

# Strategic Projects Assessment Technical Guidelines

**Submitted to:**

Clint Ireland  
A/Director, Strategic Industries  
Department of Economic Development  
Government of Yukon  
Box 2703 Whitehorse, Yukon Y1A 2C6

**Prepared by:**

Paul Kishchuk, MA

**Vector Research**

Box 31126 Whitehorse, Yukon Y1A 5P7

paul@vectorresearch.ca

www.vectorresearch.ca

t: 867.668.3164

f: 867.668.3124

March 2006



# Strategic Projects Assessment Technical Guidelines

## Contents

Preface.....	1
<b>Facet 1: Preconditions</b> .....	2
1.1 Principles.....	2
1.2 Sector targeting.....	3
<b>Facet 2: Valid Rationale for Government of Yukon Involvement</b> .....	4
<b>Facet 3: Economic Viability</b> .....	5
3.1 Public policy.....	5
3.2 Consumer effects.....	6
3.3 Labour market.....	6
3.4 Business effects.....	6
3.5 Community effects.....	7
<b>Facet 4: Financial Viability</b> .....	7
4.1 Financial analysis.....	7
4.2 Market demand.....	8
4.3 Accounting considerations.....	8
4.4 Regulatory aspects.....	8
<b>Facet 5: Monitoring and Evaluation</b> .....	9
5.1 Funding terms and performance reporting.....	9
References.....	10



---

---

## Strategic Projects Assessment Technical Guidelines

---

---

### Preface

Yukon Economic Development has a mandate to identify and facilitate opportunities which will strengthen the Yukon's economic infrastructure. The *Strategic Projects Assessment Framework*, completed by Vector Research in 2004, was conceived to assist Department officials with the objective identification and assessment of potential strategic projects. The purpose of this project is to build on the *Strategic Projects Assessment Framework* through the development of technical guidelines and an assessment tool for use by Department officials.

The guidelines and tool are designed to facilitate the consistent and comprehensive evaluation of proposed economic infrastructure projects in the Yukon. At the same time, the guidelines and tool are intended to be usable. Thus, the guidelines and tool present an attempt to balance the degree of due diligence required to ensure the Government of Yukon receives value for money against the size of the Government of Yukon's contribution and the expected impact of the project.

The Strategic Projects Assessment Technical Guidelines outline and describe an extensive series of measures that can be used to assess strategic projects. Most of the measures are straightforward, requiring that the project assessor reflect on their knowledge of the project. Other measures, however, will require the use of specialized methodologies. For example, it is recommended that where the Government of Yukon's financial contribution for a project exceeds \$750,000, a cost-benefit analysis or cost-effectiveness analysis be undertaken. Where specialized methodologies are specified, sources for additional information have been included.

The assessment measures are grouped according to five 'facets':

- ◇ preconditions
- ◇ valid rationale for Government of Yukon involvement
- ◇ economic feasibility
- ◇ financial feasibility
- ◇ monitoring and evaluation

The first two facets – preconditions and valid rationale for Government of Yukon involvement – are mandatory. That is, every strategic project funded by Yukon Economic Development must meet all preconditions listed and demonstrate a valid rationale to be considered for funding. Projects which do not 'pass' on the first two facets need not be considered further.

The Strategic Projects Assessment Tool (contained in the accompanying Excel workbook), has been designed to facilitate the 'scoring' of strategic projects in a digital format. The workbook consists of a series of six worksheets. The first worksheet contains

---

---

## Strategic Projects Assessment Technical Guidelines

---

---

an outline for a brief project description and a summary of the project assessment. The next five worksheets each contain a scorecard for the five assessment measure facets.

The effective assessment of strategic projects will require a clear understanding of the project parameters. Accordingly, each strategic project assessment should begin with a brief project description outlining the following:

- proponent name and contact information;
- objectives and/or outputs of the project;
- legal structure of the project proponent (e.g., corporation, First Nation development corporation, partnership, proprietorship, trust company);
- major project milestones (project development begins/ends, construction begins/ends, commencement of operations);
- amount of funding being requested of Yukon Economic Development;
- degree of financial participation by private financiers and by other governments (federal, other Government of Yukon Departments, First Nation and municipal); and,
- physical location of the project.

### ◇Facet 1: Preconditions◇

All strategic projects funded by the Government of Yukon must satisfy two types of preconditions – principles and sector targeting.

