

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
8TH ASSEMBLY, 67TH SESSION

TABLED DOCUMENT NO. 38-67

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23 February 1979

GENERAL DEVELOPMENT AGREEMENT

NORTHWEST TERRITORIES

THIS AGREEMENT made this day of , 1978

BETWEEN: THE GOVERNMENT OF CANADA (hereinafter referred to as "Canada"), represented by the Minister of Indian Affairs and Northern Development,

OF THE FIRST PART,

AND: THE GOVERNMENT OF THE NORTHWEST TERRITORIES (hereinafter referred to as the "Territories"), represented by the Commissioner of the Northwest Territories

OF THE SECOND PART.

WHEREAS Canada and the Territories wish jointly that the principles inherent in Canada's regional economic expansion policies be applied in a manner appropriate to the social and economic circumstances in the Northwest Territories;

AND WHEREAS Canada and the Territories wish jointly to formulate and co-operate in measures for economic and social improvement in the Northwest Territories and wish by this Agreement to establish a general framework for the co-ordinated planning and implementation of such measures;

AND WHEREAS citizens and groups in the Northwest Territories met in May 1978 at a Conference on Economic Prospects for the Northwest Territories and made recommendations on government economic development efforts;

AND WHEREAS Canada and the Territories are agreed on the objectives, general strategy and procedures which would govern the identification and selection of such measures;

AND WHEREAS the Governor-in-Council by Order in Council P.C. 1977 - 1/2197 of July 28, 1977 has authorized the Minister of Indian Affairs and Northern Development to execute this Agreement on behalf of Canada;

AND WHEREAS the Economic Development Agreements Ordinance and the Governor-in-Council by Order in Council P.C. 1977 - 1/2197 of July 28, 1977 has authorized the Commissioner of the Northwest Territories to enter into this Agreement on behalf of the Territories;

NOW THEREFORE the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement

- (a) "Commissioner" means the Commissioner of the Northwest Territories and includes anyone authorized to act on his behalf;
- (b) "development opportunity" means an opportunity for economic or socio-economic development significantly advancing the objectives of this Agreement;
- (c) "fiscal year" means the period commencing on April 1st of any year and terminating on March 31st of the year immediately following;
- (d) "initiative" means the subject matter of any subsidiary agreement, and includes any program, project or other activity designed to implement the objectives of this Agreement;
- (e) "Minister" means the Minister of Indian Affairs and Northern Development of Canada and includes anyone authorized to act on his behalf;
- (f) "socio-economic development" means the combination of social and economic measures necessary to encourage development and access to its benefits;
- (g) "subsidiary agreement" means an agreement made pursuant to Section 5 of this Agreement;
- (h) "government" means the Government of Canada and the Government of the Northwest Territories.

PURPOSE OF THIS AGREEMENT

2. The purpose of this Agreement is to facilitate joint federal-territorial co-operation in initiatives undertaken in respect of planning and implementation

of economic and socio-economic development in the Northwest Territories to achieve the objectives stated hereinafter in accordance with the strategy agreed to in or pursuant to this Agreement.

OBJECTIVES

3. In general, this Agreement supports the National Objectives for the North as outlined by the Government of Canada in 1972, and especially the first objective which is to provide a higher standard of living, quality of life and equality of opportunity for northern residents. This Agreement also supports the general development objectives of the Territories, and especially those directed toward the representative and orderly development of northern resources, renewable, non-renewable and human, as determined through active and meaningful participation at all levels by residents of the Northwest Territories, consideration of their collective social, economic and cultural interests and well being, and with due regard for the northern environment.

The specific objectives of this Agreement are:

- (a) To develop a comprehensive and co-ordinated strategy for socio-economic expansion and diversification in the Northwest Territories wherein the emphasis is on activities which make ongoing contributions to the residents of the Northwest Territories.
- (b) To provide the opportunity for people of the Northwest Territories to assume an active role in the identification, planning and implementation of development projects such that a balance is achieved between wage employment activities and those that support the traditional native economy; between externally and internally generated projects; and between exploitation and conservation of resources.
- (c) To establish a systematic approach towards providing people of Indian and Inuit ancestry with the opportunity to choose between a life based on traditional pursuits or the wage economy, or a combination of the two.
- (d) To provide necessary support for related social programs and physical development required to support these objectives.

