



Ms. Mary J. Simon, OC, QC
Ministerial Special Representative
Shared Arctic Leadership Model
15 EDDY STREET, 14E20, 14TH FLOOR
GATINEAU, QC K1A 0H4

MAR 29 2017

Dear Ms. Simon:

**Shared Arctic Leadership Model:
Government of the Northwest Territories
Submission to the Second Round Of Engagement**

Much like the mandate for the Shared Arctic Leadership Model, the Northwest Territories (NWT) is focused on building wellness, prosperity and self sufficiency of our people and communities. In follow up to our meeting on February 27th, please consider this letter the Government of the Northwest Territories' (GNWT) submission to your second round of engagement.

Decision-making about important issues, such as conservation and economic development, must achieve a balance and 'close the gap' between the realities experienced in northern and southern Canada, as you noted in your first report. It is through our robust working relationships and partnerships with our territories' Indigenous governments that the GNWT is able to understand and meet the social, cultural, environmental and economic needs of our residents. It is our constant goal to work to achieve this balance.

Dedicated and strategic investment in infrastructure will allow the gap you identified to be closed and for the territory to build sustainable, diverse and resilient economies. This strategic investment will create training, educational, capacity building opportunities, and lower costs of living. When done through the partnership of our bilateral government-to-government relationships with territorial Indigenous governments, these projects create not only opportunities but also will diversify economies and promote long-term economic prosperity. This also builds wellness and enables reconciliation.

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As I stated in our meeting, the federal government's recent unilateral actions related to Arctic waters and the decision to apply the Species at Risk legislation in the territory as though devolution had not occurred are both non-compliant with the terms of devolution, but also appear to be an attempt by the federal government to limit its responsibility to the people of the Arctic by limiting infrastructure development. Unfortunately, by denying Indigenous territorial residents' access to self-determination when it comes to opportunity, prosperity, and wellness, the federal government is acting in stark contrast to its own stated goal of reconciliation with Indigenous people in the North.

After decades of development of our Northwest Territories political system and government, these actions are a clear step backwards. The GNWT Cabinet is over 60% Indigenous and the federal government seems to think that because we were elected to public government, we no longer represent the Indigenous communities from which we were born. Our government has evolved into an integrated system based on equality and respect for Aboriginal rights. That is why we:

- Adopted formal government-to-government relationships with Indigenous governments five years before Canada;
- Negotiated our Devolution agreement with Indigenous governments at the table, agreed to resource-revenue sharing and now have 9 Indigenous signatories to the agreement who are participating actively in our Intergovernmental Council, our formal mechanism to cooperate and collaborate on matters related to lands and resource management;
- Have recognized 9 official Indigenous languages – which is more than any other government on this continent;
- Endorsed the United Nations Declaration on the Rights of Indigenous Peoples in 2008;
- Began providing Métis health benefits similar to Non-Insured Health Benefits to Métis citizens in 2003 – while the federal government is still reviewing the Daniels decision;
- Are the home of many new, innovative approaches to implement the inherent right to self-government – including Délı̨ne Got'ı̨ne – the first government of its kind in North America;
- Saw the need for reconciliation around residential schools and began a series of initiatives including the co-development with Nunavut and 2012 implementation of 'The Residential School System in Canada: Understanding the Past – Seeking Reconciliation – Building Hope for Tomorrow', a mandatory component of all NWT students grade 9 year;

- Provided a response to each Truth and Reconciliation Commission recommendation that applied to the NWT and responses to a few that didn't – a response which was praised by Truth and Reconciliation Commissioners and
- Provide all residents, Indigenous and non-Indigenous, access to quality programs and services through an inclusive, integrated, non-Reserve system.

It is our position that the federal government has mistakenly focused only on conservation for both the 'Shared new Leadership Model for the Arctic' and the Arctic Policy Framework. Currently only 57% of the land in the NWT is non-designated crown lands, which leave us very limited space to pursue opportunities that will enhance the prosperity and wellness of our residents. The federal government should be focused on working cooperatively with the territorial government to create meaningful outcomes for the people of the Arctic through sustainable development and Infrastructure. To do this the federal government should work to fulfill the commitments it made to all Canadians, including the people of the Arctic by working to 'grow the middle class' in our territorial communities and building a Canadian Arctic that contributes strategically, economically and environmentally to the globe.

