ACCOUNTABILITY AND TRANSPARENCY IN BRITISH COLUMBIA'S MINING SECTOR

ADDRESSING ECONOMIC UNDERPERFORMANCE

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1 EXECUTIVE SUMMARY

Anticipated economic benefits play a central role in justifying approval of mining projects in British Columbia. Mines' projected jobs, tax revenue, and community investments form the basis of their social licence to operate and are often used to justify environmental and social trade-offs. It is crucial, therefore, that these benefit projections are realistic. Yet no government agency or ministry systematically audits or verifies how much of these benefits are delivered. Research finds that benefit forecasts are overinflated in regulatory processes, particularly in environmental assessment (EA). Further, studies show that economic underperformance and mine delays post-EA are common, with delays typically resulting from economic factors, not government regulations.

The purpose of this brief is to identify key issues with how BC mines' economic benefits are assessed and monitored and to propose recommendations to position mining in BC as a model for transparency, accountability, and rigour with regards to economic benefit prediction and monitoring. Equitable distribution of benefits, especially to Indigenous Nations, is crucial (FNEMC 2024). Impact and Benefit Agreements are a way that economic benefits are delivered and reported on, but they are not the focus of this brief.

The insights in this brief are based on peer reviewed academic research and interviews with 12 experts across industry, consulting, academia, law, government, NGOs, and international mining standard-setting organizations. **While we received diverse insights from the interviews, there is near consensus among expert participants that BC needs to reform its EA and permitting frameworks to better assess, track, and enforce mines' economic performance.**

Based on this research, we recommend strengthening economic accountability in BC's mining sector by:

1. Requiring economic benefit reporting in EA project conditions and creating a mandatory public registry to track economic performance,
2. Improving economic forecasting standards in the EA process, and
3. Ensuring government oversight and accountability mechanisms.

If no action is taken, BC risks continued economic underperformance of mines, misinformed decision-making, erosion of public trust, and perpetuation of "red tape" narratives that are not based on evidence. With no designated agency or legislative mandate to track economic performance of mines, **policymakers lack the tools to assess whether the province is receiving a fair return on resource extraction.**

BC's mining sector cannot support a sustainable and equitable future without accurate projections and verifiable outcomes. Ensuring that promised economic benefits are trackable, enforceable, and transparently shared is essential to maintaining the sector's social licence to operate. Existing policy tools such as stronger forecasting guidelines, mandatory reporting, and public registries can close this accountability gap. What remains is the political will to implement them and build a mining economy that is transparent, responsible, and just.

2 BACKGROUND

CRITICAL MINERALS IN BC AND CANADA

Critical minerals have emerged as strategic for Canada's economy and sovereignty, leading to a push to fast-track and streamline the assessment and permitting process for mines and other extractive projects. In responding to these calls, decision-makers must ensure that the highly anticipated minerals boom is beneficial to impacted communities, workers, and the rest of the province in the long run.

