba's tourism industry by capitalizing on emerging opportunities, expanding U.S. and international markets and mitigating existing challenges currently facing the tourism industry such as the declining U.S. market and increased competition.
- Strengthen Manitoba's competitive position as a tourism destination and create opportunities for economic growth and diversification in all regions of the province.

SCHEDULE "B"

ESTIMATED CASH FLOW

CANADA - MANITOBA WESTERN ECONOMIC PARTNERSHIP AGREEMENT

OVERVIEW

This Schedule provides a basis for estimating and projecting financial commitments for the Parties, and provides financial objectives to assist in measuring the activity and progress of this Agreement.

Estimated Project Approvals per Fiscal Year (\$millions)

	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Manitoba	3	10	9	3	0	25
Canada	3	10	9	3	0	25
Total	6	20	18	6	0	50

Estimated Cash Flow per Fiscal Year (\$ millions)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Manitoba¹	0	6.0	6.0	6.0	4.0	3.0	25
Canada²	0	6.0	6.0	6.0	4.0	3.0	25

- 1 Manitoba cash flow is contingent upon the Legislative Assembly of the Province of Manitoba appropriating funds.
- 2 Canada cash flow is contingent upon the Parliament of Canada appropriating funds and no payment with respect to this Agreement will be made by the Federal Minister subsequent to March 31, 2010 unless the Western Diversification Program Terms and Conditions are renewed or extended beyond July 14, 2009.

SCHEDULE “C”

COMMUNICATIONS PROTOCOL

CANADA-MANITOBA WESTERN ECONOMIC PARTNERSHIP AGREEMENT

GENERAL

The Parties agree to undertake joint communications activities and products that will enhance opportunities for open, transparent, effective, and proactive communications with Manitobans and Canadians through appropriate, continuous and consistent public information activities that recognize the contribution of the Parties under this Agreement.

The Management Committee, which may establish a Communications Sub-Committee to provide advice and support on such matters, shall determine the mechanisms for such communications. The Communications Sub-Committee shall contain at least one (1) representative from each of the Parties.

All public information material in relation to this Agreement shall be in both official languages and indicate the Project is being implemented pursuant to this Agreement.

All material shall fairly reflect the involvement of the Parties. This includes ensuring equal recognition and prominence where words, logos, symbols, and other types of identification are incorporated into materials.

All public information material or signage related to this Agreement shall be produced in accordance with the Federal Identity Program and the Visual Identity Guidelines of Manitoba.

COMMUNICATIONS WITH RECIPIENTS

All written communications with Recipients, including Project approval notifications and other related information, shall be prepared on letterhead specifically identifying the Canada-Manitoba Western Economic Partnership Agreement (EPA). The Management Committee will sign Project approval notifications.

All public information material related to calls for tendering shall clearly and prominently indicate that the Project is funded pursuant to this Agreement.

COMMUNICATIONS WITH THE PUBLIC

Public Information Products

The Management Committee may develop information kits, brochures, public reports, and Website material to inform potential Recipients and the public about the Agreement. All such materials will reflect the Parties equally and with a predetermined identifier recognition that will be used consistently on all documentation. The Canada wordmark will be used as the federal identifier and as identified in the Government of Canada Communications Policy. The Manitoba wordmark will be used as the provincial identifier and as defined under Manitoba's Communications Policy.

News Releases

The Parties shall issue joint news releases when this Agreement is signed, after the approval of individual Projects, and upon completion of these Projects. In all such news releases, the Parties and the Recipient shall receive equal prominence. The Parties mutually agree in the use of one (1) quote from each designated representative of Canada, Manitoba and/or the Recipient in the news release, unless otherwise agreed. Notice of issuances of news releases will be provided to all Parties a minimum of 28 business days in advance of the anticipated release date, unless exceptional circumstances warrant otherwise.

Public Funding Announcements

Canada and Manitoba agree to hold public funding announcements when this Agreement is signed and to announce Projects at the request of either Party. The requesting Party shall provide a minimum of 28 business days notice of a proposed news conference or event, unless exceptional circumstances warrant otherwise. The Federal Minister and Provincial Minister, or a designated representative of the Parties, will participate in such news conferences or events to take place at a mutually agreed-upon date and location.

Neither the Parties nor the Recipient shall, without the prior consent of the Management Committee, make any public announcement of a Project under this Agreement without consultation and mutual agreement of the other Party.

The Parties shall cooperate in the organization of announcements or ceremonies. The Canada and Manitoba representatives shall, unless otherwise agreed upon or determined by precedence stated herein, alternately speak first at announcements and be quoted first in news releases.

Decisions regarding the appropriateness of staging a news conference, or simply issuing a news release, will be determined on a case-by-case basis in consultation with all Parties.

Announcements of Projects that require environmental clearance may be made in advance of the formal environment clearance being made, but must clearly specify that the Project will proceed based upon environmental clearance.

Precedence

1. The Prime Minister of Canada and the Premier of Manitoba take precedence in all events and announcements.
2. Precedence will be given to Ministers (federal or provincial) and Secretaries of State over Members of Parliament and Members of the Legislative Assembly.
3. Precedence will be given to elected officials over departmental representatives.

Recipient Events or Ceremonies

The Recipient may host events or ceremonies related to individual Projects. These may include public consultations, sod-turnings, ribbon-cuttings and/or official openings. The Recipient shall provide Canada and Manitoba with at least 28 business days notice of any proposed public announcement or official ceremony related to a Project announced under this Agreement, unless exceptional circumstances warrant otherwise. There shall be equal representation of all concerned parties at special events or ceremonies, unless otherwise agreed.

Signage

The Management Committee shall ensure that the Recipient provides and installs temporary signage at a prominent location where there is visible activity related to an approved Project, indicating that the Project is proceeding under this Agreement, and bearing any other message approved by the Management Committee.

Design, wording and specifications of joint signs shall reflect the participation of Canada and Manitoba and must be approved by the Management Committee. Wording in both official languages, designs and logos should be of the same size and occupy the same amount of space. Signs shall have appropriate space indicating the participation by the Recipient, if requested. The Management Committee shall issue specifications for signs and time frames for their installation. Temporary signs must be removed within 60 days of Project completion.

Canada and Manitoba may provide and install, upon completion of Projects, where feasible, a plaque or permanent sign bearing an appropriate inscription. The design, wording and specifications of such permanent signs shall be in accordance with the federal and provincial identity programs and signage descriptions as stated in the previous signage specifications.

Advertising

Advertising or public information campaigns may be organized by either Party related to the Agreement; however, all such materials shall be approved by the Management Committee prior to purchase of placement space or related advertising or information materials.

All official offices or buildings, in which the business of this Agreement is carried out, shall bear logo identification that it is supported by this Agreement and include the Canada and Manitoba wordmarks.

Recipient web sites that are supported by Agreement funds shall reflect Canada and Manitoba support.

Web Design

Any Web Site design shall reflect the participation of the Parties in an equitable manner. The Management Committee or its agreed-upon designate shall approve messages and Web Site information. There will be continuous recognition that Canada and Manitoba are equal signatories to the Agreement.

Cost Sharing

Unless otherwise agreed to by the Management Committee, Canada and Manitoba will each assume half the costs associated with the development and delivery of communication products and activities. This would apply to literature, letterheads, media distribution, organization of joint special events, signage and other material, as established by both Parties. A communications budget for notional costs and professional services shall be established and set aside as a portion of the funds needed to administer the Agreement.