#### **1.1 Principles**

The following principles must be upheld for strategic projects funded by the Government of Yukon.

- 1.1.a *A level playing field* must be maintained for Yukon businesses. Specifically, funding shall not foster unfair competition by subsidizing an increase in market share held by a business at the expense of existing businesses. This requires the identification of similar businesses operating within the Yukon and a determination of whether any will be adversely affected by Government of Yukon assistance to the project proponent.
- 1.1.b *Financial risk must be shared* between funding proponents and the Government of Yukon. Project proposals must demonstrate that a significant percentage (>40%) of project funding is being provided by the project proponent. In other words, the project proponent must have their “tail in the door” to a significant enough degree that the failure of the project will result in a real monetary cost to the proponent.
- 1.1.c *Long-term economic benefits to the Yukon economy* in the form of local business growth and employment creation must be a design objective of strategic projects

---

---

## Strategic Projects Assessment Technical Guidelines

---

---

- in receipt of Government of Yukon funding assistance. For example, projects designed to create employment outside of the Yukon will be given lower preference than projects that will create employment within the Yukon.
- 1.1.d Provision of financial assistance must be *consistent with existing commitments and policies* of the Government of Yukon. Strategic projects receiving assistance must not have objectives contrary to existing programs and projects.
- 1.1.e Support for a project must not fall within the *mandate of another government*. The many levels of government in the Yukon (federal, territorial, self-governing First Nations, municipalities) often have overlapping areas of responsibility. Proposals should demonstrate that the project fits within the mandate of the Government of Yukon, and if in an area where responsibility is shared with another government, that partner funding from the other government is also being sought.

### **1.2 Sector targeting**

The second precondition to government intervention is that the project activities involve one of the seven strategic sectors identified by Yukon Economic Development in *A New Direction* as priority sectors.

1.2.a The seven strategic sectors include:

- Construction
- Culture & arts
- Forestry
- IT/Innovation
- Mining
- Oil and gas
- Tourism

To ensure that overall strategic project funding contributes to the development of a more diverse Yukon economy, the funding request must be checked against funding approved (or pending) for other strategic projects.

1.2.b Total strategic project funding targeted to any one priority sector should not exceed more than 35 percent in a given fiscal year. In other words, not one of the seven strategic sectors listed above should receive more than 35 percent of total strategic projects funding in a single year.

---

---

## Strategic Projects Assessment Technical Guidelines

---

---

### ◊Facet 2: Valid Rationale for Government of Yukon Involvement◊

Involvement by the Government of Yukon in the direct funding of strategic projects must be supported by a valid rationale. In general, project proposals must demonstrate the extent to which Yukon individuals, businesses and organizations will benefit, both directly and indirectly, from public sector assistance. It is not the intent of the Government of Yukon to displace investment that would have otherwise been supplied by private sector sources. Specific factors to be considered in determining the extent to which Yukon individuals, businesses and organizations will benefit include:

- 2.1.a The *extent Yukon businesses are expected to benefit* relative to non-Yukon businesses. Higher preference will be given to strategic projects which benefit Yukon businesses.
- 2.1.b The *extent to which Yukon residents will benefit* relative to non-Yukon residents. Higher preference will be given to strategic projects which benefit individuals resident in the Yukon.
- 2.1.c The degree to which the project is a *cooperative venture with a Yukon First Nation*. Higher preference will be given to projects which feature significant First Nation participation.
- 2.1.d The potential for the *creation of new businesses in the local area*. Strategic projects which are expected to spawn spin-off businesses in the project area and in the Yukon generally will be given higher preference than projects that do not.
- 2.1.e The degree to which the project presents an opportunity for individuals to *improve their skills, knowledge and training*. Projects which improve the Yukon's workforce capability will be given higher preference over projects which do not.
- 2.1.f The potential for *export generation*. To what degree will the project result in increased interregional or international exports?
- 2.1.g The degree to which the project will *stem leakages from the local economy* (also known as *import substitution*). For example, will the project allow goods and services to be purchased in the Yukon instead of outside the territory?
- 2.1.h The extent to which the project holds *potential to transfer new technology* to the Yukon through innovation and/or the adaptation of innovative technologies to Yukon circumstances.
- 2.1.i The degree to which the project will serve to *facilitate investment attraction*. In other words, to what extent will a successful project signal to other investors that the Yukon is a good place to do business and improve investor confidence?
- 2.1.j The extent to which the project is expected to improve the Yukon's stock of *strategic infrastructure*. Strategic infrastructure can be 'hard' -- e.g., roads, rail, ports, telecommunications, electricity and water or 'soft' -- e.g., education, health, recreation and culture.