STRATEGY

- 4.1 To pursue the objectives stated in Section 3, Canada and the Territories shall seek to achieve a co-ordinated application of relevant federal and territorial policies and programs through continuing
- (a) identification of development opportunities and assistance in their realization through co-ordinated application of appropriate federal and territorial policies and programs, including the provision of special measures required for such realization; and
 - (b) analysis and review of the economic and social circumstances of the Northwest Territories and the Territories' relationship to the national economy, as these may be of importance to achieving the objectives stated in Section 3.
- 4.2 A broad strategy for achieving such objectives is provided in Schedule "A" attached hereto, which strategy shall be considered annually, and may be revised from time to time, by the Minister and the Commissioner.

SUBSIDIARY AGREEMENTS

- 5.1 When a development opportunity has been agreed to by the Minister and the Commissioner for implementation under this Agreement, Canada and the Territories may enter into a subsidiary agreement as provided for by this section for the implementation thereof. Each subsidiary agreement shall be signed by the Minister and the Commissioner and such other federal Ministers as required, having regard to the initiative concerned and shall specify so far as practical all relevant details of the initiative, including the total estimated cost, and the respective costs to be borne by Canada and the Territories.
- 5.2 In the formulation of any subsidiary agreement it is understood and agreed that each party will consider the relationship of the proposed initiative to relevant government policies and programs, and that, within the context of the objectives and strategy of this Agreement, the Minister and the

Commissioner shall consider its impact and costs, having regard to such analysis and planning as they may deem to be relevant and practical in respect of the following matters, which the Minister has identified as criteria for northern development, and such other matters as may be agreed upon by the Minister and the Commissioner:

- (a) the need for people of Indian and Inuit ancestry, especially the young, to participate in the wage economy and, where necessary, the need for training programs to ensure that participation;
- (b) the desire to maintain small community life with provision of resources which supplement and support traditional pursuits;
- (c) the extent to which the initiative would be compatible with local and regional aspirations for comprehensive area development;
- (d) the extent to which the initiative would promote a more balanced, diversified economic structure;
- (e) the need, because of the isolation of most communities, to bring economic activity to the communities or promote development opportunities within them rather than encouraging out-migration of the working age population;
- (f) the importance of promoting and strengthening private enterprise, particularly that based on local resources, including co-operatives and other similar community-based organizations, and hunting, trapping and fishing by individuals; and
- (g) the impact the initiative would have on the environment as determined by appropriate environmental studies and assessment processes.

5.3 In addition, in the formulation of subsidiary agreements, an initiative will be analysed with respect to:

- (a) the need to develop a broad and expanding economic base to provide permanent sources of income and employment for the residents of the Northwest Territories;
- (b) the direct effect, whether short-term, long-term or continuing, it would have upon territorial or federal expenditures; and
- (c) in the case of an industrial or commercial activity, the extent to which continuing subsidization may be required.

5.4 A subsidiary agreement may be entered into where initiatives are to be taken by both Canada and the Territories and may provide for policies to be pursued and initiatives to be undertaken by Canada or the Territories individually or jointly, and may provide for, among other things:

- (a) the co-ordination of existing federal and territorial programs in support of an agreed development opportunity;
- (b) the provision of specific support, including financial assistance, required for the implementation of development opportunities where support adequate to permit their realization would not be available under other government programs; and,
- (c) the establishment of continuing programs, of a kind not otherwise available, for the support of development opportunities through reduction or elimination of identified impediments to development.