The following priorities are key to improving outcomes for the people of the territorial Arctic:

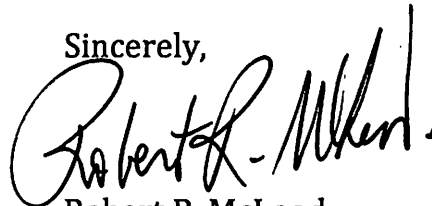
1. Lowering the cost of living by building infrastructure.
2. Education, training and capacity development.
3. Community wellness, youth development, suicide prevention.
4. Balancing efforts to grow and diversify the economy with environmental sustainability and Climate Change.
5. Meaningful multilateral collaboration.

In support of point 5 above, I would like to reiterate that the GNWT is a strong supporter of the development of a new Arctic Policy Framework. To this end, officials from Indigenous and Northern Affairs Canada and the GNWT have agreed to co-chair its development and I am looking forward to what I am assured will be a truly collaborative process. This includes the Prime Minister fulfilling his commitment to meet with territorial Premiers and discuss how we can embrace the opportunities that exist in the Arctic prior to the development of the framework.

The residents and their duly elected territorial governments must be respected. It is important that the federal government recognizes the territorial government is the central authority over land, water and resources and the integrated health, education and justice systems delivered across all claims areas to Indigenous and non-Indigenous people. This integrated approach is working to build equity amongst all peoples in the territory and is integral to the foundation of reconciliation.

Thank you for the opportunity to meet. I look forward to working to advance and strengthen the GNWT's collaborative relationship with the federal government.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert R. McLeod". The signature is fluid and cursive, with a large initial "R" and "M".

Robert R. McLeod
Premier

c. Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister

Honourable Carolyn Bennett, P.C., M.P.
Minister of Indigenous Affairs

Mr. Michael McLeod
M.P. Western Arctic

Mr. Gary Bohnet
Principle Secretary

Mr. Mike Aumond
Secretary to Cabinet

Ms. Shaleen Woodward
Acting Deputy Minister
Aboriginal Affairs and Intergovernmental Relations



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Ms. Mary Simon
Ministerial Special Representative
Shared Arctic Leadership Model: Engagement 2016
15 EDDY STREET, 14E20, 14TH FLOOR
GATINEAU QUEBEC K1A 0H4

Dear Ms. Simon:

Thank you for your formal invitation to the Government of the Northwest Territories (GNWT) to make a submission to the Shared Arctic Leadership Model Engagement 2016. Please find attached the GNWT's positioning on the 6 thematic areas described in the Discussion Guide.

Sincerely

Robert R. McLeod
Premier

Attachment

c. Mr. Gary Bohnet
Principal Secretary

Ms. Shaleen Woodward
Acting Deputy Minister
Department of Aboriginal Affairs
And Intergovernmental Relations

SHARED ARCTIC LEADERSHIP MODEL GOVERNMENT OF THE NORTHWEST TERRITORIES SUBMISSION

The 18th Assembly of the Government of the Northwest Territories is focused on working to making the lives of the people of the Northwest Territories better. To do this, as a caucus we have identified 5 key areas in which to focus:

1. Lowering the cost of Living
2. Education Training and Youth Development
3. Community Wellness and Safety
4. Economy, Environment and Climate Change
5. Governance: Improving Accountability, Transparency and Collaboration

Much like the mandate for the Shared Arctic Leadership Model, the GNWT is focused on encouraging prosperity and self sufficiency of our people and communities. The role of the territorial government in achieving this is as the central authority over land, water and resources and working in partnership with the territory's regional Indigenous governments and the federal government to ensure all communities in the NWT have access to the same high level of programs and services as communities in Canada's provinces.

Vision for a Sustainable Arctic

The GNWT's vision for a sustainable Arctic is one of balance. The GNWT is focused on advancing the social, cultural, environmental and economic priorities of the Northwest Territories (NWT). It is this balance of priorities and our collaborative approach to working with the territories' Indigenous governments, as well as the federal government, that will allow the people and communities of the Northwest Territories and the entire Canadian Arctic to become stronger, healthier and therefore more prosperous.