### ◇ Facet 3: Economic Viability ◇

All strategic projects funded by the Government of Yukon must demonstrate their potential economic viability. Categories of tools and methods that could potentially be used to assess the economic viability of projects include: public policy, consumer effects, labour market, business effects and community effects. The tools and methods associated with each category are outlined below.

#### **3.1 Public policy**

- 3.1.a Confirmation that *alternatives to the proposed project* have been considered by the Government of Yukon to ensure that more appropriate and/or cost-effective approaches to achieving the same economic development objectives have not been overlooked.
- 3.1.b *With-and-without analysis* in the form of an assessment of whether the project will provide incremental benefits to the Yukon economy or whether it will substitute for goods and services that would have been provided by the private sector anyway.
- 3.1.c For large scale projects (Government of Yukon contribution >\$750,000), an *economic analysis of the project* is required. The analysis can be in the form of a cost-benefit analysis (both inputs and outputs measured in monetary terms) or cost-effectiveness analysis (inputs measured in monetary terms and outcomes measured in non-monetary quantitative terms). Recommended resources include:
- Guidelines for Economic Appraisal*. (June 1997). Sydney: New South Wales Treasury Office of Financial Management. Available at:  
[http://www.treasury.nsw.gov.au/pubs/tpp97\\_2/ea-index.htm](http://www.treasury.nsw.gov.au/pubs/tpp97_2/ea-index.htm).
- Townley, Peter. (1998). *Principles of Cost-Benefit Analysis in a Canadian Context* Scarborough: Prentice Hall Canada Inc.
- Asian Development Bank. (1997). *Guidelines for the Economic Analysis of Projects*. Manila, Philippines. Available at:  
[http://www.adb.org/Documents/Guidelines/Eco\\_Analysis/default.asp](http://www.adb.org/Documents/Guidelines/Eco_Analysis/default.asp)
- 3.1.d An *identification of the various types of risk* associated with the project (e.g., financial, public policy, environmental) and an assessment of how each of the risks are distributed amongst the proponent and financial partners.

---

---

## Strategic Projects Assessment Technical Guidelines

---

---

### **3.2 Consumer effects**

- 3.2.a An assessment of whether Yukoners will benefit from *improved consumption choices* as a result of the project. Will a wider variety of products be available to Yukoners?
- 3.2.b An assessment of whether Yukoners will enjoy *improved prices* as a result of the project (i.e., increased consumer surplus). Will the project increase price competition?

### **3.3 Labour market**

- 3.3.a Calculation of *labour market demand* created by the project (i.e., number of jobs) during the construction and operations phases of the project. Job creation estimates should be made using a common unit of measure, ideally days of employment.
- 3.3.b Determination of the *skill set required* by the project cross-referenced to an assessment of *labour availability*. Is there a mismatch between the skills, knowledge and training required for the project and local labour capacity? If so, how severe is the mismatch?
- 3.3.c Assessment of the scope and scale of opportunities for individuals to increase *human capital* (skills, knowledge and training). To what extent will Yukoners have opportunities to improve their skills, knowledge and training as a result of the project?
- 3.3.d Assessment of the degree to which labour needed during the construction and operations phases of the project will be sourced from outside the Yukon (*labour income leakage*).
- 3.3.e Assessment of whether the project will result in *labour market crowding out* (i.e., whether wage differentials will cause other businesses to face labour shortages).

### **3.4 Business effects**

- 3.4.a Assessment of *forward business linkages* – to what extent will the project result in an increased local supply of complementary goods and services (i.e., spin-off businesses)?
- 3.4.b Assessment of *backward business linkages* – to what extent are existing Yukon suppliers of goods and services expected to be able to supply production/project inputs?
- 3.4.c Assessment of *input supply leakage* – the degree to which inputs needed during the construction and operations phases will be sourced from outside the Yukon.

---

---

## Strategic Projects Assessment Technical Guidelines

---

---

- 3.4.d Assessment of the extent to which the benefits of expanded hard infrastructure (roads, rail, ports, telecommunications, electricity and water) will benefit other Yukon businesses. For example, if the project involves the building of a road, to what degree will other businesses benefit from the new road?