FINANCIAL

- 6.1 The provision of financing by Canada and the Territories for the implementation of subsidiary agreements made pursuant to this Agreement is subject to the Parliament of Canada and the Council of the Northwest Territories having provided funds for such financing for the fiscal year in which such financing is required.
- 6.2 Financial arrangements as between Canada and the Territories for each subsidiary agreement shall be established on the basis of the nature of the initiatives included therein, the federal and territorial responsibilities and interest in respect of such initiatives, and such other considerations as may be agreed.
- 6.3 The total annual level of funding to be provided by Canada and the Territories for the operation of this Agreement and its allocation among subsidiary agreements shall be based on an agreed estimate of requirements for the fiscal year concerned to achieve the objectives of the subsidiary agreements and of such additional funds as may be required for planning and analysis of possible future initiatives.

- 6.4 Where the costs of any initiative are to be shared between Canada and the Territories, the contributions of Canada and of the Territories shall be determined by the cost-sharing ratio specified in the subsidiary agreement under which the initiative is authorized. The subsidiary agreement shall also specify the procedure for submission and reimbursement of claims between the parties, and may provide for advance payments and reimbursement by way of progress claims.
- 6.5 Subject to the approval of the Minister and the Commissioner, commitments made and costs incurred by either party prior to the date of this Agreement may be included in a subsidiary agreement, if such commitments or costs were made or incurred after February 21/79, and if the subsidiary agreement is signed before the elapse of six months from the date of this Agreement.

CO-ORDINATION

- 7.1 The Minister and the Commissioner shall meet annually, and shall consult together at such other times as may be mutually agreed, to review the general operation of this Agreement; to consider development opportunities that might be pursued; to review existing or proposed subsidiary agreements; and to determine the required level of funding.
- 7.2 The Minister and the Commissioner shall designate from time to time the official or officials who will be jointly responsible for the general co-ordination of the action to be taken under this Agreement.
- 7.3 At least once a year, persons designated under Section 7.2, or such other persons as may be designated by the Minister and the Commissioner, shall present information reviewing the strategy being pursued under this Agreement and initiatives being taken or to be taken under subsidiary agreements.

- 7.4 At least once a year, the persons designated under Section 7.2, or such other persons as may be designated by the Minister and the Commissioner, shall review and evaluate the performance of the economy of the Northwest Territories and project the impact of anticipated economic growth and development.
- 7.5 Canada and the Territories take note of the existing government programs concerning economic and socio-economic development for which the Department of Indian Affairs and Northern Development and the Territories are individually or jointly responsible, and agree to co-ordinate those programs as closely as possible with the implementation of the subsidiary agreements made under this Agreement.
- 7.6 Subject to subsection 7.5 commitments made under programs now in effect shall not be affected by this Agreement except to the extent that the subject matter of such programs may be affected by the provisions of a subsidiary agreement, unless such programs be altered or terminated by mutual agreement of both parties.

EVALUATION

8. Each subsidiary agreement shall include appropriate provisions regarding evaluation, and Canada and the Territories shall provide each other with such information as either party may reasonably require in order to evaluate the operation of any subsidiary agreement.

RECORDS AND AUDIT

9. Each of the parties hereto shall keep detailed and accurate accounts and records of its expenditures in respect of all initiatives taken under the Agreement the cost of which is to be shared between them, and shall make such accounts and records available at all reasonable times for inspection and audit by the other party. Any discrepancy between the amounts paid by either party and the amounts actually payable by it, as disclosed by any such audit, shall be promptly adjusted between the parties.

DURATION

- 10.1 This Agreement shall expire on the 31st day of March, 1984, unless earlier terminated by mutual agreement; provided, however, that either party may terminate this Agreement at the end of any fiscal year, by giving to the other party one clear fiscal year's notice in writing of such termination, it being agreed that such notice shall not be given sooner than two years from the date hereof, and provided further that the parties hereto by agreement may at any time extend the currency of the written Agreement beyond the date upon which it would otherwise expire.
- 10.2 Any subsidiary agreements implementing initiatives that cannot be completed by the date of expiration or termination of this Agreement or any extension thereof shall continue in force and effect until completion of the relevant initiative or expiration of the applicable subsidiary agreements, whichever is the later.

