

**LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
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Minister of Energy, Mines and Resources

**MEMBERS OF THE LEGISLATIVE ASSEMBLY  
SECOND SESSION**

**NORTHERN OIL AND GAS ACTION PROGRAM (NOGAP)**

I would like to take this opportunity to speak on behalf of my colleague, The Honourable Tagak Curley, Minister of Energy, Mines and Resources, to bring the members of the Legislative Assembly up to date on the Government of the Northwest Territories participation in the Northern Oil and Gas Action Program or NOGAP as it is known.

NOGAP is a Federal Program, managed by DIAND, to sponsor and fund Planning and Research activities by Federal Departments and Territorial Governments to provide the critical information and data required for effective and timely government decision making on oil and gas development in the Beaufort.

NOGAP was originally conceived 2 1/2 years ago as a top-down, purely Federal Government initiative with virtually no flexibility to accommodate GNWT concerns. Because of extensive pressures by the GNWT, the NOGAP Program has been modified substantially by DIAND. The program approved on May 17 of this year by the Treasury Board contains a large portion of GNWT projects. In fact, all the projects proposed by the GNWT in the Treasury Board Submission, received approval and all for the full amounts requested plus 5% extra to account for inflation since the proposals were first written.

The projects proposed by the GNWT were developed in the north to address northern issues, prioritized and approved by Executive Council and only then submitted to DIAND for inclusion in the overall NOGAP program. From the north's point of view, the GNWT projects which were approved, meet GNWT priorities and are tuned to accommodate NWT concerns related to development.

Approval of the NOGAP Program is a golden opportunity for it means a major influx of new money to undertake the many critical research and planning projects which GNWT has proposed and requested resources for over the last several years but for which there have been no resources allocated.

The whole program will provide roughly \$130 million over seven years to eight participating Federal departments and the two Territorial Governments. The GNWT will receive almost 10% or about \$12.2 million of that amount (in 1984/85 dollars).

In 1984/85, the first year of the program, the GNWT will get just over \$1.26 million to carry out 13 projects and a further \$7.5 million over the next three years of the program.

These are new dollars which will enable much needed and much overdue work related to Beaufort development to be carried out. The information and data which results will establish the GNWT as a major player in the increasingly important decisions which will be made respecting Beaufort oil and gas development.

This important program thrust and commitment of resources by the Federal government is a clear indication that Beaufort development is not a dead issue. It is in fact an area that is being given serious and careful consideration. The development of hydrocarbons from the Beaufort will effect each and every one of the constituents which we represent in some way. It is important therefore that the GNWT be prepared to participate actively and as effectively as possible in future decisions on Beaufort oil and gas development. Successful completion of the 37 projects proposed under the NOGAP Program over its seven year life will go a long way to address the North's concerns and help the GNWT make those important decisions.

As I indicated, the GNWT will received just over \$1.26 million in 1984/85. This will fund 13 projects proposed by four departments.

The Department of Local Government will receive \$458,000 to undertake four projects to aid Tuk and Inuvik to plan for development impacts, prepare municipal training packages, provide technical assistance to community councils and develop policy for the provision of community infrastructure.

The Department of Social Services will receive \$331,000 to carry out a social services baseline study, investigate day-care as it relates to development and develop a training program for Social Service workers.

The Department of Renewable Resources will receive \$227,000 to develop guidelines for Renewable Resource Planning, prepared Wildlife harvest statistics and to carry out deterrent studies.

Finally the Energy, Mines and Resources Secretariat will receive \$204,000 to set up and implement a socio-economic monitoring system using the Beaufort as a pilot project, investigate the phenomenon of boom-bust cycles and their implications on the Beaufort and hire a full time coordinator to aid in the effective day-to-day management of GNWT participation in the NOGAP Program.

Further detailed briefing notes have been distributed with this paper. These notes give the historical background and trace the development of NOGAP over time. As well, a detailed list of the GNWT NOGAP Projects approved by the Treasury Board for the first four years of the program, along with their respective dollar values, is attached. If you require further information on the NOGAP Program or specific GNWT projects, the Energy, Mines and Resources Secretariat will be pleased to help you.

## BACKGROUND NOTES

### NORTHERN OIL AND GAS ACTION PROGRAM (NOGAP)

#### OBJECTIVE:

Federal and territorial governments need to prepare for full scale northern hydrocarbon production, expected to occur in the early 1990's.