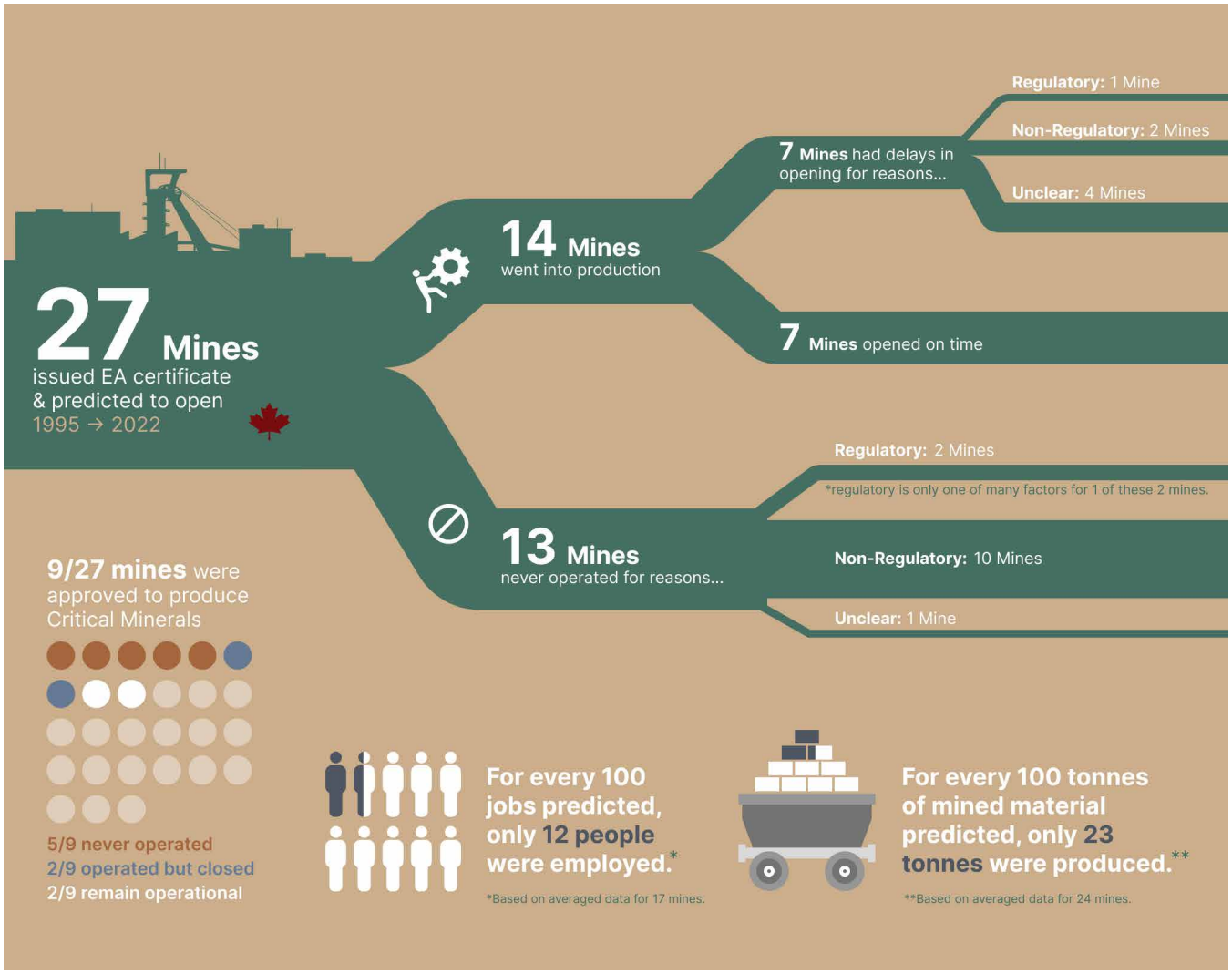
CURRENT STATE OF ASSESSMENTS

Even though EA certificates are often approved based on the premise that forecasted economic positives outweigh environmental negatives, there are no follow-up monitoring and verification mechanisms in place to benchmark proponents' actual economic performance against their applications. Without having a clear record of the net economic impacts of mines in BC over time, it is difficult to confidently approve the mines of the future.

STATE OF RESEARCH

The research on economic benefits delivery in mining, while limited, suggests that economic benefits are overstated in the regulatory process (Collard et al, 2023; Joseph et al, 2020, Gunton et al, 2020). Our peer reviewed academic research audited 27 mines that were granted an EA certificate in BC since 1995 and projected to open by 2022, comparing each mine's forecasted and actual timelines and economic variables (production, employment, and taxes), and identifying publicly stated reasons for any mine delays. We found that:

- Only 7 of the 27 mines opened on time: 13 remain non-operational, and of the 14 mines that have operated, 7 were delayed.
- Regulation was publicly cited as a factor in only 3 of the 20 delayed and non-operational projects; economic factors like commodity prices were the most commonly cited cause of delay.
- Lack of data and transparency on economic benefits constrained our benefit audit, but BC mines in our dataset for which data are available are underperforming across production (−77%), employment (−88%), and corporate tax revenue (−100%).
- Of BC mines in our dataset, 40% have entered Care and Maintenance (i.e., temporary closure) at some point, largely in response to low commodity prices.



