

# HALIFAX

P.O. Box 1749  
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**Item No. 12.1.2**  
**Community Planning and Economic Development**  
**April 20, 2017**

**TO:** Chair and Members of the Community Planning and Economic Development  
Standing Committee

**SUBMITTED BY:**

Original Signed by 

Jacques Dubé, Chief Administrative Officer, on behalf of the International  
Partnership Committee

**DATE:** March 31, 2017

**SUBJECT:** Potential International Partnership with Zhuhai China

## **ORIGIN**

Staff initiated report, based on a request from Zhuhai, China.

International Partnership Update report, provided to the Community Planning and Economic Development Standing Committee on July 28, 2016.

## **LEGISLATIVE AUTHORITY**

Administrative Order 2014-003-GOV respecting International Partnerships (International Partnership Policy), approved by Regional Council in April 2014.

The Halifax Regional Municipality Charter, Section 71 (1) permits the promotion of the Municipality for purposes of business and industrial development.

## **RECOMMENDATION**

The International Partnership Committee recommends that the Community Planning and Economic Development Standing Committee recommend that Regional Council authorize the Mayor to prepare a Letter of Intent to initiate the process of establishing an Economic Partnership Agreement with Zhuhai, China.

## **BACKGROUND**

The International Partnership Policy highlights the benefits of establishing relationships with other communities and outlines the criteria and protocol to be applied in considering requests from international cities. The Policy defines 'partnership' and clarifies the roles, responsibilities, and expectations for both partners, as well as the procedures which HRM will employ to administer partnership agreements with existing and potential partners. The Policy reflects the following principles:

- Initial primary focus on potential economic development benefits;
- Inclusion of written agreements, activity plans and specific resource commitment;
- Involvement of community stakeholders and/or active committees;
- Alignment with HRM Council priorities and/or strategic objectives.

The Policy defines three categories of formal partnership agreements between the municipality and international communities, each of which entail a different level of scrutiny and involvement. These categories are: Economic Partnership Agreements, Friendship Partnership Agreements, and Historic Partnerships. The primary purpose of an Economic Partnership Agreement is economic development, including economic exchange, business development, and technological advancement through building business links, increasing HRM's profile, attracting investment, and promoting trade. Currently, Halifax has Economic Partnership arrangements with Norfolk, Virginia and Aberdeen, Scotland.

As indicated in the July 28, 2016 update report to CPED (attached to this report), the Halifax Partnership is assessing two additional economic partnerships in China -- Qingdao in the eastern Shandong Province and Zhuhai in the Guangdong Province. These potential partnerships are in alignment with the 2016-21 Economic Growth Plan and *Partnering for Success – the Nova Scotia China Engagement Strategy* aimed at strengthening Nova Scotia's ties with China and increasing trade.

The 2016-21 Economic Growth Plan for Halifax has set an ambitious vision to grow Halifax's GDP to \$30B and the population to 550,000 by 2031. One of the deliverables identified in the Growth Plan that will contribute to the vision's success is to leverage existing local, national, and international relationships, and cultivate new relationships, such as International Partnerships.

Nova Scotia has many assets and natural resources relevant to China, including an excellent post-secondary education system and research capacity, a highly skilled workforce, a pivotal location on world-trade routes with world-class logistics, high-quality seafood, as well as strong ocean technology, energy, tourism, and agri-food sectors. China is the province's third-largest seafood export market and growing, accounting for 12 per cent of \$1.68B in fish and seafood exports, much of which is air lifted from the Halifax International Airport (HIAA). In recent years, investments have been made by Chinese investors in seafood processing facilities in Eastern Passage, Shelburne and Clarke's Harbour, as well as leasing space at Gateway Facilities at HIAA.

Work toward a partnership between Halifax and Zhuhai has proceeded to the point that both parties wish to formalize an agreement. In August 2016, a Zhuhai delegation visited Halifax as part of a Saint Mary's University and Beijing Normal University – Zhuhai exchange. Early discussions took place between the parties that resulted in the Mayors of Halifax and Zhuhai signing a joint letter that committed both cities to explore "friendly exchanges and cooperation". A copy of that letter is attached to this report.