#### BACKGROUND:

In 1982, the Federal Government approved a planning strategy for northern hydrocarbon development which has two main facets:

- implementation of a coordinated and accelerated socio economic, environmental and technical planning and research program (Northern Oil and Gas Action Program - NOGAP), to achieve a state of preparedness for northern hydrocarbon production in the latter half of this decade; and
- allowing northern hydrocarbon production, when it occurs, to proceed in a phased manner by initially developing proven commercial reserves on a small-scale demonstration basis, subject to normal regulatory and review processes.

Resources for 1982-83 operations of high priority activities of the eight federal departments and two territorial governments in the Program were approved by the Federal Government in September 1982 in the amount of \$6.8 million. This authority came late in the fiscal year and only \$4.8 million was spent because it was difficult to start and complete projects in the few months available in the 1982-83 fiscal year. The GWT received partial year funding for a NOGAP program coordinator and several wildlife related study proposals. The decisions on which GWT projects were to be funded were made totally outside the Territorial Government.

there are a number of potential hydrocarbon development plans for the North, some of which have more potential than others. There is, however, no commonly held view about which developments are more likely to occur in the next fifteen years. Examination of many of these potential developments shows that they relate to only two production regions (Beaufort and High Arctic) and two kinds of transportation (tanker and pipeline). Because of this, and reflecting Federal Government policy that a demonstration phase should be the initial requirement, the planning and research conducted through NOGAP will be based on two demonstration scenarios:

- a small diameter buried oil pipeline up the Mackenzie Valley from the Delta to Norman Wells; and
- all-year ice-strengthened tanker transportation of oil from one or two artificial islands or platforms in the Beaufort, eastward through the Northwest Passage.

On September 1, 1983, the GNWT Executive Council approved a package of 41 GNWT prioritized projects as the GNWT submission under NOGAP. Of the original 41 projects, worth \$13.6 million over seven years, GWT negotiated and received support for 37 projects valued at \$12.2 million - approximately 92.5% of the total requested. In December 1983 the approved Federal departmental and Territorial project packages were assembled into a Cabinet Submission by DIAND. On February 7, 1984 Cabinet approved the \$130 million program over 7 years beginning in 1984-85 for northern hydrocarbon production research and planning.

Emphasis in the early years will be on first-order protection, prevention, and delineation measures, such as the development of environmental guidelines, ecosystems modelling, and a Beaufort sea wave climate study. Activities such as baseline data collection and monitoring will be supported throughout the entire term but emphasized in the middle years. This work includes rescue archaeology, socio-economic studies and the effect of ship noise on arctic animals. Other important activities, such as sea air quality assessment techniques, will receive late-term emphasis.

Over the seven years of the program, it is anticipated that 80% of the funds will be used to accelerate activities of the Departments of Fisheries and Oceans, Environment, Transport, Indian Affairs and Northern Development, and the Government of the N.W.T. The remaining funds will be allocated to the Department of Energy, Mines and Resources, Natural Museums of Canada, and the Government of the Yukon. About 80% of the program will be directed to environmental research and planning with most of the remaining 20% directed to socio-economic matters.

PRESENT STATUS:

On May 17, 1984 Treasure Board approved the projects and general resource levels for the full 7 years of the program. The board approved specific funding for the first four years of the program and in fact increased the original dollar amounts requested by 5% to account for inflation since the project proposals were first prepared.

The Board approved allocations and spending authorities for the 13 GWT projects totalling \$1.26 million to be undertaken during 1984/85, the first year of the program. These projects will be carried out by four GWT departments; Social Services, Renewable Resources, Local Government, and the Energy Mines and Resources Secretariat. A further 19 projects were approved for start-up during the second to fourth years of the program, 1985/86 through 1987/88. The last five projects will begin during the final three years of the program subject to an evaluation of the entire NOGAP program which is to be carried out in year four. The attached chart identifies GWT projects, sponsoring departments and approved 1984/85 dollar amounts for the first four years of the NOGAP program.

A contribution agreement identifying the terms of conditions of federal funding for GWT projects is being prepared. When completed, it will be signed by the Honourable Taqak Curley, Minister of Energy, Mines and Resources, and the Minister of Indian Affairs and Northern Development. Project funds will then be advanced to carry out GWT projects based on individual project budgets prepared by the sponsoring departments. Work is expected to begin on GWT projects in early July.

Periodic financial and project reviews will be carried out. An annual paper will be completed for each project summarizing the results of the research and planning activities over the year. These papers are to form the basis for overall project reports which DIAND will publish.