GENERAL

- 11.1 No member of the House of Commons or the Council of the Northwest Territories shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.
- 11.2 All construction work in respect of initiatives shall be subject to and carried out in accordance with relevant labour legislation and such other conditions as may be agreed to between Canada and the Territories.
- 11.3 All contracts for the performance of initiatives shall be consistent with provisions contained in the government contract regulations under the Financial Administration Act and other applicable federal and territorial legislation.
- 11.4 Canadian material, and consulting and other professional services shall be used in respect of all initiatives to the extent to which it is procurable and consistent with proper economy and the expeditious performance of the initiatives.

11.5 All contracts for the performance of initiatives shall be awarded without discrimination by reason of race, sex, age, marital status, national origin, colour, religion or political affiliation; it being agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit people of Indian or Inuit ancestry or disadvantaged groups.

11.6 The parties hereto agree to co-operate on the joint release of any announcements concerning the undertaking of subsidiary agreements, and to include in each subsidiary agreement provisions for a publicity program that provides due credit and recognition to the federal and territorial governments.

IN WITNESS WHEREOF, this Agreement has been executed on behalf of Canada by the Minister of Indian Affairs and Northern Development and on behalf of the Territories by the Commissioner of the Northwest Territories.

SIGNED, SEALED AND DELIVERED
in the presence of:

Minister of
Indian Affairs and Northern
Development

Witness: _____

SIGNED, SEALED AND DELIVERED
in the presence of:

Commissioner
of the
Northwest Territories

Witness: _____

SCHEDULE A

General Development Strategy

I ECONOMIC CIRCUMSTANCES

The Northwest Territories is an immense and sparsely populated area, characterized by extremes of climate; significant regional disparities in terms of geography, infrastructure, social conditions, economic activity and community hierarchies; rapid population growth; very high rates of unemployment and underemployment; a heavy dependence on government spending and employment; and the existence of two distinct (and in some respects, related) economies, the conventional wage employment economy and the traditional economy.

The overall economy of the Northwest Territories is very narrowly based. Its major components include the public sector (Federal, Territorial and Municipal government structures and programs) which is the largest employer, the non-renewable resource sector (including the mining industry which is the second-largest employer with about 2,000 full-time employees), the renewable resource sector (including hunting, trapping, fishing and forestry), and a small manufacturing, tourism and services sector. Generally speaking, activity in those sectors which provide the majority of private sector wage employment tends to be large and capital intensive in nature, while projects in the traditional sector are small in scale and labour intensive. Additionally, opportunities exist for residents of the Northwest Territories to derive income and employment from the smaller scale service sector as the economy and population grow.

For the most part, the traditional economy which is in keeping with the values and lifestyle of northern native people is a subsistence economy. Demands for opportunities to participate in the wage economy on a full- or part-time basis are increasing particularly among the young. Many of these people are among the approximately 1,000 students who leave or graduate from the school system each year to seek employment. Others find that subsistence living no longer adequately satisfies their personal goals, although they are unwilling to give up their close ties to the land.

II INTERIM DEVELOPMENT STRATEGY

In view of the current economic circumstances in the N.W.T., and inasmuch as the development of a comprehensive economic development strategy is contemplated in Objective (a) of the General Development Agreement, the principles set out below will guide development of activities of the Federal and Territorial governments in the interim.

In accordance with the objectives of the GDA, a major effort must be made to achieve balance in development, particularly between renewable and non-renewable resource development, and between conventional wage employment opportunities and traditional economic activities. This balance can be improved, and both the traditional and wage economies strengthened by promoting and developing linkages between the two economies. These linkages could be generated, for example, by the development of wage employment opportunities in various sectors of the traditional economy, such as hunting, trapping or fishing, and the stabilization of these sectors; by identifying wage employment opportunities particularly well suited to supplementing traditional activities or which are in keeping with native desires to maintain a close contact with the land; by implementing new approaches to larger development projects which emphasize the development and use of a number of small scale, locally controlled enterprises and which embody the flexibility to accommodate demands for part-time employment; and by taking steps to ensure that the people in the N.W.T. have the ability and opportunity to become involved in the planning and development of the activities and projects which will forge new linkages between the economies of the north.