## **DISCUSSION**

The International Partnership Policy includes a delegation of authority from Council to the CAO to strike an ad hoc committee (the International Partnership Committee) to evaluate requests for international partnerships. The committee consists of one member from the Office of the Mayor (appointed by the Mayor) and HRM staff from Government Relations and External Affairs (appointed by the CAO), the Halifax

Partnership and, when required, Regional Culture staff (Parks and Recreation). The Committee met on September 26, 2016 to assess potential international partnerships, including Zhuhai.

In follow-up to the favorable screening of the Zhuhai proposal at the International Partnership Committee meeting, the Halifax Partnership conducted a formal assessment of the city and recommended that it be presented as a proposed economic partner. Zhuhai meets all the criteria for an Economic Partnership and represents a significant opportunity to access more of China's growing market. Leveraging existing connections between Beijing Normal University – Zhuhai and the Sobey School of Business at St. Mary's University will expand this relationship and encourage private sector involvement. As well, Zhuhai is close to the Port of Shenzhen which is a major partner with the Port of Halifax.

The Province of Nova Scotia and industry partners have indicated that HRM would add significant value to the China Strategy if it were to investigate building a relationship with Zhuhai and to continue to support the work in Qingdao. Nova Scotia would then have two "official" relationships with the Guangdong and the Shandong Provinces – the two areas in China, as identified in the Provincial Strategy, as having the most benefit for the region based on sectors of similarity and existing relationships. The Province of Nova Scotia signed a partnership with the Shandong Province in 2016.

Critical to the success of this relationship is the need to ensure alignment with the Province and other stakeholders who are advancing interests in China. On that note, the Halifax Partnership has determined that a visit to China would be beneficial to advance the discussions to create economic partnerships with both Zhuhai and Qingdao. Potential dates in June 2017 are being held to accommodate this trip. The following partners have indicated their intent to travel as part of this visit, to be led by Mayor Mike Savage and the Halifax Partnership: Halifax Stanfield International Airport, Halifax Port Authority, and Saint Mary's University. Other partners are interested but have yet to confirm their attendance.

During the delegation's trip, it has been suggested that Mayor Savage present a letter of intent to establish a relationship with Zhuhai, so that officials in that city can initiate their domestic application process. This letter will be in follow-up to the aforementioned letter of cooperation signed by both parties in August 2016, and move the relationship toward a formal partnership. As such, the letter should be developed with Regional Council's endorsement.

Information received from Zhuhai regarding their process to establish a partnership is as follows:

- Step 1: A Letter of Intent must be received from the potential counterpart city expressing the interest to establish a relationship.
- Step 2: All information (including the August 2016 letter signed by the two parties, past exchanges, and the Letter of Intent) will be compiled while the two cities start working on a draft agreement.
- Step 3: All material stated in Step 2 will proceed to the city level application stage to obtain approval from Zhuhai Government and Zhuhai People's Congress.
- Step 4: With approval from the City, the application will proceed for approval from the Guangdong Provincial Government.
- Step 5: With the approval from Guangdong Province, the application will proceed for approval from the Central Government.
- Step 6: Once approved by the Central Government, the agreement will be ready for signature.

It is estimated that the steps outlined for this process will take at least six months to complete.

As per the International Partnership Policy, the final agreement to establish this economic partnership will be brought forward to the Community Planning and Economic Development Standing Committee and Regional Council for deliberation and possible approval once fully vetted.

## **FINANCIAL IMPLICATIONS**

There are no direct financial implications as a result of the material in this report. There will be expenses related to international partnership activity in 2017-18, primarily travel costs for the China delegation. These costs will be covered by a combination of the existing Halifax Partnership and Government Relations and External Affairs (GREA) budgets. Funding of \$30,000 in the GREA budget was approved for International Partnership Activity as part of the COW Options list for the 2017/18 and 18/19 proposed operating budgets. As a detailed program is developed, expenses will be confirmed and built in to the existing 2017-18 budget, as well as further fiscal years as required.