NORTHERN OIL AND GAS ACTION PROGRAM (NOGAP)

**GNWT PROJECTS AND RESOURCE ALLOCATIONS FOR THE  
FIRST FOUR YEARS OF THE SEVEN YEAR PROGRAM**

PROJECT	*Dept.	RESOURCES (Thousands of 1984/85 \$)				TOTAL
		1984-85	1985-86	1986-87	1987-88	
H.1 Hydrocarbon Coordination	EMR	68	68	68	68	272
H.2 Funds for Tuk and Inuvik to Identify Impacts and Plan	L.G.	245	330	470	378	1423
H.3 Social Services Base Study	S.S.	221	389	389	556	1555
H.4 Guidelines for Renewable Resources Planning	R.R.	109	104	104	104	421
H.5 Development of Muni- cipal Training Packages	L.G.	62	62	45	45	214
H.6 Technical Assistance to Community Councils/Staff	L.G.	39	39	39	39	15
H.7 Research and Policy Development on the Provision of Municipal Infrastructure	L.G.	112	145	123	-	380
H.8 Socio-economic Moni- toring System	EMR	68	68	37	37	210
H.9 Investigation of Boom/ Bust Cycles Resulting from Hydrocarbon Activity	EMR	68	-	-	-	68
H.10 Day Care Study	S.S.	11	-	-	-	11
H.11 Research to Develop a Training Program for Social Services Workers	S.S.	99	114	-	-	213
H.12 Wildlife Harvest Statistics	R.R.	83	60	57	57	257
H.13 Deterrent Studies	R.R.	80	75	75	-	230

**GNWT PROJECTS AND RESOURCE ALLOCATIONS FOR THE  
FIRST FOUR YEARS OF THE SEVEN YEAR PROGRAM**

PROJECT	*Dept.	RESOURCES (Thousands of 1984/85 \$)				TOTAL
		1984-85	1985-86	1986-87	1987-88	
H.14 Research and Policy Development on Land Development in Rapidly Growing Communities	L.G.	-	168	-	-	168
H.15 Wildlife Management	R.R.	-	63	63	63	189
H.16 Renewable Resources Baseline Information	R.R.	-	751	626	424	1801
H.17 Environmental Protection and monitoring	R.R.	-	50	50	50	150
H.18 Funds for Communities other than Tuk & Inuvik	L.G.	-	28	45	56	129
H.19 Industrial Safety and Occupational Health	JPS	-	-	36	18	54
H.20 Effects of Wage Employment on Family Structure	S.S.	-	-	-	16	16
H.21 Rotation Study	S.S.	-	-	32	-	32
H.22 Alcohol Study	S.S.	-	-	-	32	32
H.23 Liquor Ordinance Study	S.S.	-	-	53	22	75
H.24 Community Health Status Profiles	H.	-	28	22	22	72
H.25 Plan for Health Care Delivery	H.	-	-	22	22	44
H.26 Evaluate Need for Detox Services	H.	-	-	28	-	28
H.27 Sexually Transmitted Diseases and Mental Illness	H.	-	22	17	17	56



**GNWT PROJECTS AND RESOURCE ALLOCATIONS FOR THE  
FIRST FOUR YEARS OF THE SEVEN YEAR PROGRAM**

PROJECT	*Dept.	RESOURCES (Thousands of 1984/85 \$)				TOTAL
		1984-85	1985-86	1986-87	1987-88	
H.28 Business Directory, Profiles and Surveys	ED&T	-	-	84	84	168
H.29 Labour Force and Occupational Manpower Study	ED&T	-	-	-	45	45
H.39 Cost of Living Surveys	ED&T	Starts after 1987/88				
H.31 Impact on Legal System	JPS	-	69	51	-	120
H.32 Training Northerners in Archaeological Tech- niques	JPS	-	56	56	-	112
H.33 Impacts on Native Nutritional Practices	H.	Starts after 1987/88				
H.34 Health Promotion Studies	H.	Starts after 1987/88				
H.35 Impact on Consumer Services	JPS	-	-	67	-	67
H.36 Resource Inventory of Social Services	S.S.	Starts after 1987/88				
H.37 Job Inventory for the Handicapped	S.S.	Starts after 1987/88				
<b>TOTAL APPROVED GNWT RESOURCES</b>		<b>1265</b>	<b>2689</b>	<b>2659</b>	<b>2155</b>	<b>8768</b>

\* Legend:

EMR = Energy, Mines and Resources Secretariat  
 L.G.= Department of Local Government  
 S.S.= Department of Social Services  
 JPS = Department of Justice and Public Services  
 H. = Department of Health  
 ED&T= Economic Development and Tourism  
 R.R.= Renewable Resources