### **3.5 Community effects**

- 3.5.a An estimate of *revenues* (e.g., personal income, corporate income, commodity, royalties, etc.) expected to accrue to federal, territorial and First Nation governments as a result of the project.
- 3.5.b Identification and description of any potential *positive externalities* associated with the project (e.g., expanded markets, new or improved infrastructure, demonstration effects).
- 3.5.c Identification and description of any potential *negative externalities* associated with the project (e.g., adverse environmental effects, adverse social pressures, pressure on cultural assets, increased land prices, overuse of existing public infrastructure).

## ◇Facet 4: Financial Viability◇

In addition to demonstrating economic viability, for-profit strategic projects funded by the Government of Yukon must also be financially viable. While a wide variety of tools can be applied to assess the financial viability of a project, detailed financial information may not be available for all projects, especially smaller-scale projects. Larger-scale strategic projects, which bring with them higher levels of financial risk for project funders should receive a correspondingly higher level of scrutiny. Categories of tools and methods that could potentially be used to assess the financial viability of projects include: financial analysis, market demand, project team and accounting considerations and regulatory aspects. The tools and methods associated with each category are outlined below.

### **4.1 Financial analysis**

- 4.1.a For large scale projects (Government of Yukon contribution >\$750,000), confirmation of financial viability of the project via an *independent evaluation of the project* by a qualified third party.
- 4.1.b An assessment of *risk-sharing* via an estimate of the share of financial capital being contributed by the project proponent and each of the project partners.

---

---

## Strategic Projects Assessment Technical Guidelines

---

---

- 4.1.c *Breakeven analysis* which provides a determination of the minimum project output and associated revenue required to cover fixed and variable costs on a quarterly and annual basis.
- 4.1.d An assessment of the *relative importance of the project to the proponent* via an estimate of how important the project is to the proponent's overall business operations. Single-project proponents are likely to have short track records and represent higher risks.

### **4.2 Market demand**

- 4.2.a An assessment of the reasonableness of the project's *market demand estimates* via a critique of the assumptions on which projected sales levels have been based. Given the current and forecast economic circumstances of the Yukon, do the market demand estimates appear achievable?
- 4.2.b An assessment of the *expected impact of seasonal factors* on the market demand. For example will market demand be consistent through the year or will it be concentrated during a relatively short part of the year? Will seasonality be an impediment to achieving forecasted revenues?
- 4.2.c An assessment of the *quality of the marketing plan* and collateral marketing materials for the project. Are the claims and/or projections made in the marketing materials reasonable?

### **4.3 Project team and accounting considerations**

- 4.3.a An assessment of whether *key project personnel* are capable of successfully undertaking the project made on the basis of a description of their roles and responsibilities as well as their credentials, track record, level of time commitment to the project and terms of employment.
- 4.3.b An assessment of whether the proponent's *accounting systems* are likely to be of sufficient quality to ensure the financial integrity of the project.

### **4.4 Regulatory aspects**

- 4.4.a Where applicable, an assessment of whether *all permits have been identified* that will likely be required for the project (broken out according to the project development, construction and operations phases).
- 4.4.b Where applicable, whether *estimates of time and cost* required to acquire each of the necessary permits are reasonable.

### ◇Facet 5: Monitoring and Evaluation◇

#### **5.1 Funding terms and performance reporting**

- 5.1.a Confirmation of understanding by the project proponent that assistance provided by the Government of Yukon may be used *only for purposes specified* in the contribution agreement
- 5.1.b Confirmation that the proponent agrees to report on the number of days of *employment created* on a quarterly basis.
- 5.1.c Demonstration of agreement by the proponent for *participation in one or more project reviews, evaluations or impact assessments* within five years from first receipt of funding.
- 5.1.d Demonstration of agreement by the proponent that the *copies of the annual audit of project financial statements* must, upon request, be provided to the Government of Yukon on a regular and timely basis.
- 5.1.e Identification of the *project outputs and outcomes*. A recommended resource is:
  - Schacter, M. *Not a "Tool Kit": Practitioner's Guide to Measuring the Performance of Public Programs*. Institute on Governance. 2002. Available at:  
<http://www.iog.ca/publications/guide.pdf>