### **RISK CONSIDERATION**

There are no significant risks associated with the recommendation in this Report. The risks considered rate Low. In the event that development of an Economic Partnership is approved, further risk assessment will be conducted.

### **COMMUNITY ENGAGEMENT**

As noted in the report, specific stakeholders have been engaged during the assessment of the Zhuhai opportunity. These include local universities, private sector interests, the Port of Halifax and the HIAA.

### **ENVIRONMENTAL IMPLICATIONS**

No implications identified.

### **ALTERNATIVES**

The Standing Committee may choose to not pursue an Economic Partnership with Zhuhai, China at this time.

### **ATTACHMENTS**

International Partnership Update report, Community Planning and Economic Development Standing Committee, July 28, 2016.

Letter of Intent for Cooperation between Halifax, Canada and Zhuhai, the People's Republic of China.

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Paul Johnston / Coordinator of Corporate Affairs, GREA / 902.490.6616

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P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No.**  
**Community Planning and Economic Development Standing Committee**  
**July 28, 2016**

**TO:** Chair and Members of Community Planning and Economic Development

**SUBMITTED BY:** Original Signed by:  
Maggie MacDonald, Managing Director, Government Relations and External Affairs

**DATE:** July 13, 2016

**SUBJECT:** International Partnership Update

## INFORMATION REPORT

### ORIGIN

Administrative Order 2014-003-GOV Respecting International Partnerships (The International Partnership Policy) was approved by Halifax Regional Council on April 29, 2014.

### LEGISLATIVE AUTHORITY

The Halifax Regional Municipality Charter, Section 71 (1) permits the promotion of the Municipality for purposes of business and industrial development.

### BACKGROUND

At the April 29, 2014 meeting of Halifax Regional Council, an Administrative Order was approved to manage the process of establishing international partnerships. The Administrative Order, or International Partnership Policy, includes a provision that staff will prepare an annual information report on international partnerships and include partnership requests received that did not satisfy the criteria for approval. The purpose of this report is to fulfill this provision, provide an update on existing relationships, and outline the approach for pursuing new partnerships in the short-term.

## DISCUSSION

The International Partnership Policy defines three categories of formal partnerships between HRM and international communities:

- The primary purpose of an **Economic Partnership Agreement** is economic development, including economic exchange, business development, and technological advancement through building business links, increasing HRM's profile, attracting investment, and promoting trade.
- The primary purpose of a **Friendship Partnership Agreement** is facilitating international goodwill through community-level events and public celebrations such as flag raisings, based on cultural or historic relationships between HRM and international communities.
- The primary purpose of a **Historic Partnership** is to recognize a city that was once an Economic or Friendship Partner of HRM. An existing partnership will be re-classified as a Historic Partnership when there is no contact between the partner cities for a period longer than one year and/or when either partner city opts to end the formal agreement.

When the policy was approved, Regional Council agreed to maintain the relationships identified in the staff report (Hakodate, Norfolk, Campeche, and Aberdeen) and categorize Norfolk and Aberdeen as Economic Partnership Agreements, and Hakodate and Campeche as Friendship Partnership Agreements.

### Existing Economic Partnerships

The Halifax Partnership manages Economic Partnership Agreements on behalf of the Municipality. As noted above, Halifax currently has approved economic partnerships with Aberdeen, Scotland and Norfolk, Virginia, both of which are governed by Memorandum of Understandings (MOUs). In the past year the Partnership has undertaken the following activities with these partners:

**Aberdeen:** Halifax and Aberdeen have a long-standing relationship focused on developing mutually beneficial economic and cultural ties and partnerships. This relationship was formalized in an MOU signed in 2014. Halifax's international partnership with Aberdeen has opened up opportunities for business development and collaboration in various areas including the ocean, energy, and services sectors, as well as cultural and educational exchanges. In June, 2015, the Partnership designed the program and agenda for a three-day mission initiated and led by the Aberdeen City Council Economic Development. Six companies visited Halifax -- the Partnership delivered individualized meeting agendas for each visiting company with local business. In total, over 20 meetings were held, as well as group sessions with Department of Energy, and the Oceans Technology Council of Nova Scotia. In April 2016, Halifax led a mission to Aberdeen as the Presidential city of the World Energy Cities Partnership (WECP). A number of leads and opportunities resulted from these missions, one of which has the potential for 20 jobs if successful.