OUR APPROACH

To prepare this policy brief, we shared our study with 12 experts from a range of fields and backgrounds, inviting their input, feedback, and recommendations. The authors conducted interviews over Zoom. Interviewees were asked open-ended questions such as, "How would you characterize the current state of permitting policy as it pertains to requirements on economic benefits?" and, "What do you think of the research and what kind of recommendations do you see flowing from it?" Interviewees are referenced throughout the report using anonymized participant codes (e.g., P1, P2). The corresponding sector and position of each participant can be found in the "References" section.

3 WHAT WE HEARD

Below are key insights gathered from 12 experts between January 2025 and July 2025.

CURRENT ECONOMIC FORECASTING LACKS RIGOUR, CONSISTENTLY OVERSTATING BENEFITS AND UNDERSTATING COSTS

- It is common for proponents to **overestimate economic benefits and underestimate costs** in their applications for certificates with the Environmental Assessment Office or Impact Assessment Agency. In our interview with P2, they called this the "Optimism Bias."
- **Economic forecasts tend to exclude discussion of risks, uncertainties, and volatility** despite the fact that mines do not tend to produce steady output, often due to market forces such as commodity prices. Scientifically adequate modeling would express outcomes in ranges, rather than in discrete values, accounting for uncertainties such as market fluctuations. Such modeling could reflect the often "boom and bust" nature of the sector. P5 described this as

"scientific/forecasting literacy" and argued that economic forecasting in EA must include degrees of confidence, just as climate scientists do in their forecasts.

- Furthermore, EAs tend to use economic impact assessments instead of cost-benefit analyses. The former estimates gross impacts, whereas the latter calculates net impacts. This means **factors such as damage to ecosystems and increased costs to communities are left out of proponents' economic assessments, minimizing or externalizing forecasted costs. Mine closure and remediation costs are especially underestimated.** By the same token, projected tax revenue typically excludes access to tax exemptions/credits and indirect subsidies such as supporting infrastructure projects and other government services benefiting the mining sector. This means the headline figures for revenue may appear higher than what governments actually collect once these credits and subsidies are applied.

ACTUAL ECONOMIC BENEFIT MONITORING IS ABSENT AND DATA ARE CHALLENGING TO OBTAIN

- There is no monitoring of economic benefits from mining in BC, meaning there is no follow-up on employment, production, and tax outcomes. **No provincial agency is mandated to compare actual socio-economic impacts with what was forecasted pre-approval, creating a systemic accountability gap.** Forecasts are "far from validated or tested" and are "taken at face value," as P10 put it.
- **Lack of access to data is a major barrier to accountability.** Even on the Extractive Sector Transparency Measures Act (ESTMA) Data Portal, which is the federal platform designed to ensure transparency and good governance in the mining industry, it is difficult to find consistent and disaggregated tax data for project proponents. This undermines efforts to hold companies accountable or assess whether promised revenues to government are materializing in practice. "ESTMA has been pretty useful and has given us a lot of information we didn't have," said P1, but, they continued, it "needs to be taken a step further to look at what the projections were and what the regional trends were and so on so that these numbers mean more." They emphasized the importance of adequately tracking government revenue, stressing that data such as tax credits are not shown on ESTMA, which obfuscates net payments to government. Corporate tax payments for several coal mines, for example, were refunded in subsequent years (Collard et al, 2023). Such repayments are not reported under ESTMA.
- **Jurisdictions like Nunavut have implemented structured socio-economic monitoring frameworks, which BC lacks.** Nunavut's approach provides a rare example of a system where the socioeconomic impacts and benefits of mines are tracked over time. While not without its limitations (see Bernauer and Cameron, 2026; Bernauer et al., 2023; Cameron and Kennedy, 2023), Nunavut's model offers an example for how BC could implement more structured and transparent socio-economic monitoring.
- Overall, **there is a need for more rigorous assessment of "health of project, health of company,"** as P10 said.

