

EXECUTIVE SUMMARY

INAUGURAL NORTHERN REGIONS MINING SUMMIT

Effective Governance. Sustainable Communities.

SUCCESSFUL NORTHERN RESOURCE ECONOMIES.

The **Northern Regions Mining Summit**, hosted by the Institute of the North in May 2014, addressed the social, cultural and economic impact and opportunity of mineral resource development for Northern peoples in Alaska, Canada and Greenland. It was an exceptional and unique forum for exploring the prudent development of the North's rich mineral resources for the benefit of Northern peoples.

Topics touched upon a multitude of issues involving Northern Mining operations and included themes of Effective Governance, Commercial Interest and Reality, and Social Well-Being and Health. The Summit drew upon a rich and diverse group of presenters, representing local, state and national governments, industry and the support sector, as well as research organizations. Furthermore, interactive panel discussions and workshops were utilized to produce an outcome shaped by facilitated participation of Summit attendees.

The outcomes are timely and responsive to Arctic Council decisions related to an Arctic Economic Council, but moreover to Canada's Arctic Council chairmanship theme of *Development for the People of the North*. The results benefit companies who hope to explore and produce in the North American Arctic, governments tasked with ensuring risk mitigation and impact benefit, and northern communities who stand on the front line of challenge and opportunity.

RECIPE INGREDIENTS

FOR SUCCESS IN NORTHERN MINING DEVELOPMENT

Most recipes start by identifying what the "cooks" are trying to achieve. Cooks, plural, because there are many in this kitchen. We can identify these as major rightsholders who have equities relative to the project – governments (state or territorial, and national), industry, communities and indigenous peoples. In this case, the outcomes of the recipe for successful northern mineral development are fairly straightforward, with priorities contributed by the rightsholders and a balance struck between them. The recipe, described here in four parts, may require multiple batches depending on serving size required (the bigger the project, the more iterative this becomes).

This recipe, then, should result in 1) sufficient environmental protections such that the region's food security is ensured; 2) revenue to the appropriate levels of government, thereby delivering on government's commitments to provide improved education, infrastructure and social services; 3) opportunities and benefits to local communities through employment, business and skills capacity, 4) reasonable profit to the industry corresponding to companies' needs for returns, portfolio development, future investment and employment.

Party Responsible G = Government; I = Industry; C = Community

| Preparation (Stakeholder Engagement) | | |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| G/I | Consult with local community members and indigenous peoples early and often; holding public hearings and establishing local adaptive capacity concerning relative demands | |
| G/I | Strengthen human capital through education and training – project proponents can partner on local capacity building focused on skills, knowledge and competency | |
| G/I | Invite local and indigenous peoples to contribute traditional ecological knowledge throughout the life of the project (project design, ongoing operations, and remediation) | |
| G/I | Provide a "table" (such as a food security council) for local community members and indigenous peoples to add input to project decision-making | |
| G/I | Consider Impact Benefit/Participation Agreements or Socio-Economic Agreements/ Partnerships as tools for committing to and sharing benefits of a project with a community | |
| I/C | Recruit local labor and engage local service companies; encourage local capital investments or contribution to improve economics of project and increase local benefits | |
| G/I | Collaborate on community readiness, resilience and environmental assessments | |
| С | Community leaders should develop a vision that is consensus-based and actionable | |

| | Tools and Equipment (Governance) | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| G/C | Add coordinating function between levels of government, which can also facilitate partnerships | | |
| G/I | Increase quality of and access to mapping and geoscience, including modernized data dissemination as well as sharing of science and baseline data | | |
| G/C | Improve regulatory certainty while reducing permitting delays – strong government support means fairness, timeliness and predictability | | |
| G | Collaborate with northern neighbors for common mining and mine safety curriculum, as well as shared standards that allow easy flow of information, services and workforce | | |
| G | Manage risk through adaptive environmental policy and management strategies; and add or improve socio-economic assessment of projects | | |

| G | Develop long term planning and cumulative impact assessments, as well as identification of specific high priority mineral development regions |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| G/C | Build community capacity to locally suggest resource projects and minimize economic leakage to the south |
| G | Provide favorable tax regimes and/or incentives to promote mineral exploration and mining, particularly in the absence of available infrastructure |
| G/C | Focus infrastructure development in areas that can support industrial development, as well as community and broader economic development where possible, and secure infrastructure development early to conserve time and money |
| G/C | Promote cross-border cooperation and funding, including a possible "permanent fund," for northern infrastructure that supports resource development |
| G/I | Better coordination between industry and government to identify economic opportunities, with regional prioritization |

| Key Ingredients (Project) | | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| I | Right-sized mineral endowment of sufficient quality, with the right commodity prices | |
| I/G | Access to water and clear wastewater disposal, with efficient and certain regulatory processes, which include parallel environmental assessment and water licensing | |
| I/G | Partner for access to the resource, including transportation infrastructure, and provision of affordable energy – both of which comprise the northern cost premium | |
| G | Land – sufficient size and clear title, with land claims and settlement agreements resolved | |
| I/G | Transparent monitoring - follow-up with better reporting of information that is accessible to communities are informed | |

| | Arrangement (Communicating Risk and Success) | | |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| G/C | Counteract pervasive non-factual anti-mining propaganda - non-governmental, non-academic organizations should be held accountable for misinformation | | |
| G | Improve performance by sharing information and data on the benefits and consequences of resource development; promoting dialogue instead of litigation | | |
| G/C | Utilize strategic planning to understand success – establish clear goals and actions, in order to appropriately adjust tools and arrangements | | |
| G/C | Increase communications between northern communities across the Arctic to share best practices and lessons learned; debunking mining myths by showcasing success | | |
| G/I | Create a positive environment for responsible resource development – strengthen community and proponent interactions and communication | | |
| G | Measuring performance, through something like a Fraser Institute survey counterpart - a matrix that reports from government and indigenous perspectives. | | |

This is by no means a comprehensive analysis and further work is needed to flesh these out, but it can be seen as an outcome of the proceedings of the Northern Regions Mining Summit – a specific point in time and group of people who worked together to address the question of successful Northern Regions mining. It demonstrates the private sector, government and community concern for and consensus on strong communication and partnership; shared benefits; need for infrastructure investments; and efficient but effective regulatory processes.

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