General Observations

- Case studies highlighted the unique circumstances or pre-conditions that led to specific funding approaches;
- Liability issues are a key determinant in funding arrangements;
- Administrative process can be burdensome and reduce program effectiveness;
- Predicting or estimating remediation costs is a risky business and inaccuracy often negatively impacts program delivery and credibility;
- Accrual based accounting can provide funding opportunities in support of debt reduction mandate;
- However, inability to adequately assess or account for inherent risk may actually serve to increase debt

Some Examples

- Direct government funding by appropriation;
- Partnerships
- Production Levy
- Dedicated Revenue Stream

Direct Government Funding

Application: all sites where the Crown has accepted liability;
Instrument: direct application to TB or through budget process;
Administration: rigid
Legislative requirements: none
Challenges:
- accurately assessing liability;
- budgets are annualized, subject to TB and cabinet approval, restricting effective timeframe for deployment;
- no or limited carry-over provisions;
- funding susceptible to change in government priorities;
Opportunities:
- Accrual based accounting
- Funding meets a debt reduction priority
- May reduce the risk of competing priorities

Partnerships II

Private/Public or Public/Public

Application: Site specific where there is a shared liability;
Examples include large complicated sites such as Giant (F/T); Lynn Lake (Private/Public); McIntyre-Hollinger (Private/Public)
Instrument: cooperation agreement that sets terms and conditions;
Administration: can be flexible
Legislative requirements: none
Challenges:
- Negotiating agreements;
- Indemnification;
Opportunities:
- Benefit from expertise and in kind contributions
- May result in more holistic approaches to site remediation
**Partnerships II**

**Private/ Public**

**Application:**
- collective approach to remediating sites with crown liability, typically small to medium scale projects;
- cooperation agreements, in-kind contributions require indemnification provisions;
- can be flexible

**Legislative requirements:**
- Good Samaritan Legislation for most effective application

**Challenges:**
- Inability to provide indemnification has resulted in cumbersome administrative framework, where direct financial contributions are made to government and government then undertakes all project management;
- Limits opportunity to benefit from in-kind contributions

**Opportunities:**
- Benefit from expertise and in-kind contributions

---

**Dedicated Revenue Stream**

**Manitoba Mining Community Reserve**

**Application:**
- Fund does not apply to mine site rehabilitation;
- Used to support mining communities dealing with transitional issues related to mine openings or closings;
- Also used to support exploration incentive programs to proactively mitigate closure risks;
- 3% of mining tax revenue directed to MCRF annually (since 1972)

**Administration:**
- Special purpose account outside of general revenue account;
- Expenditures do not impact government bottom line

**Legislative requirements:**
- Enabled within Mining Tax Act

**Challenges:**
- Variable revenue stream related to mine profitability
- Available funding may be unpredictable
- Only contributors are those companies in a taxable position

**Opportunities:**
- Similar types of arrangements could potentially be adopted for OAM site remediation
- Need to assess revenue requirements against expenditure requirements for this type of activity
- Most likely applicable to small to medium sites with minimal environmental/health risks
- Could provide a vehicle for receiving direct industry contributions as per partnership discussion

---

**Production Levy**

**Manitoba Pits and Quarries Rehabilitation Program**

**Application:**
- All sites both private and crown held;
- $0.10/tonne rehab levy on all aggregate production;
- Funds deposited into Aggregate Rehab. Account

**Administration:**
- Program administered by province
- Province assumes all liability

**Legislative requirements:**
- Program and levy enabled in legislation

**Considerations:**
- Displaces a previous program where operators were required to file rehabilitation plans and performance bonds;
- There was general recognition that the former approach did not support remediation of old sites;
- Many small sites on private land, with private mineral interests;
- Operators now only pay rehab levy and there is no rehabilitation plan or performance bonding requirement;
- Requirement to maintain a minimum balance in the fund to offset liability for current operations;
- Primary risk is public safety, limited environmental or health risks;
- Large number of low-cost projects

---

**Conclusion**

- There are currently a variety of funding approaches being used by governments to address remediation or that could be adapted to address remediation;
- Should we consider developing a tool kit for governments to assist policy makers in determining best approaches for their specific needs and the unique circumstances of individual mine sites.