The GNWT is at a critical stage in its evolution. The signing of the *Northwest Territories Lands and Resources Devolution Agreement* in 2014, along with the many land, resources and self-government agreements that have either been finalized or are currently being negotiated are changing the political dynamics of the territory. We see modern treaties as the appropriate mechanism for providing a strong foundation for implementing conservation efforts. Reversing this methodology and relying on conservation to implement modern treaties places too much reliance on conservation as a one-dimensional approach, rather than capitalizing on the full suite of tactics that can be brought to bear through implementation of modern treaties, such as formal land use planning. Our hope is that the next five to ten years will bring the finalization and implementation of these agreements that will allow all of the partners in territorial governance to work together to create their own "made-in-the-North" solutions for conservation initiatives that will best complement the local, regional and territorial social, cultural, environmental and economic priorities.

Over the next 20 years we see the federal government continuing to play a vital role in finalizing and implementing treaties, but also in working on conservation initiatives, such as marine protected areas, which may be outside the general scope and jurisdiction of modern treaties. That work should be completed in a measured and thoughtful way that does not compromise the opportunities related to offshore economic development, particularly when jurisdictional issues between GNWT and Canada have yet to be resolved.

The GNWT is advancing economic diversification and the promotion of a sustainable economy through many initiatives, including development of the fishing sector, the establishment of an agricultural sector, continued attention to the traditional economy, and cultural and Indigenous tourism. Tourism in particular promises the ability to benefit all communities and regions of the NWT, and the growing Indigenous tourism sector is closely linked to the conservation economy.

In order to sustain the development of these sectors, it is necessary to recognize that, while 42.8% of our natural environment is exempted from public economic development (as it is existing conservation areas, settlement land or subject to interim land withdrawals), the greatest contributor to the NWT's gross domestic product (GDP) is related to mineral and petroleum exploration and extraction, representing approximately 24% of the 2015 NWT GDP. This is closely followed by construction and public administration, both representing approximately 15% each of the NWT GDP. The federal government must recognize that, while the North leads the country in the expanse of conservation, we are challenged in many basic indicators and services that are taken for granted by southern Canadians. Further economic diversification and the development of a more sustainable economy will need to be fuelled by natural resource development.

As we partner together with the federal government to improve transportation to many of our rural and remote areas, including via the proposed Mackenzie Valley Highway, we will not only be helping bring future economic development through natural resource extraction, but also opening gateways that will promote sharing our Indigenous and cultural heritage through Indigenous tourism, reducing the cost of living for northerners, and allowing our developing sectors, such as the fishing and agriculture sectors, better transportation costs and access within, and outside, of the NWT.

Goals for Arctic Conservation

Diversification is already bringing meaningful benefit to the Indigenous peoples of the NWT through the expansion of cultural and Indigenous tourism, which is bringing much-needed investment and employment into our isolated communities. Additionally, the sustainable development of renewable resource industries such as fishing, agriculture, and forestry is helping to ensure resources are available for future generations and improve food security for northerners. However, the continued development of these industries and the further sustainable economic development of the NWT are closely tied to the economic backbone of the NWT, which is currently non-renewable resource exploration and extraction. The economic benefits of this sector are key to the future of the NWT and its 33 communities as we continue to pursue conservation goals.

It is important that all the appropriate players are at the table and meaningfully involved in decisions that impact land use, whether it is for conservation or economic development. The GNWT takes a principled approach to working, engaging and consulting with Indigenous governments and in balancing and advancing social, cultural, economic and environmental priorities across the territory. It will be very important for the federal government to respect the NWT's jurisdiction and role in ensuring equality across the NWT as it considers opportunities to advance conservation domestically.

Additionally, the federal government should consider how much land in the NWT is currently exempted from potential economic development, either by traditional conservation and protection measures or other means, such as settlement lands and land withdrawals. When all of these designations are taken into consideration the Northwest Territories already has 42.8% of our natural environment unavailable

for economic development. A significant percentage of these areas are administered by Canada under the *National Parks Act*, which operates under its own regime for land and water management, rather than the regime contemplated for integrated resource management in the Mackenzie Valley – the regime that is entrenched in modern treaties.

Given the many land use designation tools that are in use in the NWT to exempt land from economic development, it is the GNWT's position that Canada is already a leader internationally in the field of conservation. As Canada works to continue this dedication to international leadership, the GNWT would like the federal government to showcase to its international counterparts Canada's accomplishments achieved through negotiation of modern treaties and the devolution agreement. These include the inherent and value-added value tools they place directly in the hands of northerners to balance environmental priorities, such as conservation, with social, cultural and economic priorities, thereby creating balanced and stronger communities and enhancing Arctic prosperity. Canada's continued leadership in advancing conservation in areas of federal jurisdiction (for example, marine protected areas), as well as protecting the North from transboundary impacts from contaminants and climate change will help accomplish conservation goals, while at the same time reducing conservation needs.