---

---

## Strategic Projects Assessment Technical Guidelines

---

---

### References

- A New Direction: Building a Sustainable and Competitive Yukon Economy.* (2004). Government of Yukon, Department of Economic Development.
- Asian Development Bank. *Guidelines for the Economic Analysis of Projects.* (2003). ([http://www.adb.org/Documents/Guidelines/Eco\\_Analysis/introduction.asp](http://www.adb.org/Documents/Guidelines/Eco_Analysis/introduction.asp)).
- Belli, P., Anderson, J., Barnum, H., Dixon, J. and Tan, J-P. (1998). *Handbook on Economic Analysis of Investment Operations.* The World Bank (Operational Core Services Network).
- Competitive Regions: Concepts and Ideas for Local Government.* (1999). Australian Local Government Association.
- Esty, B., Lysy, F. and Ferman, C. (2003). *An Economic Framework for Assessing Development Impact.* Harvard Business School.
- A Guide to ERDB Financing.* (2004). European Bank for Reconstruction and Development.
- Guidelines for Economic Appraisal.* (1997). New South Wales Treasury, Office of Financial Management.
- Guidelines for Preparing Economic Analyses.* (2000). United States Environmental Protection Agency.
- Guide on Grants, Contributions and Other Transfer Payments.* (2000). Government of Canada, Treasury Board Secretariat.
- Municipal Rural Infrastructure Fund: Rules and Standards Guide.* (2005). Government of Quebec, Infrastructure Branch.
- Operations Evaluation Group. (2004). *Top Lessons Learned by Subject: IFC Project Appraisal and Analysis.* International Finance Corporation. (<http://ifcln1.ifc.org/ifcext/oeg.nsf/Content/lessonslearned>).
- Project Evaluation Guidelines.* (1997). Queensland Treasury [Australia].
- Rosen, H., Boothe, P., Dahlby, B. and Smith, R. (2003). *Public Finance in Canada (Second Canadian Edition).* McGraw-Hill Ryerson.
- Schacter, M. *Not a "Tool Kit": Practitioner's Guide to Measuring the Performance of Public Programs.* Institute on Governance. 2002. (<http://www.iog.ca/publications/guide.pdf>)
- Simeoni, Peter. (2000). *A Framework for Identifying Risk in Grant and Contribution Programs.* Office of the Auditor General of Canada.
- World Bank Operations Evaluation Department. (2002). *Monitoring and Evaluation: Some Tools, Methods and Approaches.* The World Bank.

# Yukon Economic Development Strategic Projects Assessment Tool

March 2006

Vector Research

## Project Description

Project name:

Proponent name and contact information:

Name:

Address:

Phone:

Email:

Project objectives/outputs:

Proponent/project legal structure:

Major project milestones:

Amount of funding requested from Yukon Economic Development:

\$ - n.b. measures 3.1.c, 4.1.a and 5.1.d must be applied for funding requests > \$750,000

Degree of financial participation by other project partners:

\$ -

\$ -

\$ -

Physical location of project:

## Strategic Projects Assessment Summary

### Facet 1: Preconditions

the project meets all of the Facet 1 preconditions

the project does not meet all of the Facet 1 preconditions

### Facet 2: Valid rationale for Government of Yukon involvement

the proponent has demonstrated a valid rationale for Government of Yukon involvement

the proponent has not demonstrated a valid rationale for Government of Yukon involvement

### Facet 3: Economic feasibility

Provide a summary narrative of the findings of Facet 3 and a recommendation whether, from an economic feasibility perspective, the requested strategic funding should be approved.

Summary:

Recommendation:

### Facet 4: Financial feasibility

Provide a summary narrative of the findings of Facet 4 and a recommendation whether, from a financial feasibility perspective, the requested strategic funding should be approved.

Summary:

Recommendation:

### Facet 5: Monitoring and evaluation

Provide a summary narrative of the findings of Facet 5 and a recommendation whether, from a monitoring and evaluation perspective, the requested strategic funding should be approved.

Summary:

Recommendation:

# Strategic Projects Assessment Tool

## Facet 1: Preconditions

### 1.1 Principles

#### 1.1.a **Level playing field maintenance**

What is the likelihood of the project altering the playing field for Yukon businesses?

- not at all likely
- not very likely
- somewhat likely
- very likely

#### 1.1.b **Financial risk sharing**

To what extent is the project's financial risk shared between the project proponent and other project partners?

Is the proponent's share of financial risk...

- greater than 20%
- greater than 40%
- greater than 60%
- greater than 80%

#### 1.1.c **Long-term economic benefits to the Yukon economy**

On the basis of information provided, to what degree will the project provide long term employment benefits to the Yukon economy?