IMPACT BENEFIT AGREEMENTS ARE VIEWED AS THE ONLY YET INSUFFICIENT SITE OF ECONOMIC ACCOUNTABILITY

- **Impact Benefit Agreements (IBAs) are often the only mechanism where economic commitments to Indigenous nations are formalized**, yet they remain confidential, unstandardized, and outside public regulatory frameworks. While not the central focus of this brief, IBAs are important to consider in tandem with reforms pertaining to economic accountability.
- **Relying on IBAs as the primary site of accountability makes it difficult for Indigenous governments and the Province to track outcomes or ensure equity across projects and communities.** The confidentiality of other IBAs make it difficult for First Nations to benchmark their own agreement with a proponent. "Because they're all in a non-disclosure environment, one nation never knows from their direct neighbour what they've achieved," said P9, who is an Indigenous lawyer and consultant with decades of experience in Impact Assessment, resource extraction, and Indigenous law.
- **IBAs do not guarantee long-term benefits** and often lack robust enforcement mechanisms; companies can underdeliver on commitments with little consequence or oversight.
- **First Nations need stable, long-term funding to support land-use planning and governance capacity that precedes, and is not contingent on, individual mining projects.** Currently, many First Nations are forced into reactive consultation processes with limited resources, undermining their ability to meaningfully assess or respond to proposals on their own terms. As P6, another participant with extensive experience negotiating IBAs, put it, "First Nations are getting requests for engagement by many projects, across multiple industries, and the capacity within the Nations to respond never matches with the demands on their time."

NON-REGULATORY FACTORS ARE THE PRIMARY CAUSE OF MINE DELAYS

In addition to our research showing that economic, more than regulatory, factors are the primary cause of mine delays, P7 noted that EA processing times often depend on the preparedness of proponents. P7, who held a senior role at the Environmental Assessment Office for over a decade, explained: "Proponents need to come prepared and they don't necessarily want to most of the time." P8 suggested that proponents can face "confusion in what governments are actually asking for" and that this can be a major source of project delays.

It is important to engage with all the causal factors behind delays before regulators take blame for obstacles arising from the applicant's preparedness. Weakening oversight based on incorrect assumptions about red tape risks reducing environmental protections as well as mischaracterizing the work of regulators.

4 IMPLICATIONS FOR BC AND RISKS OF INACTION

ACCOUNTABILITY GAPS UNDERMINE GOVERNANCE

With no designated agency or legislative mandate to track economic performance post-approval, **policymakers lack the tools to assess whether the province is receiving a fair return on natural resource extraction**. This lack of transparency also means Indigenous governments are missing essential knowledge for their own decision-making about a project, and to negotiate their own benefit-sharing. Overall, this absence of monitoring prevents early intervention in underperforming projects and weakens the credibility of the permitting regime.

CONSTRAINTS ON EVIDENCE-BASED DECISION-MAKING

Without systematic tracking of project performance over time, BC cannot engage in cumulative learning. Each project is assessed in a vacuum, without reference to how similar mines have performed in the past, so we are currently "gambling" on each project, in P10's words.

This weakens/undermines strategic decision-making and increases the risk of approving economically marginal or high-risk proposals.

LEGITIMACY RISKS FROM OVERESTIMATED AND UNDERDELIVERED BENEFITS

Underperformance of BC mines in terms of employment and tax revenue threatens the legitimacy of their social license to operate. BC's push to position itself as a global leader in critical minerals requires not just speed, but legitimacy. If projects continue to underdeliver on economic outcomes while benefiting from fast-tracked approvals, the province risks losing public trust and undermining its own transition strategy.

Failure to act on the issues identified in this brief would have both short- and long-term consequences for BC's economy, environment, and public institutions:

- **Continued economic underperformance will exacerbate inequality** in resource regions, undermine local communities' and Indigenous expectations, and damage the province's credibility as a steward of responsible development.
- **Misinformed decision-making will persist if economic forecasting is not improved** and monitored, leading to wasted public investment, distorted infrastructure planning, and misaligned land use.
- **Erosion of public trust** in both government and industry could occur, particularly among communities who bear the brunt of mining impacts but do not receive meaningful benefits.
- **Perpetuation of the "regulatory delay" narrative** may lead to unjustified weakening of oversight, reducing environmental protections without addressing the real drivers of project delays.

5 POLICY RECOMMENDATIONS

To close the accountability gap in BC's mining sector and ensure that economic forecasts translate into realized public benefit, we recommend the following reforms:

REQUIRE ECONOMIC BENEFIT REPORTING IN EA PROJECT CONDITIONS AND CREATE A MANDATORY PUBLIC REGISTRY TO TRACK ECONOMIC PERFORMANCE

- Add a condition to any future EA certificate approvals requiring operating mining projects to submit annual reports comparing actual employment, tax revenue, and production to their EA forecasts.
- Create a centralized, publicly accessible registry where this information is housed, standardized, and searchable by project.
- Use the registry to support cumulative effects assessments, inter-project learning, and regional planning.