Working with, and respecting our strong territorial relationships with NWT Indigenous governments, and balancing the social, cultural, economic and environmental priorities of the NWT is the best way to ensure Arctic renewable and non-renewable natural resources are available to future generations. The people of the NWT, both Indigenous and non-Indigenous, must have the opportunity to benefit responsibly and sustainably from the NWT's many renewable and non-renewable resources. It is through formal land use planning – part of modern treaties – that the existing and future well-being of residents and communities of settlement area are best protected and promoted. Such tools, which provide for conservation, development and utilization of land and resources, promote the existing and future social, cultural and economic well-being of local residents, and the interests of all Canadians.

Sustainable Development

Responsible and sustainable development has long been a priority of the GNWT. The NWT's abundant assets are the key to lowering costs of living, developing training, educational and capacity building opportunities, as well as economic prosperity. Few of the NWT's resources are as remarkable as our untapped hydroelectric power potential. The NWT's rivers and lakes contain an estimated 11,000 megawatts of potential hydro power. The development of this resource will reduce the costs of living and doing business, as well as provide green power to homes, communities, business and industry. Developing hydroelectric power will also provide an important new diversification of the NWT's economy as many of these resources are only a short distance from both Alberta and Saskatchewan and could be sold to those jurisdictions to assist them in reducing both the cost of living in northern regions and their dependency on expensive and carbon intensive fuels.

Additionally, ensuring communities have access to local economies, such as marine and freshwater fisheries, as well as tourism and traditional economies, must be balanced with the responsible and sustainable development of the territories' non-renewable resources. The long-term sustainability and growth of the NWT mining sector will positively influence the Canadian economy both domestically and internationally, as was demonstrated with the development of the Canadian diamond mining industry.

Many NWT communities are currently fly-in or seasonal access only. We continue to link the development of the long-promised road to resources with community benefits such as accessibility and

lower cost of living. This enables the GNWT to link the development of economically vital non-renewable resource development to creating local opportunities for increased tourism and development of renewable resource sectors, which will provide benefits to all northerners.

As we continue to grow and diversify the territorial economy, while balancing this with our environmental, social and cultural priorities, we will continue to follow our principled approach to working and engaging with the territorial Indigenous governments. In 2012, the GNWT articulated this commitment to these relationships with the release of *Respect, Recognition, Responsibility: The Government of the Northwest Territory's Approach to Engaging with Aboriginal Governments*. Additionally, the GNWT has signed memorandums of understanding with eight Indigenous governments in the NWT, which formalizes our government-to-government relationships, and provides regular meaningful venues for discussing and advancing common issues.

The implementation of the *Northwest Territories Lands and Resources Devolution Agreement* included the establishment of the Intergovernmental Council, which enables the GNWT and the Indigenous governments who are partners in devolution, to collaborate on matters related to land, resource and water management – including conservation. With the implementation of the devolution agreement, the GNWT also committed to sharing up to 25% of the NWT's resource revenues from public lands with the NWT's Indigenous government partners in devolution. This is a first in Canadian national and sub-national relations with Indigenous governments.

Northern Benefits and Jobs

In the NWT, a long-term sustainable economy must be diverse, recognize the need to have access to and a balance of modern and traditional economies, as well as allow small Indigenous and larger communities to advance their social, cultural and environmental priorities. Additionally, a sustainable NWT economy must be enabled to participate actively in local, regional, national and international markets while building innovation and capacities that can be shared.

Education improves labour market prospects for individuals, reduces their risk of unemployment and boosts earnings. Placing priority on skill development and closing education and employment gaps will help drive positive social and economic outcomes across the North. We want our education and training programs to lead to employment and build long-term capacity for existing and emerging economic opportunities.

Mining right now is the largest employer of NWT residents and Indigenous people in the NWT, with over 24,000 person years of cumulative employment since the diamond mines have opened in 1996. In total, the four NWT diamond mines have provided over \$12 billion to northerners. Of this, over \$5 billion has been with Indigenous businesses. Socio-economic agreements (SEAs) have been negotiated between the GNWT and resource developers before a project starts up. These SEAs are designed to complement other regulatory instruments to ensure the implementation of mitigation measures, compliance, monitoring and reporting on the socio-economic impacts of a resource project.