**Norfolk:** Halifax and Norfolk have been "Sister Cities" since signing an MOU in 2006. The relationship with Norfolk is fostered through collaboration with economic development partners, the Navy and industry stakeholders. The Halifax Partnership has assumed more of a direct management role and has focused on building a solid relationship with the Virginia Economic Development Partnership (VEDP), its counterpart in the Virginia region. In September, the Partnership hosted a VEDP business mission to Halifax during the Canadian Defence Security and Aerospace Exhibition Atlantic (DEFSEC). Delegation members included representatives from Virginia Economic Development, the American Chamber of Commerce in Canada, the US Consul General, and business. On September 10th, the Partnership, Virginia Economic Development Partnership, the American Chamber of Commerce in Canada, and Partnership sponsor, Stewart McKelvey, hosted a networking reception at Canadian Forces Base Stadacona with Halifax and Virginia companies in the defense and security sector. Mayor Savage attended the reception and spoke to the importance of the municipality's relationship with Norfolk and of opportunities for business and economic development.

### World Energy Cities Partnership

In addition to coordinating the Municipality's economic partnerships, the Halifax Partnership manages the Municipality's membership in the World Energy Cities Partnership (WECP). The WECP is comprised of 19 cities from around the world with energy activities as a major driver of their economy. The WECP is led by the Mayors of each city with support from economic development staff. In January, Mayor Savage assumed the role of President of the organization for a two-year term. This role will provide opportunities for Halifax to shape the agenda and to allow for maximum exposure for the region and business through various speaking opportunities at major events where WECP is represented – for example, during the Offshore Technology Conference (OTC) in Houston. In April 2016, as the new Presidential city of WECP, Halifax led a business mission to Aberdeen and Stavanger, Norway. The mission focused on companies in the oceans and logistics sectors. The Halifax Partnership is planning to provide a presentation on WECP activity at a future CPED meeting.

### Existing Friendship Partnerships

Activity related to Halifax's friendship partnerships with Hakodate and Campeche, established in 1982 and 1996 respectively, continues. Halifax annually sends a Christmas tree to Hakodate as a sign of friendship, and the local Hakodate friendship association participates in the Natal Day parade with a Japanese drum and dancing group. As next year is the 35<sup>th</sup> anniversary of the relationship, a delegation from Hakodate is planning to visit Halifax. The Campeche relationship is highlighted by annual student exchanges involving high school students from Campeche, as well as students from Dalhousie University and the Autonomous University of Campeche. The Mayor of Campeche is planning a visit to Halifax, possibly as early as next spring.

### Potential Partnerships

No formal applications have been received since the International Partnership Policy was approved. However, inquiries have been initiated with other cities by the Halifax Partnership, and several informal requests gauging interest in some degree of partnership have been received. The cities making initial contact with Halifax have included Savannah (USA), Gdynia (Poland), Kiel/Hamburg (Germany) and a number of cities in Korea and China.

To assure that resources are available to adequately support all relationships, the International Partnership Policy states that Council will enter into and carry out no more than five Economic Partnership Agreements at any one time. In addition to the existing two economic partnerships with Norfolk and Aberdeen, the Halifax Partnership is in the early stages of assessing an additional two economic partnerships. The short-term strategy is to pursue one economic partnership in mainland Europe and one in China. Early explorations have focussed on the ocean cities of Kiel / Hamburg (Germany), as well as Qingdao and Zhuhai (China). The Halifax Partnership participated in a trade mission to Kiel 2014 and it has an active MOU with the Qingdao Municipal Bureau of Commerce.