IMPROVE ECONOMIC FORECASTING STANDARDS IN THE EA PROCESS

- Standardize forecasting units and methodologies across projects to ensure public legibility and comparability. Currently, proponents use models that demonstrate the gross economic impacts rather than net economic impacts. It is important to provide both analyses to identify unaccounted for costs.
- Consider requiring proponents to include **cost-benefit analyses** alongside economic impact assessments. These should:
    - Account for opportunity costs, ecosystem services, and subsidies both direct and indirect,
    - Incorporate sensitivity analysis to capture price and market risk,
    - Present ranges of outcomes and confidence intervals, not single-point estimates.
- Use the track record of economic benefits of existing and similar BC mines to project future benefits, rather than solely using models.
- Develop and publish provincial guidance on forecasting practices, informed by economic, Indigenous, and public interest expertise.

ENSURE GOVERNMENT OVERSIGHT AND ACCOUNTABILITY MECHANISMS

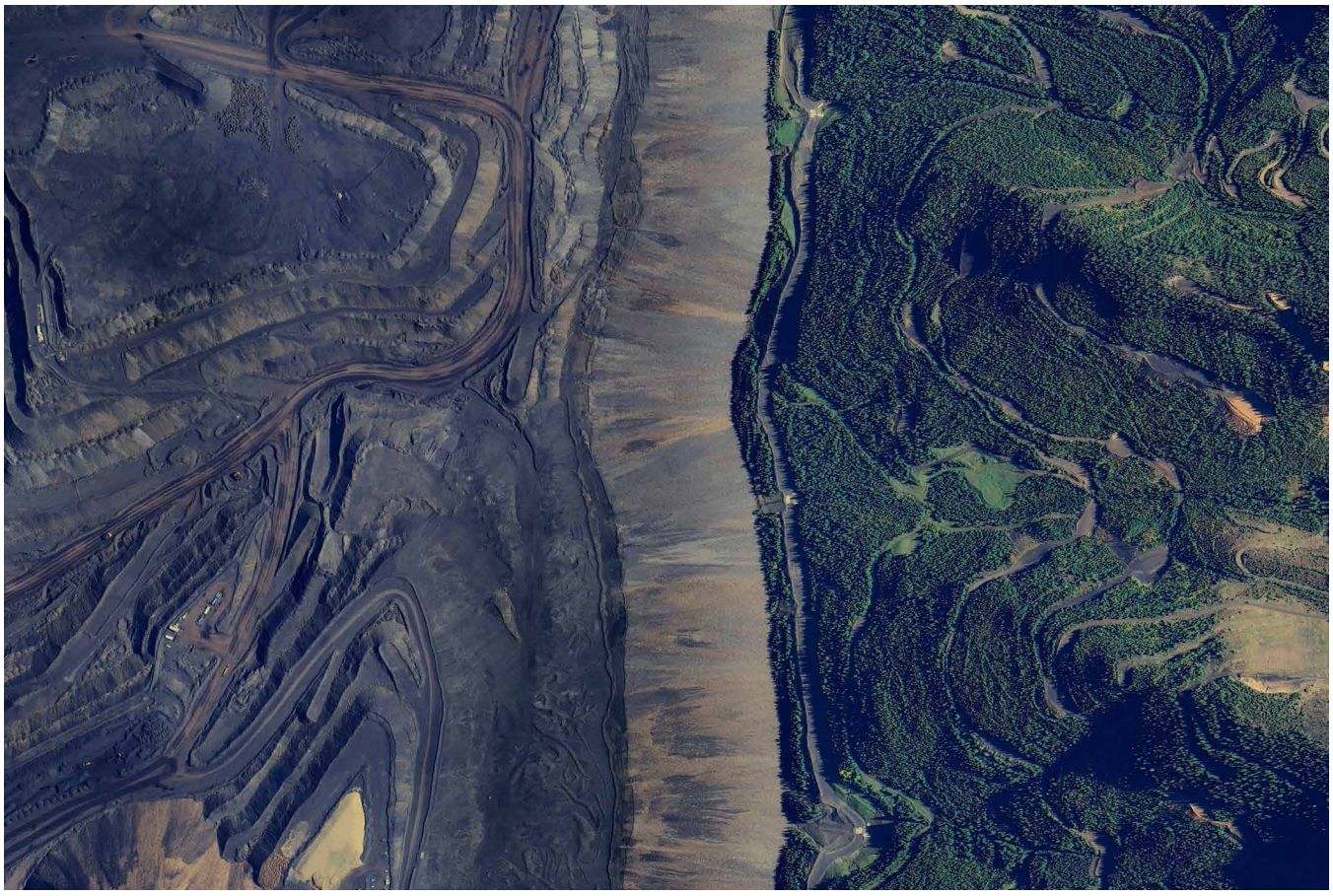
- **Establish an independent provincial oversight body** (e.g., an Impact Review Board) or delegate the Auditor General to:
    - Audit socio-economic performance,
    - Flag underperformance relative to EA commitments,
    - Recommend enforcement actions (e.g., permit revisions, financial penalties).
- Link post-approval performance to future project approvals and public investment decisions.