- no direct employment
- only short-term (< 4 months) employment
- limited (<25 FTEs) long-term (> 4 months) employment
- significant (>25 FTEs) long term (> 4 months) employment

On the basis of information provided, to what degree will the project provide long term local business revenue generation benefits to the Yukon economy?

- no direct revenue generation
- limited revenue generation (estimated local purchases less than 50% of funding requested)
- significant revenue generation (estimated local purchases more than 50% of funding requested)

#### 1.1.d **Consistency with existing Government of Yukon commitments and policies**

To the best of the assessor's knowledge, does the project have objectives inconsistent with any existing Government of Yukon programs and or projects?

- no
- yes - if yes, please describe:

#### 1.1.e **Mandate exclusivity**

To what extent do the project activities for which funding is being requested fall within the mandate of another government?

Do the project activities fall within the mandate of ...

- the Government of Canada?
- a Yukon First Nation?
- an incorporated municipality?

### 1.2 Sector targeting

#### 1.2.a **Strategic sector alignment**

Does the proposed project involve one or more of the following priority strategic sectors? If so, what is the sector of primary involvement?

- construction
- culture & arts
- forestry
- IT/Innovation
- mining
- oil and gas
- tourism

#### 1.2.b **Funding balance among strategic sectors**

If requested funding is approved, will it cause the aggregate level of funding in the sector of primary involvement to exceed 35% in the current fiscal year?

- no
- yes



# Strategic Projects Assessment Tool

## Facet 2: Valid rationale for Government of Yukon involvement

### 2.1.a Overall benefit to Yukon businesses

To what extent is the project expected to benefit Yukon businesses relative to non-Yukon businesses? In terms of the number of businesses, are....

- a greater number of Yukon businesses compared to non-Yukon businesses expected to directly benefit?  
 a smaller number of Yukon businesses than non-Yukon businesses expected to directly benefit?

In terms of overall project expenditures, are....

- Yukon businesses expected to receive more than half of total project spending?  
 Yukon businesses expected to receive less than half of total project spending?

### 2.1.b Overall benefit to Yukon residents

To what extent is the project expected to benefit Yukon residents relative to non-Yukon residents? In terms of new employment opportunities, are....

- a greater number of Yukon residents than non-Yukon residents are expected to directly benefit?  
 a smaller number of Yukon residents than non-Yukon residents are expected to directly benefit?

In terms of overall labour income generated by the project, are....

- Yukon residents are expected to receive more than half of total project wages and salaries?  
 Yukon businesses are expected to receive less than half of total project wages and salaries.

### 2.1.c Yukon First Nation participation

To what extent is the project a cooperative venture with one or more Yukon First Nations?

- Yukon First Nation funding share is 0%  
 Yukon First Nation funding share is greater than 25%  
 Yukon First Nation funding share is greater than 50%  
 Yukon First Nation funding share is greater than 75%

### 2.1.d New business creation

What is the potential of the project to spawn spin-off businesses in the local area?

- no potential  
 limited potential  
 moderate potential  
 high potential

What is the potential of the project to spawn spin-off businesses outside of the project area but within the Yukon?

- no potential  
 limited potential  
 moderate potential  
 high potential

### 2.1.e Improvement of skills, knowledge and training

What is the potential of the project to provide Yukon residents with opportunities to improve their skills, knowledge and training?

- no potential  
 limited potential  
 moderate potential  
 high potential

### 2.1.f Export generation

What is the potential of the project to generate interregional or international exports?

- no potential  
 limited potential  
 moderate potential  
 high potential

# Strategic Projects Assessment Tool

## Facet 2: Valid rationale for Government of Yukon involvement

### 2.1.i **Leakage stemming (import substitution)**

What is the potential of the project to stem economic leakage through improved opportunities to purchase goods and services within the Yukon?

- no potential
- limited potential
- moderate potential
- high potential

### 2.1.g **New technology transfer/adoption**

What is the potential of the project to result in the transfer/adoption of new technology?

- no potential
- limited potential
- moderate potential
- high potential

### 2.1.h **Investment attraction facilitation**

What is the potential of the project to signal that the Yukon is a good place to do business?

- no potential
- limited potential
- moderate potential
- high potential

### 2.1.i **Stock of strategic infrastructure**

What is the potential of the project to result in an improvement in the Yukon's stock of strategic infrastructure?