The GNWT is finalizing its Agriculture Strategy and Commercial Fishing Revitalization Strategy, which will help create jobs and augment the improvement of community wellness. There is potential for these sectors to augment the non-renewable resources sector, which we are actively addressing. As an example, in 2015, a farmer in the Sahtu region grew a record-breaking bumper crop of 30,000 pounds of potatoes, which would sell for approximately \$15,000 at Yellowknife prices, and in 2013-14, the NWT

exported over \$800,000 in fish from Great Slave Lake; however, the cumulative value of our agriculture, forestry, fishing, and hunting sectors represent just 0.7 per cent of our GDP, compared to the mineral and petroleum resource sector, which represents 24 percent of the same.

Generally, the employment opportunities associated with conservation areas are limited and although important, cannot be compared to the many training, employment and joint venture opportunities created for Indigenous people and companies by the exploration and mining sector. As noted by NWT Indigenous Governments on several occasions, conservation is important in strengthening community wellness, but only when it is balanced with the social, economic and cultural needs of the community. Conservation alone does not make a community strong. Despite robust conservation activities our communities are continuing to struggle with important wellness issues mental health issues such as addictions, as well as educational attainment, attachment to an economy, violence and health outcomes such as diabetes.

Implementation of conservation measures, including marine conservation measures, in a manner that is consistent with modern treaties

The GNWT believes that northerners are best placed to manage our land and water resources. The implementation of the *Northwest Territories Lands and Resources Devolution Agreement* in 2014 was a major step forward in self-determination in the NWT. We will continue to work with the federal government, Indigenous governments, industry and environmental organizations to ensure our regulatory regime is integrated and effective in managing and conserving our natural resources. As a next step in northern governance, we will pursue an agreement with the Government of Canada regarding the management of offshore resources. It is the position of the GNWT that the federal government cannot make any decisions with regards to the conservation of the offshore prior to the completion of these negotiations. Additionally, it is important that the federal government recognize the significance of the implementation of the *Inuvialuit Final Agreement* for which there is already an established multi-party process in place.

Potential Implementation Strategies

Canada has exercised leadership by establishing the groundwork, in modern treaties and legislation such as the *Mackenzie Valley Resource Management Act*, to establish innovative evidence-based regulatory systems that ensure that scientific, traditional and local forms of knowledge are effectively captured and included in decision-making in the North. Unfortunately, Canada has not exercised a firm and clear commitment to maintaining these systems and continued improvement in their operation. Boards operate with bare minimum quorum, and in some cases have lost quorum during key decision-making processes. Funding remains an issue, and although Canada has contemplated implementing cost-recovery, the regulatory and policy base remains an issue. Further, Canada has not made a clear commitment to re-invest any costs recovered into the capacity and improvement for the system. Part of the promise of devolution was to considering the transfer of the *Mackenzie Resource Management Act*. Putting the system in the hands of the northerners is the most effective step Canada can make to ensure the continued capture of scientific, traditional and local forms of knowledge for decision-making.

Innovation is required to ensure that northern infrastructure, ecosystems and cultures are resilient. Fortunately, innovation is an area where we excel. By integrating modern science with traditional and

local knowledge, we are developing adaptation initiatives that are well suited to the NWT. Together we can continue to undertake the required research to balance our social, cultural, economic and environmental priorities and share these innovations with others outside the NWT.

Identifying innovative solutions to such trends is essential to the health and well-being of our people and the health of the NWT's environment and economy. The NWT has benefited from federal research and development programs and partnerships, many of which hold the promise of long-term solutions to environmental challenges. These research and related activities have the potential to create value-added jobs and new markets for Canadian Arctic expertise, as circumpolar nations confront similar issues. Advancing and expanding these successful research and scientific partnerships will allow the NWT and Canada to be leaders both domestically and internationally in adapting to the impacts of climate change. We appreciate the federal government's commitment to working together with Indigenous peoples and other northerners. The greatest success going forward will come from a continued, coordinated partnership approach to both research and climate change adaptation programs that will allow the NWT to advance our social, cultural, environmental and economic priorities.