Note on IBAs: It is clear from the interviewees that a rethink of IBAs is necessary. However, we have not included recommendations for IBAs because it was not the focus of our research. Instead, we direct policy-makers to the recommendations made by the First Nations Energy and Mining Coalition's recent critical minerals briefing (2024), in particular the socio-economic recommendations 21-37. Those recommendations stress the need for not only free, prior and informed consent of impacted First Nations (including the right to say "no"), but also First Nations' centered socio-economic cost benefit analysis; full, transparent accounting of projects' value; delivery of economic benefits including royalties, equity, tax, and employment and educational benefits; and disclosure of bankable feasibility studies as a part of benefit agreements.

6 EXPECTED OUTCOMES AND BENEFITS

Implementing the recommendations outlined in this brief would yield concrete improvements for communities, governments, and the mining sector itself:

- **Improved public trust and policy legitimacy** through transparent, accessible reporting on economic performance, allowing communities to see whether projects are delivering on their forecasts.
- **More accurate forecasting** at the front end: When companies know their projections will be monitored and published, they are more likely to provide credible and evidence-based estimates.
- **Greater accountability for proponents**, ensuring they are held to the socio-economic commitments used to justify project approvals.
- **Better-informed project approvals** and public investment decisions, reducing the risk of communities, Nations, and BC overcommitting to projects with overstated or unlikely benefits.
- **Stronger alignment between critical minerals strategy and real-world outcomes**, bolstering BC's claim to global leadership in responsible resource development



7 CONCLUSION

BC's mining sector cannot build a sustainable and equitable future on inflated projections and unverified outcomes. If economic benefits are the cornerstone of the social license to operate, then those benefits must be trackable, enforceable, and transparently shared. The policy tools to fix this gap already exist: clearer forecasting guidelines, mandatory reporting, and public registries. What is needed now is the political will to act. A transparent, accountable system for economic performance would not only support better projects, it would support a stronger, more just mining economy for BC. Increased transparency would also provide Indigenous Nations with information for their own decision-making and negotiations about proposed mining projects.

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INTERVIEWS

PARTICIPANT	SECTOR & POSITION
P1	Senior position at non-profit organization focused on mining legal and policy reform
P2	Academic & consultant with experience in government
P3	Senior position at an international standard-setting for responsible mining organization
P4	Senior position at a major mining company. Expertise working with First Nations
P5	Consultant. Impact assessment specialist
P6	Consultant. Extensive experience with IBAs
P7	Extensive, high-level experience working at BC EAO
P8 (2 participants)	Senior positions at an international standard-setting for responsible mining organization
P9	Lawyer with extensive experience in mining, Indigenous and environmental assessment law
P10	Lawyer and consultant with decades of experience in impact assessment, resource extraction and Indigenous law
P11	Lawyer with decades of experience in mining, Indigenous and environmental assessment law
P12	Industrial mining advisor to First Nations; extensive experience in the industry

9 AUTHORS AND ACKNOWLEDGEMENT

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10 PHOTO CREDITS

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