- no potential
- limited potential
- moderate potential
- high potential

# Strategic Projects Assessment Tool

## Facet 3: Economic viability

### 3.1 Public policy

#### 3.1.a *Project alternatives*

Has the Government of Yukon considered alternative approaches to achieving the same strategic objectives?

yes - if yes, attach documentation.

no - if no, state reason(s) alternatives have not been considered:

#### 3.1.b *With-and-without analysis*

Has analysis been completed which demonstrates that the project will provide incremental benefits to the Yukon economy and not simply substitute for goods and services that would have been provided by the private sector anyway?

yes - if yes, attach documentation.

no - if no, state reason(s) alternatives have not been considered:

#### 3.1.c *Economic analysis of the project*

For projects which involve a Government of Yukon contribution in excess of \$750,000, has a cost-benefit or cost-effectiveness analysis been undertaken?

yes - if yes, attach documentation.

no - if no, state reason(s) analysis has not been undertaken:

#### 3.1.d *Risk identification*

Have the various types of risk associated with the project been identified and mapped to the proponent and project partners?

yes - if yes, attach documentation.

no - if no, state reason(s) identification and mapping have not been undertaken:

### 3.2 Consumer effects

#### 3.2.a *Improved consumption choices*

To what degree are Yukoners expected to benefit from improved consumption choices as a result of the project?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

#### 3.2.b *Improved prices*

To what degree are Yukoners expected to benefit from improved prices as a result of the project?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

# Strategic Projects Assessment Tool

## Facet 3: Economic viability

### 3.3 Labour market

#### 3.3.a Job creation

how many days of employment are expected to be created during the project's design/construction phase?

how many days of employment are expected to be created during the project's operations/implementation phase?

If job creation estimates are not available, please state reason(s):

#### 3.3.b Required skills and labour availability

On the basis of available information, to what degree is a mismatch apparent between a) the skills/knowledge/training required by the project and b) local availability of the corresponding skills/knowledge/ training?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

#### 3.3.c Human capital opportunities

To what degree will the project provide opportunities for Yukoners to improve their skills/knowledge and training?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

#### 3.3.d Labour income leakage

To what degree will labour for the project's design/construction phase be sourced from outside the Yukon?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

#### 3.3.e Labour market crowding out

To what degree is the project expected to cause existing businesses in the project area to experience labour shortages?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

# Strategic Projects Assessment Tool

## Facet 3: Economic viability

### 3.4 Business effects

#### 3.4.a Forward business linkages

how many new businesses are expected to be spawned during the project's design/construction phase?

how many new businesses are expected to be spawned during the project's operations/implementation phase?

If new business creation estimates are not available, please state reason(s):

#### 3.4.b Backward business linkages

what is the estimated value of sales for Yukon businesses supplying project inputs during the design/construction phase?

what is the estimated value of sales for Yukon businesses supplying project inputs during the operations/implementation phase?

If sales estimates are not available, please state reason(s):

#### 3.4.c Input supply leakage

what is the estimated value of project inputs expected to be purchased outside of the Yukon during the design/construction phase?

what is the estimated value of project inputs expected to be purchased outside of the Yukon during the operations/implementation phase?

If purchase estimates are not available, please state reason(s):

#### 3.4.d Infrastructure benefits sharing

For projects that involve the provision of hard strategic infrastructure (roads, rail, ports, telecommunications, electricity, etc.), to what degree will the benefits of the new infrastructure be shared with Yukon businesses?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

### 3.5 Community effects

#### 3.5.a Revenue estimates

What is the value of taxes expected to be generated by the project?

no taxes are expected to accrue as a result of the project

personal income taxes to be received by Government of Yukon estimated at: \$ -

corporate income taxes to be received by Government of Yukon estimated at: \$ -

commodity taxes to be received by Government of Yukon estimated at: \$ -

resource royalties to be received by Government of Yukon estimated at: \$ -

If revenue estimates are not available, please state reason(s):

#### 3.5.b Positive externalities

Are any positive externalities (spillovers) expected to result from the project (e.g., expanded markets, new or improved infrastructure, demonstration effects)?

no positive externalities are expected

the following types of positive externalities are expected:

#### 3.5.c Negative externalities

Are any negative externalities (spillovers) expected to result from the project (e.g., adverse environmental effects, adverse social pressures, pressure on cultural assets, increased land prices, overuse of existing public infrastructure)?

