

Summary of the Evaluation and Financial Audit of the Fish & Wildlife Compensation Program (FWCP)

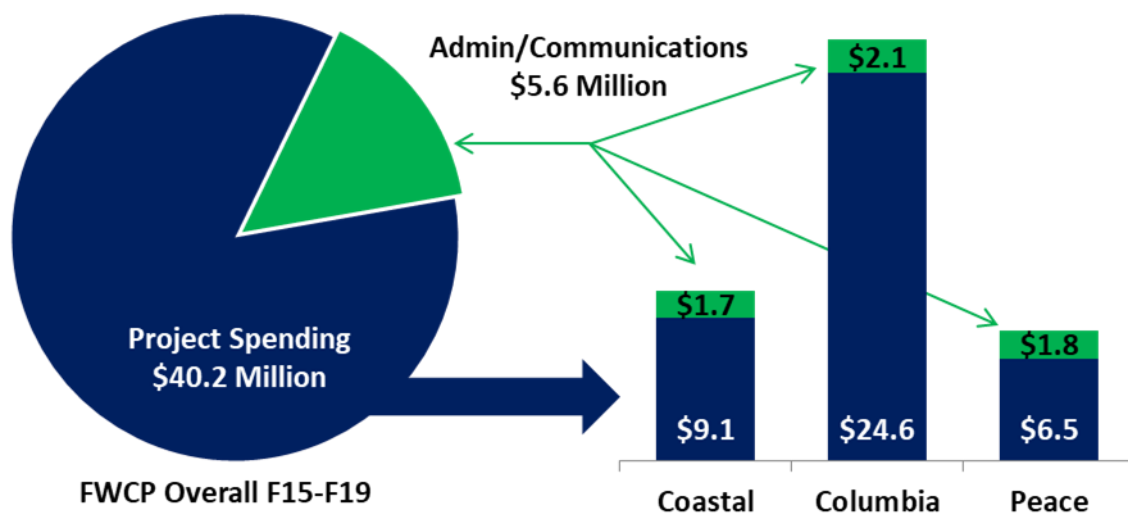
June 2019

The Fish & Wildlife Compensation Program (FWCP) is a partnership between BC Hydro (BCH), the Province of B.C., Fisheries and Oceans Canada, First Nations and Public Stakeholders. Annual funding is provided by BCH to the FWCP as a response to conditions found in water licences issued to BCH for the construction of hydro-electric generation facilities in the Columbia and Peace regions. The Coastal Program is a voluntary initiative but reflects the same focus of supporting projects that address conservation and enhancement priorities for fish and wildlife in watersheds impacted by the construction of BCH dams.

The FWCP Governance Manual requires that an evaluation of the program occur every five years. This evaluation examined issues and questions related to the achievement of outcomes, program partnership, program design and delivery, administrative efficiency and the use of funds in order to identify opportunities to improve the FWCP and its impact on fish, wildlife and their supporting habitat.

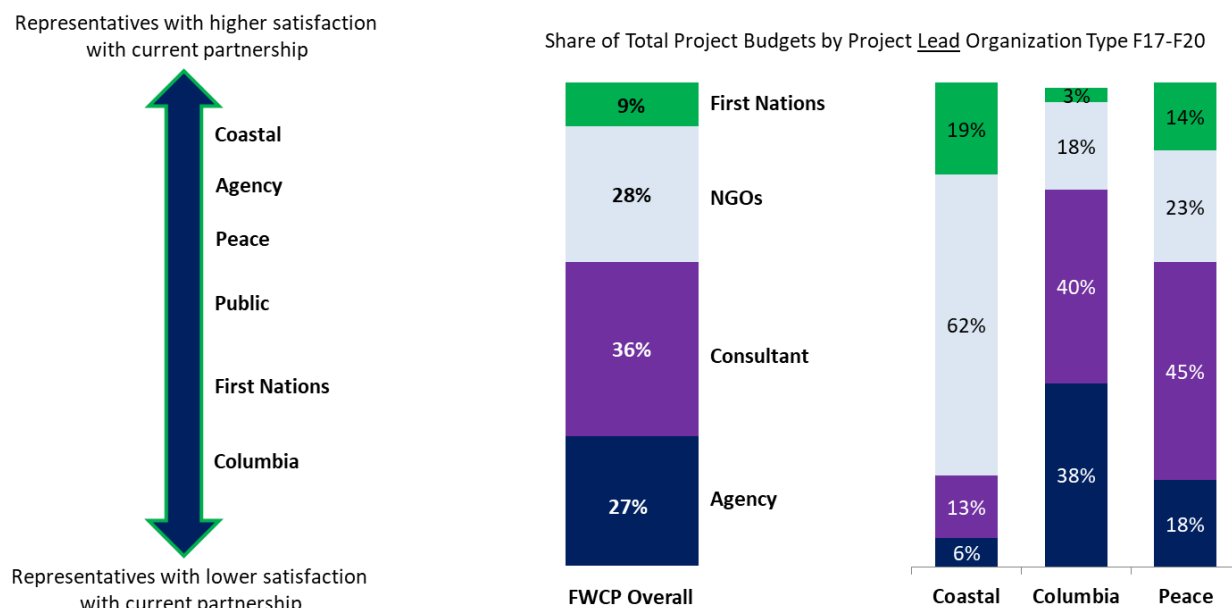
Key Findings and Conclusions

FWCP project expenditures towards compensating for footprint impacts in the Coastal, Columbia and Peace regions have totalled \$40.2 million over a five year period from April 2014 to March 2019 (i.e. F15-F19). Of that, 61% has been spent in the Columbia region, 23% in the Coastal region and 15% in the Peace region. The program operates relatively efficiently, with 15% of total expenditures devoted to administration and communications program-wide.



According to the stakeholders contacted, some progress has been made against all FWCP Strategic Objectives over the past five years. Projects targeting caribou, sturgeon, arctic grayling, bats and many other species as well as land securement and large-scale nutrient restoration programs have achieved progress against the conservation-based strategic objectives of the FWCP. Some progress towards sustainable use objectives have also been made but some FWCP Board and Committee members are generally unsure of how best to achieve progress against this objective. Progress has been made towards building and maintaining relationships with stakeholders and First Nation partners; however, there is still room for improvement.

Most representatives interviewed have a positive view of the five-way partnership model and each partner is represented to some extent in the operation and delivery of the program. Some representatives indicated there are significant problems with the current partnership model, and meaningful involvement in project design and delivery by First Nations partners varies by region.



The process to select projects is viewed positively by most representatives interviewed, but Action Plans tend to contain too many actions to address over the lifetime of the plans.

FWCP has strong regional differences among delivery and project funding mechanisms. Regional Boards have the ability to use program funds in various ways. Over the past five years the Coastal region has distributed 81% of project funds through annual grants to proponents. In the Columbia, over 75% of project spending has been towards ongoing projects, and in the Peace Region about 30% of all project expenditures are through directed studies with the remaining through annual grants.

Recommendations

(Note: The order of the recommendations does not imply relative priority)

Clarify the scope and intended outcomes of Strategic Objective #3: Maintaining or improving opportunities for sustainable use. It is important to ensure that Boards and Committees have a clear understanding of how to incorporate this objective into proposal evaluations.

Undertake a detailed review of the Columbia ongoing programs to ensure that they reflect the intent and priorities of the partnership, and are aligned with and maximize the achievement of the intended outcomes of the program. This evaluation makes no specific conclusions on the appropriateness or effectiveness of individual core programs, however many respondents indicated that annual project review sessions do not allow sufficient time or independence to adequately assess the core programs, and that there is a link between the core programs and the low levels of First Nations involvement in projects in region.

Review and increase program funding levels. Current funding capacity of the FWCP is likely insufficient to achieve its intended outcome of compensating for footprint impacts of BC Hydro generation facilities. All regions have enjoyed surplus funds accumulated in prior years when the focus was on developing the new model and supporting the strength of the partnership (e.g. developing the First Nations Working Group) but will soon be faced with difficult decisions as they are forced to operate within the amounts currently contributed by BC Hydro annually. For the Peace region this problem is most acute because they receive the

least annually from BC Hydro but have the highest administration costs as a direct result of the progress achieved through the MOU with First Nations and the First Nations Working Group (i.e. more people are involved in supporting the program so it costs more).

Continue to reduce the total number of actions in Action Plans and ensure that there is a clear causal relationship between actions and overall Program Objectives.

Explore the potential for increased use of directed studies. The benefit of directed studies is that they are very strategically focused. The success of the Peace Region's Arctic Grayling Monitoring Framework could be presented to other Regional Boards as a case study for how to further utilize this funding mechanism.

Explore options for the Columbia region to increase the involvement of First Nations in the operation and delivery of the program. Actions that support the partnership between First Nations and the FWCP should be supported in all regions, but the relationship in the Columbia requires focused and meaningful attention.

Develop a program logic model and performance measurement strategy. The FWCP has stated program objectives as well as developed a few key performance measures, but no program logic model or performance measurement strategy.

Review specific sections of the Governance Manual to ensure it is up-to-date and reflects current practices and priorities.

Seek further direction from BC Government and BC Hydro regarding the nature of FWCP's obligations under UNDRIP.

Method of Study

This project was carried out between January and June 2019. The evaluation was undertaken by Ference & Company Consulting Ltd. following a competitive bidding process; procurement and contract management was provided by the BC Ministry of Forests, Lands, Natural Resource Operations & Rural Development. Lines of evidence included: a review of program documentation and financial data; interviews with FWCP representatives on the Boards, Technical Committees and the First Nations Working Group as well as Regional and Program Managers and members of the Policy Committee (overall, 56 interviews were conducted with FWCP representatives); an online survey that was made available to FWCP stakeholders and project proponents (a total of 144 individuals or organizations completed the survey); and, a review of three similar programs.