In terms of incoming requests, the City of Gdynia, Poland sent a letter to the Mayor's Office in June 2016 expressing interest in establishing a potential programme of cooperation with Halifax. Partnerships are being explored between Gdynia's Museum of Emigration and Halifax's Pier 21 Museum of Immigration, as well as the cities' library systems. The focus on this relationship is primarily cultural at this stage, and some of the areas of interest (i.e. museums) lie in areas that fall outside of municipal jurisdiction. These bilateral relationships will continue to be pursued, and may result in a proposed Friendship Agreement with Gdynia.

As per the International Partnership Policy (Administrative Order 2014-003-GOV), any potential friendship or economic partnerships will be brought forward to the Community Planning and Economic Development Standing Committee and Regional Council for approval once fully vetted.

**FINANCIAL IMPLICATIONS**

There are no direct financial implications as a result of the material in this report. There may be expenses related to international partnership activity in 2017-18. As a detailed program is developed, these expenses will be confirmed and built in to the 2017-18 budget.

**COMMUNITY ENGAGEMENT**

Not applicable.

**ATTACHMENTS**

None

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Paul Johnston, Coordinator of Corporate Affairs, 902.490.6616

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## 中□人民共和国珠海市与加拿大哈利法克斯市 合作意向□

中□人民共和国珠海市副市□□广□和加拿大哈利法克斯市市□麦克·□□奇于今天□署合作意向□。两市将□求合作机会，加□相互了解，并同意重点推□在□□、教育、□生、文化□域的合作。

□了推□双方关系□展，双方探□开展的□域包括：

一、保持在重要□□和社会□□上的相互沟通。

二、加□信息互通并交流先□做法。

三、□□方在各自城市□求交流合作的机构提供所需的信息、□助和支持。

双方□极□造条件，致力于推□两市开展友好交流与合作。双方将考□在适当□候建立两市友好伙伴关系的可能性。双方在□估并就建立友好伙伴关系达成意向后，将履行各自的□批手□。

□推□双方的交流，哈利法克斯市合作委□会和珠海市外事局将□□两市正式的日常□□。

本意向□一式两份，使用中文、英文两种文字，两种文本同等作准，于 2016 年 8 月 30 日在哈利法克斯市□署。本意向□有效期□三年，有效期□后，如无一方□面提出□止可□延。

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中□人民共和国广□省  
珠海市副市□  
□广□

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加拿大新斯科舍省  
哈利法克斯市市□  
麦克·□□奇

**Letter of Intent for Cooperation  
Between Halifax, Canada and  
Zhuhai, the People's Republic of China**

Mayor Mike Savage of Halifax, Canada and Vice-Mayor LONG Guangyan of Zhuhai, the People's Republic of China, are pleased to sign this Letter of Intent for Cooperation today.

With a shared emphasis on economy, trade, education, health and culture, both cities will explore opportunities to work together and to get to know each other.

In developing this relationship, areas for exploration include:

- Keeping each other informed on important economic and civic issues
- Exchanging information and best practice
- Providing information, assistance and support to prospective organizations exploring new opportunities in each jurisdiction

Both cities actively create conditions to facilitate the friendly exchanges and cooperation. Both cities will consider the possibility of a partnership at a proper time. If both cities review and agree to establish a partnership, both cities will respectively initiate their own application procedures.

To facilitate contacts and opportunities for engagement, the Halifax Partnership Committee and Zhuhai Foreign Affairs Office will be responsible for the official and routine contacts.

This letter is duplicated in both English and Chinese, both texts being equally authentic. This letter is signed in Halifax on August 30, 2016 with a validity of three years, and shall be extended until written notice of termination of either side.

Signed:

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Mike Savage  
Mayor  
Halifax City

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LONG Guangyan  
Vice-Mayor  
Zhuhai City