no negative externalities are expected

the following types of negative externalities are expected:

# Strategic Projects Assessment Tool

## Facet 4: Financial viability

### 4.1 Financial analysis

#### 4.1.a *Independent evaluation*

For projects which involve a Government of Yukon contribution in excess of \$750,000, has an independent financial evaluation of the project been undertaken by a qualified third party?

yes - if yes, attach documentation.

no - if no, state reason(s) evaluation has not been undertaken:

#### 4.1.b *Breakeven analysis*

Has a breakeven analysis been prepared for the project?

yes - if yes, attach documentation.

no - if no, state reason(s) analysis has not been undertaken:

#### 4.1.c *Relative importance of project to proponent*

What is the relative importance of the project to the proponent in terms of their overall business operations?

single project proponent

proposed project expected to constitute less than half of proponent's overall operations activity

proposed project expected to constitute more than half of proponent's overall operations activity

insufficient information available to make determination

### 4.2 Market demand

#### 4.2.a *Market demand estimates*

To what degree do the proponent's estimates of potential sales appear reasonable?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

#### 4.2.b *Impact of seasonal factors*

To what degree will seasonal factors impair the proponent's market demand estimates and associated revenues?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

#### 4.2.c *Marketing materials*

To what degree do the claims and/or projections made in the marketing materials appear reasonable?

to no degree

to a limited degree

to a moderate degree

to a high degree

insufficient information available to make determination

# Strategic Projects Assessment Tool

## Facet 4: Financial viability

### 4.3 Project team and accounting considerations

#### 4.3.a Key project personnel

On the basis of available information, to what overall degree does the project management team appear capable of successfully undertaking the project?

- to no degree
- to a limited degree
- to a moderate degree
- to a high degree
- insufficient information available to make determination

#### 4.3.c Accounting systems

On the basis of available information, to what degree do the proponent's accounting systems appear to be able to support the level and quality of project reporting that will be required if the application is successful?

- to no degree
- to a limited degree
- to a moderate degree
- to a high degree
- insufficient information available to make determination

### 4.4 Regulatory aspects

#### 4.4.a Permit identification

Where applicable, to what degree does it appear that the proponent has identified all permits that will likely be required for the project?

- not applicable
- to no degree
- to a limited degree
- to a moderate degree
- to a high degree
- insufficient information available to make determination

#### 4.4.b Permit acquisition costs

Where a requirement for permits has been identified, to what degree do the proponent's estimates of the time and cost required to acquire the permits appear reasonable?

- not applicable
- to no degree
- to a limited degree
- to a moderate degree
- to a high degree
- insufficient information available to make determination

# Strategic Projects Assessment Tool

## Facet 5: Monitoring and Evaluation

### 5.1 Funding terms and performance reporting

#### 5.1.a *Funding for specified purposes only*

Has the project proponent been advised as part of the application process that all funding provided by the Government of Yukon may be used only for purposes specified in the contribution agreement?

yes - if yes, attach confirming documentation.

no - if no, state reason(s) why proponent confirmation is not available:

#### 5.1.b *Employment creation reporting*

Has the project proponent been advised as part of the application process that they will be required to report, on a quarterly basis, on the number of days of employment generated by the project?

yes - if yes, attach confirming documentation.

no - if no, state reason(s) why proponent confirmation is not available:

#### 5.1.c *Participation in reviews/evaluations*

Has the project proponent been advised as part of the application process that they will be required to participate in one or more project review, evaluation or impact assessment at any time within five years of first receipt of funding?

yes - if yes, attach confirming documentation.

no - if no, state reason(s) why proponent confirmation is not available:

#### 5.1.d *Provision of audited financial statements*

Has the project proponent been advised as part of the application process that for projects for which the Government of Yukon's financial contribution exceed \$750,000, they will be required to supply, on an annual basis, audited financial statements for the project?

measure not applicable (Government of Yukon contribution less than \$750,000)

yes - if yes, attach confirming documentation.

no - if no, state reason(s) why proponent confirmation is not available:

#### 5.1.e *Identification of project outputs and outcomes*

Has the project proponent been advised as part of the application process that they may be required to assist the Government of Yukon with the identification and development of reporting measures related to potential outputs and outcomes of the project?

yes - if yes, attach confirming documentation.

no - if no, state reason(s) why proponent confirmation is not available: