



Government of Northwest Territories
Gouvernement des Territoires du Nord-Ouest

NWT ECONOMIC SYMPOSIUM

Northern Strengths, Northern Prosperity

October 1-3, 2018, Inuvik

SYMPOSIUM DRAFT SUMMARY REPORT

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1.0 CONTEXT AND PURPOSE

1.1 Premier McLeod's Opening Remarks

The NWT Economic Symposium (the '*symposium*') began with Premier Bob McLeod's opening remarks that set out the symposium's context and purpose. The following are selected key points by the Premier, with the full remarks provided in Appendix C.

Welcome to the Northwest Territories Economic Symposium: *Northern Strengths, Northern Prosperity*. I am pleased to see all the leaders here; it shows that you recognize the importance of a strong economy to the future of the Northwest Territories and that you want to be part of the solution. A strong economy is the key to a strong territory and a sustainable future for all our people. It is essential for the growth and development of business and industry, which, in turn provides NWT residents with the jobs and income they need to support themselves and their families.

Our governments also benefit from resource revenues, taxes, and IBA payments that help to fund programs and services we deliver to our residents. With so much depending on the economy of the Northwest Territories, we all must do as much as we can to support it and ensure it thrives. That is one of the reasons I felt the need to speak out last fall about the economic and political challenges that could make it difficult to maintain the level of economic activity we want and need to create prosperity for our regions.

Abundant natural resources and strong commodity prices used to be all we needed to ensure that there were plenty of jobs and business opportunities to go around, and we didn't need to do much as leaders and governments to keep it going. But times have changed, and the Northwest Territories economy isn't what it used to be. Between 2007 and 2016, the Northwest Territories economy shrank from \$4.5 billion to \$3.7 billion. A smaller economy means fewer jobs and less money to go around. Between 2007 and 2016, the territorial unemployment rate rose from 5.7 percent to 7.4 percent and there were 800 fewer jobs in the territory.

In 2008, almost half of the NWT's economy came from resource development. While it is still the biggest single sector of our economy, by 2017 its contribution to territorial GDP was 26 percent – half of what it had been in 2008. The diamond mines – currently the engine of the Northwest Territories economy – will not last forever. Their eventual closure will shrink the economy by about \$1.1 billion and lead to about 3,300 job losses.

I respect and agree that protecting the sensitive Northern environment and doing our part to combat climate change is important, but Northerners need and deserve jobs. If Canada is going to close doors on entire sectors of our economy - if we as Northern leaders agree that we want to close doors on entire sectors of our economy – we need to have a plan for what comes next. Figuring out what comes next is why we are here today.

The Government of Canada is working on an Arctic Policy Framework that would identify priorities for northern development and federal investment in the North. While Canada has been engaging separately with our governments on the development of the APF, we have an opportunity here to send a collective message to Ottawa about the need to support strong, sustainable economic growth in the Northwest Territories.

As leaders, we do not have to stand by idly and let external market forces and other government's policies undermine the potential of the Northwest Territories economy. We owe it to the people we serve to make sure they have every opportunity to succeed by doing everything we can to sustain and grow the Northwest Territories economy for the long term. That means working together to identify and invest in high priority sectors that we know will return the greatest benefits to our people in the form of jobs and opportunities. That means:

- 1) *Looking for projects and opportunities that are big enough and significant enough to drive economic growth in more than a single region or community.*
- 2) *Thinking about what will benefit the territory as a whole and recognizing that when the Northwest Territories thrives, each of our communities and regions has a better opportunity to thrive.*
- 3) *Overcoming the natural instinct to hang onto our little slice of the pie because something is better than nothing.*
- 4) *Standing up publicly to ensure that people in this territory and outside of it know that we want a strong economy and are committed to working together to support it.*

I want to emphasize how big the challenge we face is and how important it is that we work together to address it. I believe in the potential of the Northwest Territories. We have the resources, the people and the knowledge to build a thriving and prosperous territory that will give the people of every region and community long-term financial security and a sustainable future.

The Northwest Territories can be a Canadian success story and a model for how Indigenous people can not only participate in the economy but can also direct and shape it as decision makers and reap its benefits. If we agree that that is the kind of territory we want to be, we need to make up our minds to work together to make it happen. It is going to take a plan and it is going to take hard work. It might also require that we make some choices about what we will focus on and what individual priorities we each might have to set aside so we can achieve shared goals.



1.2 Keynote Address: Fred Carmichael

Fred Carmichael, a highly respected NWT leader and elder delivered the symposium keynote address. His extensive experience in economic and resource development along with a strong commitment environmental stewardship provided essential context and focus for the symposium. The following are selected highlights from the keynote address, with the full remarks contained in Appendix C.

How we can move forward in unity to develop our major resources and to build a strong economic base in the NWT? The financial demands on our governments and organizations are growing. Where does the money come from for our roads, our healthcare, our education, and our social programs? It comes from the development of our resources. People get jobs, start businesses and pay taxes and our governments collect royalties from resource development. We are here today to find ways to meet these growing financial demands.

So how can we work together on a broader scale? There is opportunity in developing the vast resources of the NWT through collaboration. However, when it comes to major development projects, there are barriers. Most northern businesses cannot come up with the financing or the legal and other expertise required to successfully compete with the large southern corporations. That is the very reason why we need to strengthen our position through collaboration and working together.

This symposium, "*Northern Strength, Northern Prosperity*", is an opportunity for us to share ideas and explore the best ways to move forward. I would like to see us find a way to take on large development projects - not just in the NWT but also possibly in collaboration with industry and other Aboriginal groups throughout Canada.

One example of working together is the Aboriginal Pipeline Group model. As far as I am aware, this was the first time in Canadian history that an Aboriginal group had the opportunity of becoming co-owners in a major pipeline project. This would never have been possible without collaboration.

In 1999 there was talk of building the Mackenzie Valley natural gas pipeline from the Arctic Ocean to Alberta. The Aboriginal leadership of the NWT came together in unity in 2000 and made the decision that if there was going to be a pipeline crossing their lands, they must have some ownership. This resulted in the formation of the Aboriginal Pipeline Group.

The financial support from the federal and territorial governments made it possible for APG to negotiate 1/3 ownership in the proposed Mackenzie Valley Pipeline Project. Unfortunately, and beyond anyone's control, the drop in natural gas prices has currently put the project on hold. There is still a possibility for the natural gas markets to rebound. The National Energy Board (NEB) Certificate to build a pipeline remains in effect to 2022. So, the Mackenzie Gas Project and APG are not dead, just on life support!

The APG model remains a success, in large part due aboriginal groups finding common ground, followed by federal and territorial governments supporting the concept. Then came the negotiations with the Producers who were Exxon Mobil, Imperial Oil, Shell Oil and Conoco Phillips. This meant we had to come up with 1/3 of the Project costs, estimated at \$ 3 billion-dollars in 2004.

There was that all-too-common financial barrier. After a number of discussions with our APG group and our legal and financial advisors, our response was: “Our money is on the table. It is in our land and the support that you need to build this pipeline. Without our support you will not be building a pipeline across our lands... So, you help us find a way to finance our share.”

There are lessons to be learned from this model that can be improved on and used in the future. Other groups are now considering variations on the APG model across Canada. Its success stems from collaboration between the GNWT, the Government of Canada, Industry and Northerners. This model demonstrates that if we are united, the possibilities are unlimited.

1.3 Symposium Purpose and Objectives

The NWT Economic Symposium – *Northern Strengths, Northern Prosperity* was a special gathering of the political leadership of Indigenous governments and organizations, supported by their leads of the respective economic development corporations, and the Government of the Northwest Territories. There was federal representation by Yvonne Jones, MP for Labrador and Parliamentary Secretary for the Minister of Intergovernmental & Northern Affairs and Internal Trade.

The symposium participants are listed in Appendix B. Through extensive confidential interviews and collaboration with leaders (during August and September) by the facilitator, this jointly designed symposium set out the following consensus-based objectives:

- 1) *Discuss the ‘economic problem’ that the territorial and regional economies are experiencing.*
- 2) *Review and discuss the economic status quo scenario, including existing regional inequities, disparities and infrastructure gaps, and the potential impacts and implications at the territorial regional and community level if a new direction is not set out and taken by the collective leadership.*
- 3) *Discuss the challenges and opportunities of economic collaboration by reflecting on lessons learned and best practices by Indigenous governments and development corporations in other jurisdictions, and by examining the challenges and opportunities in the NWT through the alignment of Northern Strengths between IGOs and the GNWT as well as among and between IGOs to achieve Northern Prosperity.*
- 4) *Identify and discuss a potential vision, principles and options for economic collaboration among the Indigenous governments and organizations, and with the Government of the NWT.*
- 5) *Identify and discuss proposed and emerging economic development projects in the context of potential opportunities for collaboration and partnerships.*
- 6) *Work towards consensus on a mutual commitment to strengthened economic collaboration among the Indigenous governments and organizations, and with the Government of the NWT. This included setting out tangible next steps to move forward in true partnership.*

1.4 Report Structure

The symposium summary report structure and contents are abbreviated below to facilitate efficient reference and review. The two sections of the summary report (*Context and Purpose* and *Agenda Items Dialogue* and key outcomes) are supported by a number of appendices – as illustrated in the figure below.

There was a significant volume of presentation and discussion materials developed by participants for the symposium. The various presentations, speaking points and roundtable discussion are referenced in the report but the large volume of material will not be duplicated in the body of the report, but rather contained in the appendices.

SECTION	CONTENTS
Section 1.0	Section 1 contains the context for the symposium, the Premier’s opening remarks as well as the keynote address, purpose and objectives, and the summary report structure.
Section 2.0	Section 2 contains a synthesis of the key points from presentations, panel discussion and small groups working session and plenary discussion organized by specific agenda items as follows: Agenda Item #1: <i>The Economic Problem and Context</i> Agenda Item #2: <i>A New Economic Direction: A Choice of Futures – Challenges and Opportunities</i> Agenda Item #3: <i>A New Economic Direction: Vision and Core Principles</i> Agenda Item #4: <i>Potential Options and Projects for Economic Collaboration between IGOs and the GNWT as well as between and among IGOs</i> Agenda Item #5: <i>Moving Forward and Next Steps</i>
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2.0 AGENDA ITEMS DIALOGUE AND KEY OUTCOMES

2.1 Agenda Item #1: The Economic Problem and Context

The NWT Economic Symposium was informed and shaped through the development of a number of reference documents by the facilitator, Gaea Consulting Ltd, through collaboration and confidential interviews with various participants and their respective organizations. The goal was to ensure as complete, accurate and inclusive understanding of the context and the economic problem as possible. All the resource documents, as well as the detailed agenda, were distributed in advance of the symposium to provide an opportunity for participants to review and be prepared for substantive, fact based and respectful dialogue in Inuvik.

The first resource document – *Context and the Economic Problem* – summarizes the broad NWT context and the economic challenges facing the GNWT and Indigenous governments and organizations. The full resource document is contained in Appendix D. A number of participants referred to the document as ‘*the story of the NWT so far*’. The symposium is recognized as part of an on-going collaborative process by the IGOs and GNWT to determine what the next chapter of the NWT story can be. The following are selected observations from the resource document and subsequent open dialogue regarding the context and the economic problem.

2.1.1 The Northwest Territories Context

Fiscal Sustainability: The territory will receive some 72% (\$1.26 billion of total revenues of \$1.75 billion) from the federal government in 2018-19. This source of revenue comes at a political and economic ‘cost’ to the territory by virtue of certain conditions that can and periodically do constrain the GNWT’s expenditure priorities, options and decisions, including debt financing. As a duly elected public government with a territorial mandate and responsibility, the ability to generate sufficient own source revenue to pay for essential public programs and services in every region, and to invest in strategic economic generating infrastructure, has been, and continues to be compromised, putting into question the GNWT’s long-term fiscal sustainability.

Fiscal sustainability is the ability of a government to sustain its current spending, tax and other policies in the long run without threatening solvency, defaulting on some of its liabilities or promised expenditures. This then affects the GNWT’s credit rating, which in turn determines the terms for and cost of borrowing. Simply put, fiscal sustainability is the basis for both political legitimacy and for discharging obligations to deliver essential public programs and services in the necessary quantity, quality and geographic location, as well as its ability to provide procurement and contracting opportunities to NWT businesses, and importantly to the respective development corporations of the IGOs.

Limited Resource Projects Revenue Streams and Opportunities: The resource revenue streams from existing active projects is diminishing as the resource reserves run out or become unprofitable to extract. There is currently only one oil production operation, in Norman Wells, with declining economic reserves. In the mining sector, there are only three (3) operating mines (Ekati, Diavik, and Gahcho Kue), some of which are at or nearing their economic life if additional identified reserves are not developed. Over the last decade, mining, oil and gas extraction accounted for as much as 48% (in 2008) of the territorial Gross Domestic Product (GDP). This has declined since 2008, largely due to decreased production levels, but still accounted for 26% of GDP in 2017.

Few new mining projects proposed: There are few proposed new mines, with no certainty of proceeding to development: Prairie Creek Mine (zinc, silver and lead), NICO Mine (cobalt, gold, bismuth and copper), and Pine Point Mine (lead and zinc). The proposed mines are all smaller in operating scale – requiring fewer workers, have a shorter mine life, are tied to lower commodity profit margins that affects their ‘ability to pay’ (e.g., benefits agreements, financial assurances – *securities* and, royalties), and if ultimately approved and actually developed, will yield lower revenue streams for government as well as less employment and contracting opportunities for IGOs development corporations and other NWT businesses.

Potential Implications for Indigenous Governments and Organizations: The implications for IGOs and their respective development corporations are challenges from gaps in something approximating an ‘*ideal stream*’ of resource development projects at varying stages of the regulatory review and development cycles to minimize the disruption and fluctuation in the volume of economic activity and consequential variation in public government revenue generation levels, as well as resource revenue sharing, benefit agreements and contracting opportunities. These potential implications underscore the high degree of economic dependence of many IGOs on government (GNWT and Canada) for funding and creation of economic opportunities, especially those who are not located within the economic ‘sphere’ created by the existing resource development projects.

There is a recognition that while government will remain, at least for the foreseeable time, an important part of the NWT economy, it is only one of the available options, with industry and private business sectors as the more significant and longer-term option for economic growth and investment. There remain areas of divergent interpretations by the IGOs and government (GNWT and Canada) regarding the land claim agreements’ *vision and principles* regarding becoming ‘*equal and meaningful participants*’ in the northern and national economies, and how to ‘*encourage self-sufficiency*’ by Indigenous people.

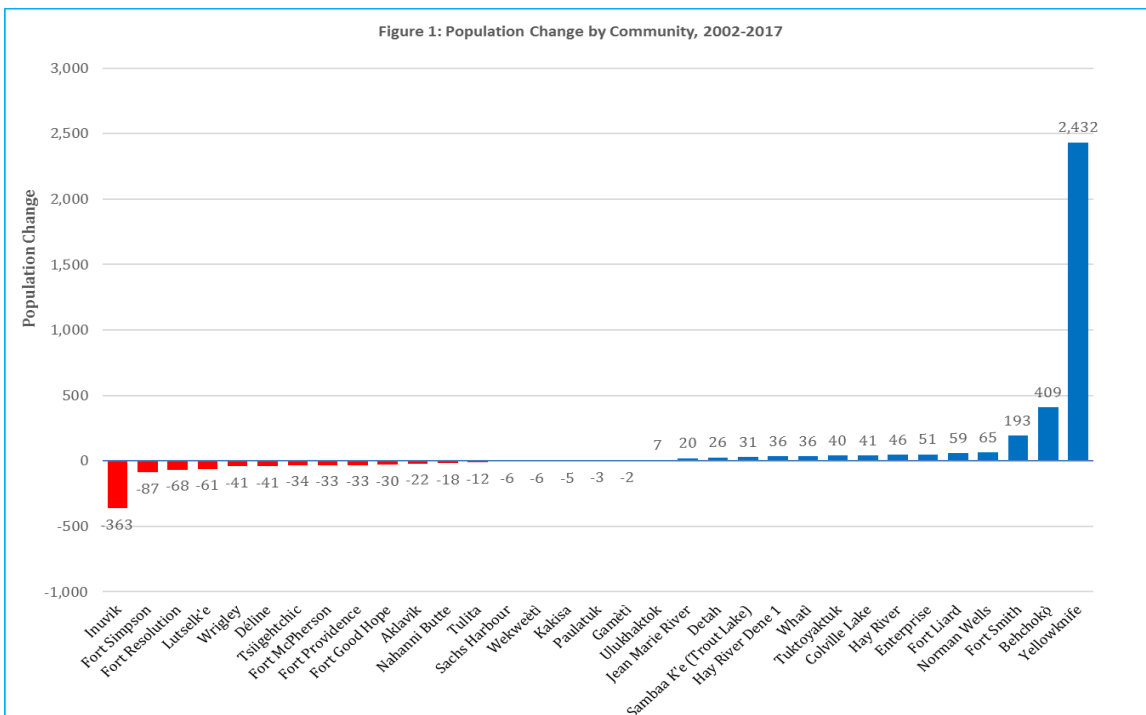
Demographics Patterns and Trends: Demographically, the NWT can be characterized historically as ‘*increasing at a decreasing rate*’, reflecting resource development cycles and the associated in and out-migration - as was evident in the 6% population decline between 1996 and 2001, while the growth rate for the entire 1981 to 2011 period was 38%.

- Historical patterns and trends of urbanization and intra-territorial migration continue to shape, and in some cases to re-shape the size, distribution and composition (e.g., ethnicity, age, education, labour force composition and participation) of people in communities and regions.
- There are two significant demographic drivers that have and continue to shape the communities and regions, and that impact the demand for GNWT public services: Growing

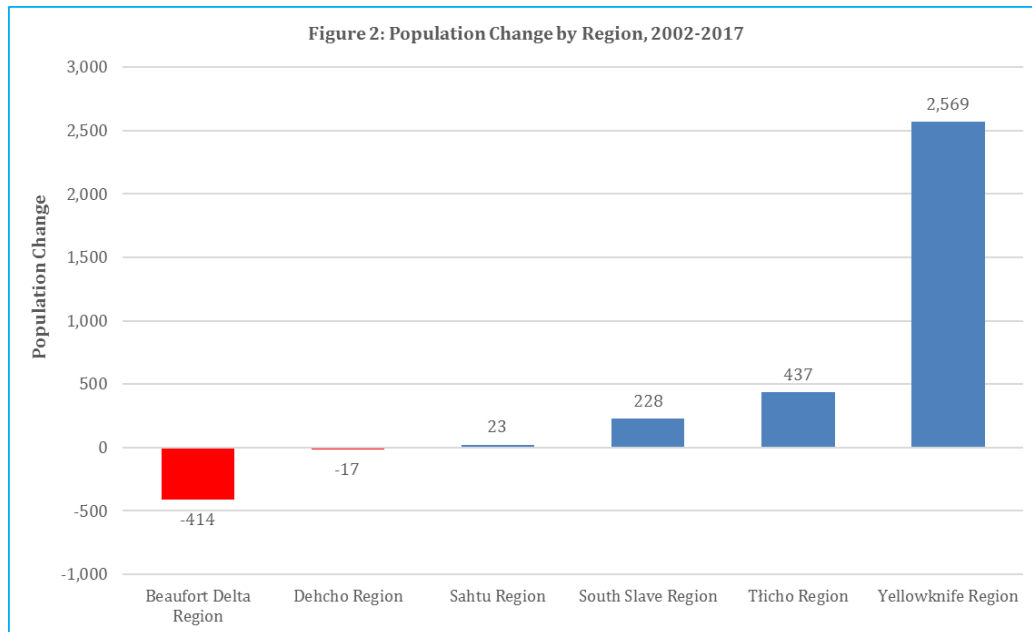
concentration in the regional centres; and, decreasing fertility (birth) rates, and the corresponding aging of the population, as well as a declining working age cohort.

Declining communities and concentration in regional centres: Over the last 30 years the concentration of the total NWT population in Yellowknife grew to 46% (an increase of 48%), while the other regional centres’ population declined by 18% and the small communities experienced a decrease of 22%. The historical patterns are projected by the NWT Bureau of Statistics to continue for the next 20 years, where by 2031 Yellowknife will have 48% of the NWT population, while the other regional centres and the small communities will experience a decline to 22% and 30%, respectively. Moreover, the total NWT population will only increase by 3% by the mid-2030s. This extremely low rate of population growth has a range of economic and labour force implications.

- The 2002 to 2017 period underscores the demographic trends and changes at the community level (see Appendix E – Population Change, Community and Regions, 2002-2017). Total NWT population increased by only 2,826 persons, representing less than 7% change over the 15-year period. This is a negligible increase over that period, and brings with it a range of social, economic, housing (including the rise of homelessness) and public service delivery implications– including growth so low to threaten the viability of certain local businesses providing goods and services. Population change by community provides further perspective on the emerging implications. *Of the total 33 communities in the NWT, 18 communities (representing some 55% of all the communities) experienced an overall population decline during the 2002 -2017 period.*



- Examination of regional population change highlights the emerging impacts and longer-term implications. The data indicates that there were two declining regions (Beaufort Delta and Dehcho), one region with virtually zero growth (Sahtu), and regions that experienced some degree of growth (South Slave, Tlcho and Yellowknife). The Yellowknife region experienced the largest regional growth with an increase of 2,569 persons, representing some 147% of the regional population. Yellowknife alone accounted for 95% of the regional increase of 437 persons, representing 16% of the regional population. While the City of Yellowknife accounted for 86% (2,432 persons) of total NWT population increase of 2,826, the City's actual rate of growth over the 15-year period is statistically insignificant.



Population Is aging: Although the NWT currently has a relatively low proportion of seniors, the 'share' has more than doubled and it has been the fastest growing age cohort over the last 20 years. The number of those aged 45 to 64 years has increased significantly, which is the result of the aging 'baby boom' generation. In contrast, the share of children under 15 years has been steadily decreasing. During the 1991 to 2011 period, the proportion of those aged 0 to 9 years fell by nearly 20%, while those aged 65 to 69 years increased by nearly 280%. The decrease in the number of children reflects a declining birth rate, while the growth in the older age groups reflects increased life expectancy for the general population.

By 2034, the NWT will have some 5,200 persons aged 70+ years. This is an increase of about 3,500 (208%) over the 2014 to 2034 period. The health and social service programming and cost pressure implications are significant (e.g., home care, long-term care facility costs, hospital utilization rates). By comparison, the total NWT population is projected to be about 45,000. This is an increase of about 1,400 (3%) over the 2014 to 2034 period.

2.1.2 The Economic Problem

Once the broader context was presented and discussed, the symposium then focused on the 'economic problem' based on the various perspectives of the IGOs and the GNWT. Through the 30 confidential interviews and review of selected key documents, the economic problem was described openly, critically and, honestly by the IGOs (and their respective economic development corporations) and the GNWT. The economic problem was described as '*complex and comprised of highly interdependent parts.*'

The following summarizes the areas of potential shared focus for the NWT Economic Symposium. The components of the economic problem included the following themes, each of which are supported by a summary and explanation as to its relevance (see Appendix D):

- *NWT comparative advantage – natural resources*
- *Investment risk, and higher Northern capital and operating costs*
- *Recognition of and Support for the traditional economy*
- *Non-renewable resources sector economic contribution*
- *Longer resource development cycle*
- *Inconsistent and variable commitment to resource development*
- *The human dimension of economic and family stress*
- *Wealth and success is understood in different ways*
- *Organizational trust deficits*
- *The NWT is conflicted with respect to resource development and conservation*
- *Effort in economic development planning but limited tangible results*
- *Collaboration options and opportunities – making a bigger economic pie (bannock) to share*

A number of the selected components that were considered and briefly discussed by participants are summarized below.

NWT comparative advantage – natural resources: Historically the NWT has not optimized the opportunities it has had to build revenue streams from its natural resource (natural capital) endowment through the necessary quantum of investment and duration to position for realizing longer-term benefits to ensure not only an economic security threshold but ultimately to maximize opportunities and shared northern prosperity. This is evident by the continued absence of a genuine shared commitment by the GNWT and IGOs in a deliberate, comprehensive and sustainable economic development direction at the territorial and regional level.

There has been a reluctance to commit to an economic direction and agenda that is founded on the economic realities of the territorial comparative advantage - natural resource endowment, that reflects geographic and climatic constraints, and has a direction that factors in high operating and labour market challenges, a reputation as a complex regulatory regime, significant infrastructure deficits, prohibitive distances to markets and, cyclical commodity market demand and price fluctuations at national and international levels.

Investment risk, and higher Northern capital and operating costs: The comparative cost of mining in Northern Canada was reviewed in the 2015 report by the mining industry - 'Leveling the Playing Field' that examined and brought together independent financial data for southern and Northern Canada that had the following findings:

- Capital costs are double for gold mines;
- Capital costs are 2.5 times higher for base metal mines; and, 15% to 20% higher for diamond mines;
- Operating costs were 30% to 60% higher in the Northern mines.

Cumulatively, these factors continue to shape the degree to which the NWT, relative to other jurisdictions, is viewed by investors as 'competitive and attractive' with regard to capital investment risk.

Recognition of and Support for the traditional economy: The economic dominance of the non-renewable sectors has not precluded or diminished GNWT's continued support for and investment in other sectors of the renewable and traditional economies that includes harvesting, outfitting, tourism, local retail and services, the cultural sector (arts and crafts, film & media, music), fisheries, forestry, small scale agriculture, renewable energy, among other emerging opportunities that operate at various scales from individuals to small businesses, some requiring minimal capital investment in every community and region. The GNWT's long-standing support for the traditional economy involve a range of programs and support services.

Non-renewable resources sector economic contribution: The high economic contribution of the non-renewable sector (oil and gas, and mining – representing over a quarter (some 26%) of GDP (direct and indirect impacts) in 2017 representing \$1,231 million, of which nearly 90% (\$1,103 million) was attributed to diamond mining – which also accounted for 73% (975 jobs) of the 1,330 total jobs in this sector, has not been fully integrated into the economic development agenda with respect to how this has, and continues to shape the territorial and regional economic direction and, overall fiscal sustainability. For completeness in 2016, agriculture, forestry, fishing and hunting accounted for some \$23 million, representing 0.5% of GDP and represented 140 jobs. Historically there have also been periods of indecision and tentativeness to fully commit to a broader, deeper and, sustained stream of investment in priority economic sectors through critical infrastructure, by all levels of government, IGOs and private interests.

Longer resource development cycle: The resource development cycle, which historically occurred within an approximate 7-year process from exploration, feasibility decision, regulatory review and approval, construction and start of production. The mining industry information notes that this cycle is now in the 15 to 20-year horizon. This is as a result of a number of factors, including but not limited to: regulatory complexity; expansive consultation requirements, with Indigenous interest and the public; and, increasingly highly organized and effective opposition to development by a wide range of special interest groups – including the reliance on protracted legal challenges.

Inconsistent and variable commitment to resource development: The necessary political and administrative tenacity, attention and resources that need to be invested in order to successfully work within (and ultimately to benefit from) the increasingly significant lead time, processes and investor risk management involved in resource development projects has been inconsistent, but which require sustained attention and effort. The process entails exploration, regulatory review,

production, abandonment and remediation, and post closure monitoring. The desired result is something akin to an 'ideal stream' of resource development projects at varying stages of the regulatory review and development cycles to minimize disruption and fluctuation in the volume of economic activity and the consequential variation in government revenue generation levels has been difficult to manage. This is in part due to predictable complacency during periods of high economic activity and revenue generation by various interests - public and private.

The human dimension of economic and family stress: Bobbie-Jo Greenland-Morgan, President and Grand Chief of the Gwich'in Tribal Council, spoke to this important component that goes beyond the statistics and looks at the human consequences.

The evidence and lessons from across Canada and indeed North America, from situations where communities experience some type of an '*economic shock*' (e.g., mine shutdown or economic recession) that contribute to or results in reduced employment and/or household income has a significant human dimension. In times of financial stress that result in reduced resources available, there is an established relationship (but not one that is causal) with households experiencing elevated rates of family violence, increased potential for child neglect (e.g., including food insecurity), and child apprehension by social service agencies in serious cases. The relationships were recently examined by the Canadian Child Welfare Research Portal 2015 report *Financial Strain, Child Maltreatment and the Great Recession in Canada* examined the prevalence of financial stress in Canada and the relationship between stress from economic hardship and child maltreatment within the context of the economic recession that began in 2008.

Wealth and success is understood in different ways: Roy Fabian, Chief of the Kátł'odeeche First Nation (KFN), spoke to this cultural and values-based component that goes beyond financial wealth and recognizes other forms of wealth that are tied to Indigenous values and traditional practices.

There are different interpretations of '*wealth*' and what '*success*' means in different regions, cultures and times, where *wealth and success* can and does encompass cultural and spiritual wealth, environmental and ecological wealth, and monetary wealth. That said, even in the more traditional communities as observed by several IGOs and KFN, the fact is that a monetary component is part of today's definition of wealth and success by individuals, families and communities – as evident in wage economy participation and daily transactions for good and services that are based on the idea of a financial exchange.

Organizational trust deficits: There exist varying degrees of a '*trust deficit*' between the GNWT and IGOs, as well as between the IGOs. This is contributing to the historic and current approach of largely competition and focusing on dividing up the relatively small economic pie rather than collaborating and developing ways to build a bigger pie to share. The NWT has for too long been overly reliant on external interests and capital to shape its economic future by having 'others' assume the investment risks and consequently benefit from and retain the majority of benefits.

The territory (as a whole and as individual regions) have not put to productive use its own northern strengths and capacities, including substantial financial assets and natural capital on and in public lands and lands owned by Indigenous governments. The historical experience of often-divisive intra-territorial and inter-regional competition rather than cooperation and partnerships to achieve greater economies of scope and scale by actually working as 'economic regions', and not just political regions, has and is contributing to the various economic challenges and regional disparities.

This divisive competition is also evident in some regions experiencing ‘*intra-regional*’ competition and lack of cooperation between community level development corporations, which reflect the negative impact of diminishing economies of scale. In blunt terms, the community and regional disparity consequences are reflected in the reality that ‘*the greater the wealth gap, the greater the health gap*’. The compelling evidence of the need to take action by public governments and Indigenous governments to close the gaps in virtually every measure of social, economic and health determinants of Indigenous people in the NWT is undeniable.

The NWT is conflicted with respect to resource development and conservation: The Northwest Territories – encompasses a range of mandates and interests including: public government, IGOs, industry, environmental organizations, the public and media, can be characterized as inherently ‘*conflicted*’ with respect to the degree of support or opposition to development. There is a clear recognition of the legacy of significant environmental impacts (e.g., Giant Mine, Port Radium) with concerns of potentially contributing to a future problem, and not having a high degree of confidence that the current regulatory regimes (although viewed as robust) can in fact prevent or mitigate the risk of environmental problems.

This conflicted reality has at times been characterized as a *moral dilemma* for government and IGO leaders within and across organizations that is contributing to a lack of clarity regarding a shared policy position and agreed upon direction for resource development. Even within the respective organizations, there have been previous policy shifts and inconsistent messaging, which have further complicated and diverted a meaningful and necessary public dialogue.

The GNWT’s *dilemma* and challenge is reflected in internal debate and actions by individual departments and in the divergent views expressed at times within the Legislative Assembly itself over decades, while advancing land stewardship initiatives such as: The *NWT Land Use and Sustainability Framework*, *NWT Water Stewardship Strategy*, a number of completed land use plans and others in draft stages, the *NWT Mineral Development Strategy*, and conservation network planning.

The IGOs and KFN’s corresponding *dilemma* and challenge also encompasses internal struggles by beneficiaries (particularly elders) and the traditional values-based resistance to certain types of development (e.g., hydraulic fracturing; offshore drilling and development; and, monetizing water resources). The underlying question raised by the GNWT and a number of the IGOs is whether there has been a valid and thorough consideration of the ‘*facts*’ as well as the unavoidable trade-offs in resource development decision-making and, what the implications are for the territorial, regional and community economies.

The array of internal and external interests in the Arctic development debate has periodically attempted to move the agenda and narrative away from the territory’s economic established ‘*comparative advantage*’ - natural resource endowment. This has included divisive and damaging campaigns and staged events around the conservation “vs” development debate. This includes the reduction of a complex, emotional and deeply values based dialogue to a simplistic choice – ‘*are you for or against it*’. The net effect has been to introduce a highly disruptive dimension into the debate – that of instilling doubt and adding public and regulatory fatigue, that has diminished the territory’s public and Indigenous governments social license and ability to maximize the economic benefits and opportunities through the legitimate process of responsibly transforming natural capital (natural resources) on both public lands and Indigenous owned lands.

DISCUSSION AND DECISION POINTS

Following the presentation and open discussion, this agenda item was concluded with the participants providing a consensus-based response to two questions posed by the facilitator:

1. *Do we generally agree on the economic ‘problem’ and the context that we are here to address?*
Response: **YES**

2. *While recognizing the contribution of the renewable resource sectors of the economy, do we generally agree that the non-renewable resource sector has been and will continue to be for the foreseeable future the largest source of territorial and regional ‘opportunity and wealth’?*
Response: **YES** (recognizing and respecting different values)

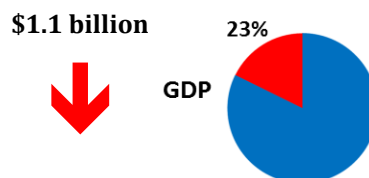
“ We need to recognize the bold step and congratulate the Premier (our Captain) for making this symposium a reality and for this unique opportunity to bring the collective leadership together and have a serious discussion about the economic problem and our future economic and environmental direction.”

2.1.3 Economic Status Quo Scenario

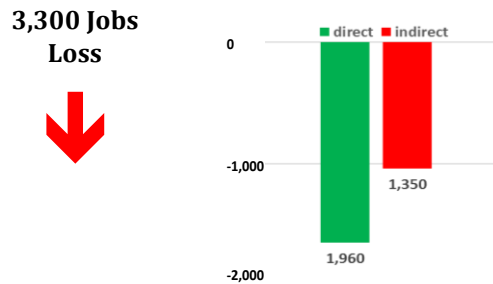
The second part of Agenda Item #1 examined the Economic Status Quo Scenario: Impacts of Potential Closure of the NWT Diamond Mines (see Appendix G for the scenario analysis findings). The analysis was requested by the facilitator to inform the symposium discussion and to fulfill the commitment to participants through the interviews that had requested current and credible information.

The following are some of the key findings from the analysis by the NWT Bureau of Statistics and the Department of Finance. The analysis focused on the impacts on the economy, employment, population, and GNWT programs and services.

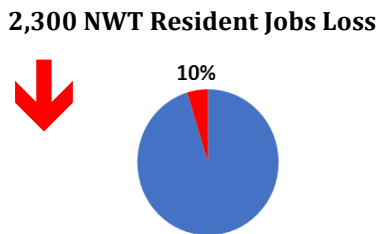
Impact on the Economy: The eventual closure of the diamond mines would shrink the NWT economy by some **\$1.1 billion** or about **23%**.



Impact on NWT Jobs: There would be a loss of approximately **3,300 jobs** in the NWT. This would include almost 1,960 direct jobs at the diamond mines and an estimated 1,350 jobs in indirect jobs in industries like transportation, retail and wholesale trade, construction, and various professional, scientific and technical services.



Loss of Resident Jobs: Non-resident rotational workers fill half of the direct employment at the diamond mines. However, total resident employment loss would be approximately **2,300 jobs**, which is more than a **10%** decline in current employment levels for NWT residents.



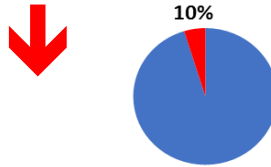
Impact on Population: While not everyone that would lose their job would leave the NWT, it is estimated that the population impact of this impact would be approximately **3,200 residents**. The loss of population of this magnitude would have additional impacts on the economy as the effect of lost household spending impacts retail businesses and other sectors.



Impact on GNWT Programs and Services: Diamond mines, businesses providing services to the industry and all of their employees have a significant impact of GNWT own-source revenues including resource royalties, personal and corporate income taxes, and fuel, property and payroll taxes. Employees and their families also significantly impact the Grant from Canada as part of Territorial Formula Financing arrangements.

The impact of the closure of the diamond mines on GNWT revenues is estimated at approximately **\$162** million annually. This represents about **10%** of operational expenditures.

\$162 million GNWT Revenue Loss



Future Government Decisions: This revenue reduction would have to be offset by reduced spending on programs or services for residents and/or reduced capital spending. It is not possible to know how a future government would manage the revenue reduction, for example it could be through program reductions, job cuts, or reducing infrastructure spending, or some combination. However, it is likely that there would be significant job loss which could lead to additional population decline adding additional negative economic, population and government revenue impacts.

DISCUSSION AND DECISION POINTS

Following the presentation and open discussion, this part of the agenda item was concluded with the participants providing a consensus-based response to the first questions posed by the facilitator. The second question was not intended to be directly answered at this point but rather to be considered and discussion during the rest of the symposium:

1. *Do we generally agree on the impacts and implications in the economic status quo scenario?*

Response: YES

2. *If the status quo scenario continues, what are we as political leaders prepared to trade-off and take responsibility for?*

Response: YES

2.2 Agenda Item #2: A New Economic Direction: A Choice of Futures-Challenges and Opportunities

Day 2 of the NWT Economic Symposium began with Agenda Item #2: A New Economic Direction: A Choice of Futures – Challenges and Opportunities. There were two presentations to inform the round table discussion. The first presentation was by Darrell Beaulieu, CEO of Denendeh Investments Inc., and Paul Gruner, CEO, Det'on Cho Corporation. The following are selected key points from the presentation and round table discussion. The full presentation is provided in Appendix H: Economic Collaboration: Lessons and Best Practices in Other Jurisdiction.

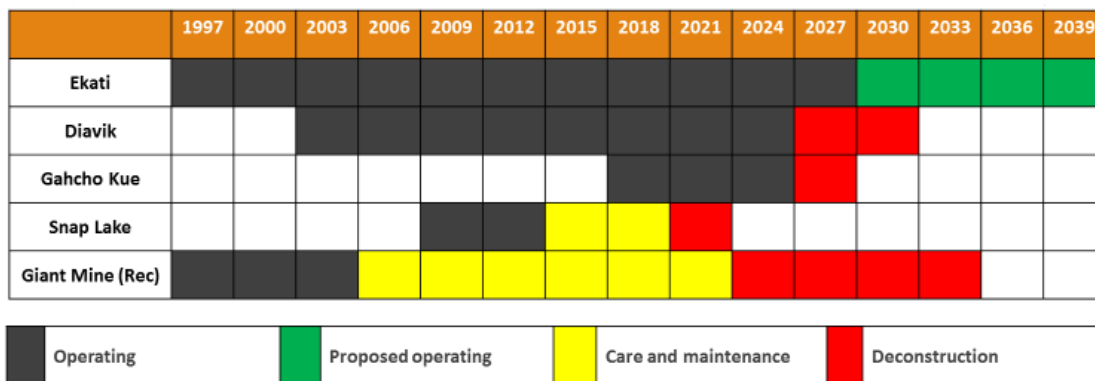
2.2.1 Economic Collaboration: Lessons and Best Practices in Other Jurisdictions

Territorial GDP Statistics: The presentation identified the per capita GDP (2016 data) for the NWT at \$106,215, the highest of any jurisdiction in Canada. The comparative figures for the Yukon and Nunavut were \$73,518 and \$65,713, respectively. The NWT number is elevated in part by the high valuation and income generated through the diamond industry. While GDP is an indicator of higher taxes, higher royalties that can benefit the entire population, it is recognized that GDP does not tell the whole story: There is an income disparity between Indigenous population in the smaller communities and non-Indigenous population located in the larger centres.

Largest Private Sector Contribution Comes from Mining: Mining, oil and gas accounted for some 31% of the territorial in 2017. Additionally, these sectors contribute through other sectors, such as construction, transportation, trade, real estate.

NWT Mines and Opportunities Timelines: The NWT timeline of current industry opportunities was presented. There is an urgency to recognizing the significant but declining economic opportunities, especially for Indigenous businesses. The 'clock is ticking'.

NWT Timeline of Current Industry Opportunities



Direction from the Dene Chiefs: The Dene Nation passed a historic motion at the 2014 Assembly, reaffirmed again in 2016, that the Dene support and promote:

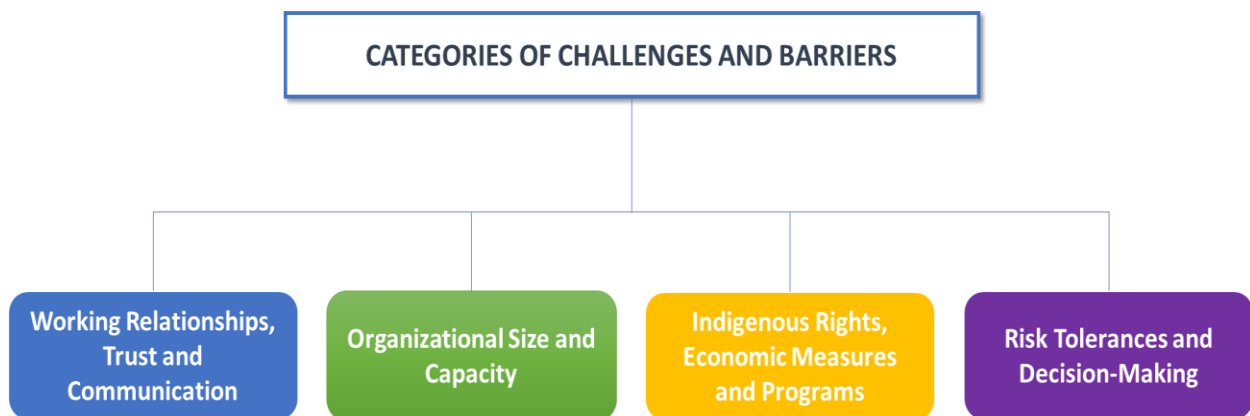
- The concept of working with each other and other Indigenous governments to support controlled resource exploration and development.
- The development and establishment of *resource development and export corridors* that will contribute to significant long term social and economic benefits for the Dene.

Challenges to Economic Collaboration: This part of the presentation drew from the experience of Indigenous governments and the GNWT regarding the challenges, which include:

- Lack of trust
- Lack of access to capital
- Lack of capacity development in the communities
- Lack of confidence in the environmental protection regime
- Lack of opportunities for equity participation

*“The reality is that **no one is coming here**. It is up to us to create our own future and make things happen. We have to recognize that we need to decide to get off the burning platform to a better future.”*

In order to inform Agenda Item #2, a resource document was prepared by the facilitator titled *Challenges and Barriers to Economic Collaboration* (see Appendix F for the full document). The categories of challenges and barriers used to summarize the interviews and document review were:



The document examined the challenges at two levels: Challenges between IGOs and the GNWT (and Canada), as well as between and among IGOs. One of the central challenges identified and discussed throughout the symposium, and under the various agenda items was the ‘*trust deficit*’.

There exist varying degrees of a 'trust deficit' between the GNWT and IGOs, as well as between the IGOs. This is contributing to the historic and current approach of largely competition and focusing on dividing up the relatively small economic pie rather than collaborating and developing ways to build a bigger pie to share. The historical experience of often-divisive intra-territorial and inter-regional competition rather than cooperation and partnerships to achieve greater economies of scope and scale by actually working as 'economic regions', and not just political regions, has and is contributing to the various economic challenges and regional disparities. This divisive competition is also evident in some regions experiencing 'intra-regional' competition and lack of cooperation between community level development corporations, which reflect the negative impact of diminishing economies of scale. In blunt terms, the community and regional disparity consequences are reflected in the reality that *'the greater the wealth gap, the greater the health gap'*.

"One of the things that I am seeing is that more and more of the development corporations are trying to defend what is in their own community and trying to grow that. There are roadblocks and I see pushback against each other."

Indigenous Economic Collaboration in Other Jurisdiction: Examples of initiatives, as well as some best practices, from Indigenous businesses were outline with focus on what may be relevant to the NWT. The initiatives included:

- Wataynikaneyap Power (Ontario)
- Arctic Gateway Group (Manitoba)
- Alaska Native Corporations & AIDEA (Alaska)
- Eagle Spirit Energy (British Columbia)
- Fort McKay First Nation and Mikisew Cree (Alberta)
- Athabasca Chipewyan First Nation (Alberta)
- RAB Energy (Yukon/Alaska)

Comments from participants included the value of looking in other jurisdiction but being cautious in trying to simply copy it in the NWT. Local circumstances and conditions need to be fully taken into account.

Successful NWT Economic Collaboration: The presentation then focused on past and current examples of successful economic collaboration in the NWT. The examples included:

- Aboriginal Diamonds Group/DICAN
- Kete Whii Ltd.
- Mackenzie Aboriginal Corporation (MAC) and Aboriginal Contractors Corporation (MAC)
- Aboriginal Pipeline Group (APG) – as discussed in detail during the keynote address by Fred Carmichael
- Northern Aboriginal Services Company (NASCo)

Opportunities for New Economic Collaboration: The matter of what opportunities there are for NWT businesses, in the short and longer term, include:

- Mackenzie Valley Corridor
- Slave Geological Access Corridor
- Hydro and Transmission Development
- LNG Development
- Environmental Remediation
- Building /Land Development
- GNWT Capital Plans

Overcoming Economic Challenges and Barriers: The presentation identified a number of tangible and practical steps to overcoming economic collaboration challenges, which include:

- Identify projects that create a win-win for all parties
- Access to capital that creates Indigenous project proponents
- Policies that support and encourage local capacity development
- Indigenous participation in all aspects of environmental protection
- Government/industry opportunities for Indigenous equity participation

Moving Forward: The presenters concluded with ideas and potential next steps (which was subsequently discussed in Agenda Items 3, 4 and 5). The ideas and steps included:

- Identify projects for Indigenous and GNWT collaboration
- Review May 2018 Draft MOU on Indigenous Partnerships at the Indigenous Economic Forum proposed for December 11 & 12, 2018 factoring in the Circumpolar Inuit Declaration on Resource Development
- Economic Accord between Indigenous governments and GNWT
- Discussions on securing Indigenous support for the chosen project, obtain clearances and set aside lands
- Funding from government to establish a Joint Secretariat to conduct research and consultation, develop and implement a plan
- Identify research gaps, including traditional knowledge
- Redouble efforts on education and training and assistance to small business
- Raise the financing needed (Public, Private and Indigenous Capital, Tolls and User Fees) for Indigenous participation in major projects
- Work with the federal government on the creation of an Arctic Indigenous Investment Fund (or an Arctic Investment Fund?)

“For us to appropriately respond to GNWT and federal priorities – we need to understand what the opportunities are and understand the collective impact. But we need to look at this in terms of collective benefit.”

“It’s starting to happen after 150 years, infrastructure development and indigenous people are going hand-in-hand with the support of governments.... We have the potential for a true nation to nation relationship – including direct funding.”

ROUNDTABLE DISCUSSION

There were a number of comments and observation following the presentation, some of which were linked to the earlier presentations and the challenges identified in the *Challenges and Barriers to Economic Collaboration* document (see Appendix F). The following are selected points from the roundtable discussion and cross-referencing observations made during the confidential interviews with the facilitator. The integration of the direct discussion during the roundtable and resource document is intended to provide a more complete and balanced perspective for participants and other readers.

Imbalance in organizational size and capacity: In comparison to the size of the GNWT, most of the IGOs feel at a disadvantage during discussions and negotiations regarding economic development matters. There is an imbalance in terms of the resources and capacity that can be brought to the table (e.g., extent of professionally trained labour force, literacy levels, degree of staff turnover). This is contributing to a real or perceived power imbalance, for IGOs with settled and unsettled land claims.

“Education is the key to capacity building and progress.”

Reliance and economic dependency on government: Most IGOs recognize the high degree of economic dependency on government (GNWT and Canada) for funding and creation of economic opportunities. Some IGOs are exploring options to decrease the degree of economic dependency and work to building more financial autonomy. There is an understanding that while government will remain, at least for the foreseeable time, an important part of the NWT economy, it is only one of the available options, with industry and private business sectors as the more significant and longer-term option for economic growth and investment.

Government and Industry bundling of services into large tenders: The increasing practice of bundling request for multiple goods and services into large tenders by government (Canada and the GNWT) and industry, while intended to achieve economies of scale and lower cost tender submissions, is viewed as putting IGOs at a disadvantage or in some cases effectively excluding them, by virtue of their more limited scope and scale of services, as well as constrained access to specialized facilities and equipment. This is viewed as encompassing individual IGOs as well as potential joint ventures by multiple IGOs. Additionally, this is a contributor to significant economic leakage out of the NWT.

Degree of decentralization by the GNWT: Several IGOs noted additional challenges related to the GNWT decentralization policy and the dominant role of Yellowknife. It was argued that this is constraining economic opportunities and effectively contributing to disparities in the regions and communities resulting from what is viewed by many IGOs as a *'inadequate and inconsistent'* commitment to a *'meaningful'* scope and scale of decentralization.

"We are not against Yellowknife, this is about its developing all our communities through more collaboration. This should not be about defending Yellowknife vs. promoting communities. The important question is - how can we utilize what we have and grow what is there?"

Reluctance and/or inability to separate politics from economics and business: There has been and continues to be situations where economic opportunities are either lost or not maximized by a reluctance and/or inability by the GNWT and the IGOs to effectively separate politics from economics and the business of generating opportunities and revenue. In some cases, this stems from long-standing historical rivalries and inter-cultural conflict. A particularly insightful observation on collaborating with government and other IGOs, was made by one IGO leader who captured similar views by other leaders.

'It is challenging to work together politically, but money has no boundaries. There is a need for a true economic coalition, not necessarily a political one. We collectively must make a commitment to work together over sustained and challenging periods. We just need to find the will and the mechanisms to move forward'.

Government understanding of land claim provisions: Several IGOs noted that government (GNWT and Canada) has varying degrees of *'understanding and/or commitment'* to aspects of the intent and provisions of settled land claims. Specifically, this is with regard to Indigenous rights and the economic measures. This is viewed as contributing to challenges with economic development opportunities for the IGOs and evolving working relationships with government. There is recognition that this challenge is interlinked with a broader process of valid and principled dispute in a crowded political agenda. The specific economic challenges are outlined in the points regarding equal and meaningful participation and economic measures compliance (see below).

Equal and meaningful economic participation: There are areas of divergent interpretations by government (Canada and the GNWT) and by the IGOs with respect to land claim agreements' *vision and principles* regarding becoming *'equal and meaningful participants'* in the northern and national economies, and to *'encourage self-sufficiency'*. A number of IGOs made the point that the process of *'reconciliation'* needs to include *economic reconciliation*. Additionally, several IGOs pointed out that there needs to be more focus on the *'larger economic development agenda'* and relatively less reliance on government procurement and contracting.

Economic measures compliance: While the language may vary in the respective land claims, there are specific economic measures provisions that are common to all the agreements. These measures are intended to facilitate: full participation in the northern and Canadian economies and, integration into Canadian society through development of an adequate level of *economic self-reliance* and a solid economic base. The economic measures encompass the following components: Training; Employment; Government contracts and procurement (*e.g., negotiated contracts, sole source or guaranteed share*) of contract value and percentage of labour.

Development of resources on selected Indigenous lands: Each of the settled land claims included a cash and land quantum component. The selection of lands by the IGOs was based on various considerations and criteria, including: traditional harvesting and cultural areas, sacred sites etc., however, some specific lands were also selected for surface and sub-surface ownership based on natural resource development potential – either directly by the IGO and/or from royalty payments by others. While some settlement areas have initiated or attempted investment and development, overall the development of IGOs natural capital has been limited.

There have been instances where industry business decisions and government policies have in fact inhibited development (e.g. Mackenzie Gas Project cancellation, exclusion of hydraulic fracturing, and the 2017 federal off-shore oil and gas moratorium). These are contributing factors in the continued economic dependency on government and prolonging regional disparities.

High cost of operating a business in the NWT: The combined impact of high operating costs (e.g., higher wages and salaries, utilities, infrastructure and equipment, transportation - air vs. road) is a significant barrier, which is further compounded by the vast distances between communities and the location of potential project. Additionally, the variance in the cost-of-living across regions and communities further impacts Indigenous and non-Indigenous business operating costs and profit margins. To illustrate, the NWT Bureau of Statistics *Community Price Indexes* indicates that the Price Index for Colville Lake is 196 – almost twice when compared to the base of 100 in Yellowknife.

Environmental legacies impact willingness to support or collaborate in resource development: The reluctance by some IGOs to collaborate in, or even to support, certain types of resource development projects due to prior negative environmental legacies and impacts (e.g., Giant Mine, Port Radium) with concerns of potentially contributing to a future problem, and not having a high degree of confidence that the current regulatory regimes (although viewed as robust) can in fact prevent or mitigate the risk of environmental problems. The confidence question about the NWT's regulatory regime is in part linked to varying levels of understanding of the role of 'financial assurance instruments' (i.e., securities) in the regulatory process and environmental monitoring.

“Reconciliation is not just about the last 150 years. It is the long before that when Indigenous people transferred massive amounts of wealth to European countries – with little benefit from the ‘trade’ arrangement. This part of history must not be forgotten.”

Conflicted positions organizationally regarding development and conservation: The NWT has been characterized as inherently '*conflicted*' with respect to the degree of support or opposition to resource development. This conflicted reality has at times been characterized as a *moral dilemma* for government and IGO leaders within and across organizations that is contributing to a lack of

clarity regarding a shared policy position and agreed upon direction for resource development. Even within the respective organizations, there have been previous policy shifts and inconsistent messaging, which have further complicated and diverted a meaningful and necessary public dialogue.

The underlying question raised by a number of the IGOs, as well as the GNWT, is whether there has been a valid and thorough consideration of the 'facts' as well as the unavoidable trade-offs in resource development decision-making and, what the implications are for the territorial, regional and community economies. Simply stated - there needs to be difficult discussions and coming to terms with the consequences of the economic status quo scenario and the 'real' cost of doing nothing.

The issue is how we understand and view what development is or should be understood: *'Development has to be something that is transferring control to the people.... (Indigenous people) are saying is that development should be orderly, it should be planned, it should be at the pace of the local people, it should benefit local people.'*

Risk aversion to significant and sustained investment: There has been an historical risk aversion to significant and sustained investment in the NWT. The GNWT (as reflected in debate and actions by individual department, and evident in the divergent debates within the Legislative Assembly itself) and many IGOs have historically been risk averse to making significant and sustained investments in resource development projects and *strategic and economic infrastructure* (i.e., generally large-scale projects) that generate economic growth and enable the NWT to function.

This includes examples such as: transport facilities (airports, roads, bridges, harbour facilities), and utilities (electricity, water, telecommunications networks). *Social infrastructure, however* are public assets that directly support the provision of essential public services – such social housing, health facilities, educational and long-term care facilities.

The GNWT and the IGOs each have varying degrees of economic and business risk tolerance, although most can be characterized as having a 'low risk' approach to economic decision making. The risk aversion is reflected in expressions such as 'potential losses loom larger than potential gains' and status quo bias where people prefer things to stay the same by doing nothing.

Periodic inconsistent public messaging and policy statements further complicate this challenge by all the involved organizations, which reflect the reality of election cycles and changes in leadership, changes in strategic priorities, as well as shifts in the broader economic landscape and public sentiment.

"If we don't trust one another how can we move forward together and form real partnerships and lasting economic opportunities. Collectively we need to move beyond talk to tangible results."



2.2.2 Economic Collaboration: Challenges and Opportunities in the NWT

This agenda item was concluded with the participants providing consensus-based responses to the question posed by the facilitator:

1. *What are the key challenges and opportunities for economic collaboration between:*
 - (a) *Indigenous governments and organizations?*
 - (b) *Indigenous governments and organizations and GNWT*

An informative and experienced based additional perspective on the economic challenges and opportunities in the NWT was provided by Danny Gaudet, Deline businessman, and Jake Heron, Economic Advisor to the NWT Metis Nation. Together, Danny and Jake brought forward a compelling story – a story that looks beyond the numbers and statistics. Selected key points from that story are presented below.

The elders teach us that ‘you should not speak until you know enough’. We have learned enough to speak through our experience as economic and business developers and owners. We struggle to create an economy because we just simply won’t work together. Community businesses have all struggled and eventually failed as a result.

We were once traders, a practice essential for survival. We have stopped trading with each other, but we continue to trade with outsiders. We need to ‘share the canoe rather than sell it’. How this happened over time. This occurred through residential schools, reserves, the creation of communities, and we started to negotiation land claims and self-government agreements - this created more boxes). We have to stop living in other people’s boxes – we are *circle people*.

The boxes have resulted in us being over-governed and created a dependency on government and others. We are losing our people – an entire generation. Government programs and services are not meeting the needs of people in communities. People were productive and working when the fur factories in Inuvik and Aklavik were active. But are active no more – a decision made by others.

If we are to create strong and viable communities, we have to make people strong again, including promoting the power of individual ambition and work. If we have strong people we will have strong communities, strong regions and a healthy and prosperous territory. To this point we as leaders are not doing a good job at this.

Community and regional development corporations need a new direction. Most of them are trying to be everything, but not really good at any one particular thing. We have not invested in capacity building as a priority. The corporations are struggling and as a result they are providing few trickle down benefits for people. There are in effect two distinct economies – the economies in the small communities, and the larger economies in the regional centres (especially Yellowknife).

How did this situation come about? The economic challenges and the reality of struggling individual community businesses stems from three factors: We have created jealousies; We have become greedy; and, We forgot the importance of sharing.

Why are we still not in charge of developing and controlling our own resources? Why do we continue in a dependency on others? We need to take our own people, our own energy and money and invest in capacity building. Through this we can be part of the development process – from exploration, to development and final remediation. Governments need to be aware and respect the skills and experience we have in remediation – Port Radium, Norman Wells and Giant Mine. Indigenous businesses need better access to government contracts. There is too much work being contracted to not only southern firms but also American firms (i.e., the Giant Mine remediation contract). The economic leakage out of the NWT is a concern.

The Devolution Agreement provides opportunities for Indigenous people to work together with the GNWT. The Resource Revenue Sharing Agreement is a great example of Indigenous governments working together to come to a fair revenue sharing formula. There is a confidence in the GNWT being able to do a better job of managing land and resources than we can do individually. There is also a need for the GNWT to strengthen the commitment to Northern hire. As the largest employer in the NWT – this will have a positive impact. Our youth leave for education and training but have little to come back as far as work opportunities.

DISCUSSION AND DECISION POINTS

Following the presentation and open discussion, this agenda item was concluded with the participants providing consensus-based responses to the question posed by the facilitator:

2.3 Agenda Item #3: A New Economic Direction: Vision and Core Principles

This agenda item started to bring together the observations and ideas to this point of the symposium.

The facilitator initiated the process of linking the presenters and participants' ideas regarding a potential new economic vision and principles – that would be discussed in plenary on the final morning of the symposium as Agenda Item #5 – Moving Forward and Next steps.

Among the preliminary principles that were identified, both directly and/or indirectly included the following.

Potential Principles to Guide the New Economic Direction and Collaboration

- Recognition of constitutionally protected treaty and indigenous rights and nation to nation relationships
- Inclusion and respect for indigenous economies
- Addressing infrastructure deficits, gaps and development opportunities
- Leadership responsibility and respectful, trusting, collaborative working relationships
- Respecting the importance of a healthy and sustainable environment
- Committed to benefiting NWT residents and members of NWT first nations and indigenous governments
- Recognition of and building on the NWT's comparative advantage – natural resources
- Non-renewable resources sector economic contributor
- Recognition of the limited and diminishing resource revenue streams
- Responsible and accountable resource development
- Importance of economic diversification including harvesting, tourism and traditional economy
- Prosperity through more collaboration and less internal competition

"We must all make more effort to be clear about what we are not fully understanding from each other."

2.4 Agenda Item #4: Potential Options and Projects for Economic Collaboration between IGOs and the GNWT as well as between and among IGOs

This agenda item was developed around two questions for consideration through the day. The questions emerged from the advance confidential interviews with IGOs, KFN and the GNWT:

1. *What are the potential options and projects for economic collaboration between (a) the various Indigenous governments and organizations; (b) Indigenous governments and organizations and the GNWT?*

2. *What can each of the respective governments and organizations contribute to moving forward?*

2.4.1 Potential Options and Projects for Economic Collaboration

Wally Schumann, Minister of ITI and Infrastructure, provided a perspective on potential options and projects for economic collaboration between IGOs and the GNWT as well as between and among IGOs. The following are selected key points from his remarks.

This is an important time as it marks the NWT's first significant pivot point since the 2014 Devolution Agreement. The emerging relationship can be seen as being in year 4 of a marriage. We are committed to developing a realistic and shared and economic vision for the territory and each region. This vision is a shared responsibility, one that needs to be in partnerships with all IGOs and the KFN, and ultimately for the benefit and prosperity of all Northerners.

The message that the GNWT has been consistently communicating at many forums and venues is that the vision needs to encompass four broad areas:

- Ensuring our economic future by protecting and enhancing the NWT's foundation of natural resources;
- Pursuing a strong, diverse economy where entrepreneurs and small businesses are sustained and new industries thrive;
- Attracting, training, and maintaining a strong Northern workforce; and
- Building the social, digital, and physical infrastructure necessary for the NWT to succeed in the modern economy.

Building relationships and trust: The Minister referenced examples of recent cooperation and commitment. One such example is working with the Dehcho region to establish the territory's first-ever '*regional mineral development strategy*'. The active participation by IGOs at this year's AME Mineral Roundup in Vancouver is another example of what can be done to build stronger relationships and trust. It gave us an opportunity territorial and Indigenous government to speak as one.

"It is essential to settle the outstanding land claims to respect constitutionally protected Indigenous rights and to create investment clarity and stability."

"In developing our vision and direction, we need to re-discover and respect our ancestral trails to prosperity."

Based on the presentations and dialogue so far at the symposium, it is evident that we all recognize that if we collectively do not set the desired economic direction, someone else may set us on a path that is not right for us. We need to not only think outside the box but also focus on actually implementing the actions to realize the vision. Ultimately, this will depend on addressing and strengthening the trust deficit – between Indigenous governments and the GNWT, and also among Indigenous governments that has been identified by many of you at this symposium.

Making the economic pie ('bannock') bigger: This is an expression that has come up at various points in the symposium, and one that I would like to make clearer. This term is used in economics and business to refer to the idea that growing the economy of a territory as a whole creates more availability of wealth and work opportunities than does the simple redistribution of slices of wealth.

Growing the NWT's 'bannock' basically means more for everyone. The bannock represents the entire economy (as measured by the Gross Domestic Product), and in order to make it bigger there needs to be both public and private investment.

Potential Projects for Collaboration

The Minister identified the large-scale projects where there are opportunities for economic collaboration. The projects include the following:

Mackenzie Valley Highway: Improved intercommunity mobility, embrace social opportunities and lower the cost of living in the region. Replacing the existing winter road will support a more resilient transportation system in the face of climate change. The corridor will create new economic opportunities such as increased tourism and access for mineral and petroleum resource development.

Slave Geological Province Access Corridor: The Slave Geological Province Access Corridor would serve as an important transportation, hydro, and communications corridor, while connecting the region and its vast mineral deposits to south and ultimately to a deep water-port in Nunavut. An all-weather road would adapt to the increasing challenges of climate change by replacing winter roads with more reliable access. Improved access would reduce operating cost for existing mines and facilitate resource exploration and development activities. The corridor would also support a green economy by enabling development of the Taltson Hydro Expansion and Transmission Line project.

Taltson Hydro Expansion and Transmission Line Project: The Taltson Hydro Expansion and Transmission Line project would provide 60MW of hydro on a developed river with power generation within five to ten years. By co-locating with the existing run-of-river facility, there would be no requirement for flooding. By 2040, an additional 55MW could be developed for a total expansion of 115MW. The Taltson's total generation capacity would be 200MW.

Other Potential Opportunities:

- Oil and gas development in the Sahtu and Inuvialuit Regions.
- Liquefied Natural Gas (LNG) development in the Ft. Liard area linked with development in British Columbia.
- Investment in Trans mountain Pipeline

2.4.2 Project Tlegohti, Sahtu

In continuing to explore the opportunities and projects for economic collaboration, Richard Hardy, Sahtu Secretariat Incorporated (SSI) presented on Project Tlegohti ("*Where the oil is*"). The full presentation is contained in Appendix J. The following are selected key points from the presentation.

- Oil and Gas has been the principal driver of the economy in the Sahtu for approximately 60 years. In the early 1960's modern oil and gas exploration began and the 1980s saw the expansion of the Norman Wells oilfield and the building of Line 21 to Zama, Alberta.
- Oil and Gas exploration continued on an "on and off" basis until really large bids were submitted for eleven parcels of land near Tulita and Norman Wells in 2011. These bids comprised over \$642 million in work commitments.
- The submission of these really large bids resulted in 2 to 3 years of busy exploration activities. Hopes were high that finally there would be a sustainable oil and gas boom. There are millions and millions of barrels of recoverable oil in the Canol and Bluefish shales.
- However, three things happened: World oil prices tumbled; The 'anti-frackers' showed up; and, the GNWT began issuing Significant Discovery Declarations and Significant Discovery Licences (SDLs). As a result of this triad of gloom the Sahtu was faced with the sight of equipment leaving on the winter road and by barge with not much hope of alternative jobs and business opportunities.
- While Line 21 has completed its repairs, Imperial Oil has raised the possibility of Norman Wells actually closing within ten years, followed by Line 21 being decommissioned. We realized that in order to keep these valuable assets working in the NWT it will be necessary to get more oil to ship in Line 21.
- Our first look was to the holders of the Significant Discoveries. It became apparent that these huge companies that now had the Canol Shale sewn up into eternity had no intention

of getting to production. However, the oil companies weren't the only ones with proven reserves. SSI also own subsurface rights in the Canol Shale - M34 and M35.

- One of the difficulties with getting the holders of the Significant Discoveries to go to Development and then Production is the price of oil. These companies all look for significant returns on the money that they have invested in "discovering" the oil.
- Typically, large company projects must compete for capital with other projects in their portfolio all around the world – and many of these projects are less expensive and risky than the Canol. However, The Sahtu can accept a lower rate of return on our own resources in exchange for greater regional economic development activity. While the price of oil remains important to us, it plays a smaller role in our analysis of opportunities than it does for oil majors
- SSI's two parcels have between 65 and 100 million barrels of recoverable oil. Our oil is Royalty free. Costs of development and production are and will continue to drop as technology improves.
- What is needed? Find a way to get the oil to market. Line 21 is just coming back on stream and will have room for about another 12,000 barrels of oil a day.

Project Options:

- One option that will be considered is to shoot a small inch pipeline right across the Mackenzie River just North of the confluence of the Bear and Mackenzie Rivers, to join Line 21 near the northern shore of Bear River. This option would require that we build a processing facility either near M34 and M35 or near the link into Line 21.
- Another option would be to run a small inch pipeline from M34 and M35 to Bear Island and then into Imperial's gathering system, then process our oil at Imperial's central processing unit before shipping the oil south in Line 21. If this option becomes a reality we truly are looking at a win/win/win for the owner of the oil (Sahtu), the owner of the CPU (Imperial) and the owner of Line 21 (Enbridge). From a larger picture perspective this scenario will likely extend the life of the Norman Wells field, with another shipper to bear part of the cost of Line 21.

Economic Benefits:

- While the GNWT and the Aboriginal Governments will not receive royalties from the Development, Production and Sale of this oil they will be winners in terms of the business opportunities and employment opportunities that will flow from such a project. Keeping Norman Wells and Line 21 operating keeps the door open for the holders of the Significant Discoveries to consider a future demonstration project without having to build another pipeline

Project Challenges:

- Building the economic case. Are current oil prices sufficient to support the project? If so, are they sustainable? We think so but need to prove it to the world.

- Determining what to do with the natural gas that will have to be produced with the oil? Can the gas be liquefied and shipped? Can Imperial use the gas from M34 and M35 in its fields to enhance production?
- The regulatory system –the issue of hydraulic fracturing ('fracking').

ROUNDTABLE DISCUSSION

The roundtable discussion included a response by Minister Schumann regarding the current status of hydraulic fracturing in the NWT. The regulatory regime does not prohibit hydraulic fracturing at this time. Work on the regulations is ongoing and includes meaningful consultation and engagement with Indigenous governments and organizations, industry, other interested groups and the public.

“While the focus of our work at this symposium is on the larger economic picture, there needs to be recognition that small businesses in the communities are suffering. The way forward needs to pay attention to the small Indigenous businesses.”

2.5 Agenda Item #5: Moving Forward and Next Steps

The sixth and final objective of the symposium was to work towards consensus on a mutual commitment to strengthened economic collaboration among the Indigenous governments and organizations, and with the Government of the NWT. This included setting out tangible next steps and schedule to move forward in true partnership.

The facilitator summarized the process and work that was completed in the evening of Day 2 of the symposium. This included: An initial briefing right at the end of Day 2 with the technical support staff and representatives from the economic development entities of the IGOs to identify potential next steps and options based on the presentations and roundtable discussion. The group reconvened later that evening to identify a potential vision and principles of a new economic direction and proposed next steps to present to the leaders for consideration as part of Agenda Item #5: Moving Forward and Next Steps. The following preliminary draft documents were circulated and discussed:

- A new economic direction: Preliminary draft vision and principles
- Working Group Terms of reference
- Draft messages for a joint communiqué on the symposium results

DISCUSSION AND DECISION POINTS

The agenda item and discussion were focused on three questions and decisions points as presented below. The discussion and direction from the participants for each question is summarized below.

1. *Do we agree to move forward and explore specific options for economic collaboration for shared prosperity as Indigenous governments and organizations and as a public government?*
2. *What are the (immediate) next steps and schedule?*
3. *What are the key messages (communiqué) coming from the economic symposium that we agree on?*

1. *Do we agree to move forward and explore specific options for economic collaboration for shared prosperity as Indigenous governments and organizations and as a public government?*

Response: YES

The facilitator provided an overview of the draft documents developed overnight: (1) A new economic direction: Preliminary vision and principles; (2) Working Group Terms of reference; and, (3) Draft messages for a joint communiqué on the symposium outcome. The IGOs, KFN and the GNWT were provided with an opportunity to caucus with their respective organizations to review the draft documents and identify what amendments were needed in order to reach general consensus to move forward.

Plenary Discussion

The plenary resumed with the following observations and discussion on the draft documents.

- The short title is workable to start – *The NWT’s Decade of Development, Progress and Shared Prosperity for All*. This is intended to reflect a longer-term and sustained commitment to achieve progress in every community, in every region and the NWT overall.
- The draft vision statement needs to reflect more strongly the Indigenous concepts as discussed by Grand Chief George Mackenzie during the symposium – specifically to recognize that finding our collective way economically needs to follow the ancient trails and, rather than the notion of making a bigger economic pie (rather than just dividing up the pie) state that there needs to be a commitment to making and sharing a bigger bannock.
- The principles in the vision statement provide a workable foundation to move forward subject to amending as follows: Principle 7 to include reference to requirements set out in the land claim agreements. Principle 10 to reflect: All Northerners (to reflect the fact that some beneficiaries live outside of the NWT). This will send a message of ‘northern first’ commitment.
- It was stated and respected that each IGO, KFN and the GNWT would have the opportunity to review and discuss the within their own organizations the two amended documents: A new economic direction: Preliminary vision and principles; and, the Economic Collaboration Working Group Terms of Reference.
- The resourcing of and support for the Working Group was discussed. The Premier stated that the GNWT will support and resource the Working Group. Funding options will include consideration of any residual funding that may be available from the Intergovernmental Council (IGC), as well as GNWT internal resourcing. Additionally, resource staff will be made available as necessary. For greater certainty that any resource person assigned to support the Working Group are not members of the Working Group. The Working Group will be responsible for the development of a workplan and assessment of resource requirements to determine the funding and support staff needs.
- It was clarified and the terms of reference amended accordingly that the membership of the Working Group will consist of one (1) representative of each IGO, KFN and the GNWT to ensure balance in representation. Each organization will determine and identify who their representative will be. The first opportunity for the Working Group to meet or hold a conference call will be in early December 2018.
- It was agreed that the Working Group will be tasked with further review and finalization of the two documents: A new economic direction: Preliminary vision and principles; and, the Working Group Terms of reference. The review will be in the context of any comments received from IGOs, KFN and the GNWT.
- There was discussion on the draft communiqué with the following points for amendment: Recognition that the Katlodeeche First Nation is a separate entity and not an IGO;

2. What are the (immediate) next steps and schedule?

To provide guidance on moving forward and next steps, a draft vision and principles, along with a working group terms of reference were developed to guide the new economic direction and collaboration. The preliminary drafts were discussed and amended. The amended working version of both documents, which are subject to further consideration and refinement, are provided below.

Northern Strengths, Northern Prosperity: A New Economic Direction: Vision and Core Principles

(Amended draft based on symposium plenary direction on October 3, 2018)

Vision: The NWT's Decade of Development, Progress and Shared Prosperity for All

The Indigenous governments and organizations and the Government of the NWT are committed to building an economic partnership through collaboration and cooperation between and among our respective organizations to address the historical territorial and regional challenges and to build on the potential and strength of communities in order to promote and create opportunities for responsible and meaningful development. This includes achieving the greatest possible improvement in human well-being that is fair, equitable and sustainable that promotes and advance dignity; increases the availability and widens the distribution of basic life-sustaining goods (food, shelter, health and security); raises levels of living (higher income, employment, and better education); and, expands the range of economic, social and cultural opportunities and choices available to individuals, communities and regions.

This vision is a commitment to respect and travel along our ancient trails and to work collectively to make a bigger bannock for all to share. There is agreement among the symposium participants to carry on this important work, including the potential of reconvening by March 2019.

Principles to Guide the New Economic Direction and Collaboration

The Vision for *NWT's Decade of Development, Progress and Shared Prosperity for All* encompasses and respects the following shared principles:

1. Recognition of constitutionally protected treaty and indigenous rights and nation to nation relationships
2. Inclusion and respect for indigenous economies
3. Northern first approach to economic opportunities and partnerships
4. Address infrastructure deficits, gaps and development opportunities
5. Leadership responsibility and respectful, trusting, collaborative working relationships
6. Regional and community equity and well-being
7. Building mutually respectful and beneficial economic relationships (as set out in land claim agreements)
8. Responsible, accountable and flexible government-to-government economic relationships
9. Respecting the importance of a healthy and sustainable environment
10. Committed to benefiting all NWT residents and members of NWT first nations and indigenous governments
11. Fiscal sustainability and governance legitimacy
12. Recognition of and building on the NWT's comparative advantage – natural resources

13. Non-renewable resources sector economic contributor
14. Recognition of the limited and diminishing resource revenue streams
15. Importance of economic diversification including harvesting, tourism and traditional economy
16. Responsible and accountable resource development
17. Prosperity through more collaboration and less internal competition
18. Respect the strengths of each community
19. The critical role that education, its quality and type, has on cultural and economic success of our peoples.

Economic Collaboration Working Group

The participants considered the options for moving forward and taking next steps. The consensus decision was to establish an Economic Collaboration Working Group with a mandate as set out in a draft terms of reference. The preliminary terms of reference were reviewed, discussed and amended accordingly (see notes from the plenary discussion above). The membership of the Working Group will consist of one (1) representative of each IGO, KFN and the GNWT to ensure balance in representation.

The direction by participants for amendment was followed and is reflected in the revised terms of reference provided below.

Economic Collaboration Working Group Draft Terms of Reference

Mandate

This Economic Collaboration Working Group (the *Working Group*) is tasked with developing a highly focused and pragmatic work plan that directly addresses actions key areas as identified at the NWT Economic Symposium aimed at finding collaborative and innovative approaches and solutions to economic diversification and growth for all peoples of the Northwest Territories:

- Develop business case rationale(s) for major economic projects across the NWT
- Prioritize options for the Working Group to act as a joint lobby effort between the GNWT and IGOs when consulting and engaging with the Government of Canada
- Advise on and support efforts by the GNWT to identify and amend policies so that they may encourage economic participation and activity with a focus on procurement and economic incentive policies
- Develop options for prioritizing engagement by member organizations on territorial and federal legislative initiatives
- Look at ways for new and meaningful contribution from IGOs and KFN for major projects in the smaller communities such as: Taltson Hydro Expansion, Mackenzie Valley Highway, Tlicho All-Season Road, Slave Geological Province Access, oil and gas development, LNG investment, trans-mountain pipeline, etc.

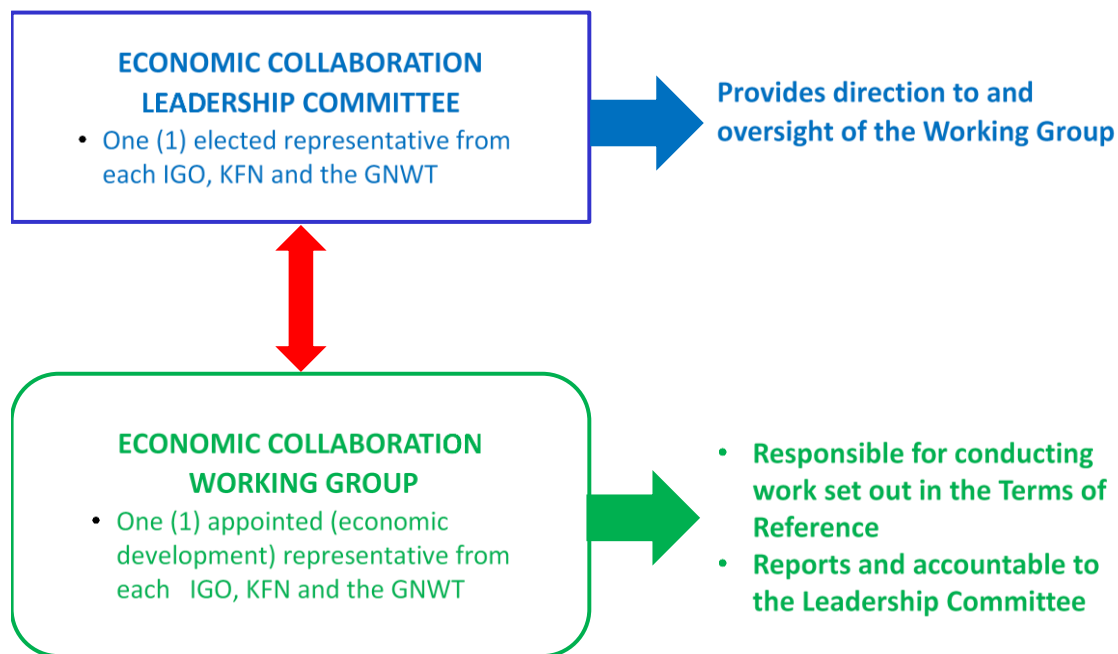
Work Plan

- Gather information and research on best practices
- Review the information available in the NWT on climate change and provide report on the implications to infrastructure and development projects in the NWT.
- Review and share findings from past the Round Up meetings
- Examine models for accessing and leveraging capital with the goal of seeking out opportunities for active participation in – and not just in support of – large economic projects and opportunities.
- Endorse and invest in capacity building and tools to strengthen development corporations
- Identify communication and engagement opportunities that explain what the Working Group is tasked to achieve to peoples of the Northwest Territories, to the other governments and to industry partners.
- Recognizing that large scale renewable and non-renewable projects can take time to fully develop, continue to seek out options collaborate on and strengthen other economic sectors including tourism and traditional and harvesting economy.

Reporting, Accountability and Organization

The Working Group will report and be accountable to the Economic Collaboration Leadership Committee. The Committee is comprised of one (1) representative from each IGO, KFN and the GNWT and is responsible for providing direction to and oversight of the Working Group. The organizational structure is presented in the figure below.

Economic Collaboration: Project Organization



Membership

- Representation will include one (1) member from each of the Indigenous Governments, Katlodeeche First Nation and a representative from the Government of the Northwest Territories. Each organization will determine and communicate who that member will be. In recognition of the significant work required by the Working Groups, no alternative members encouraged.
- Membership of the Working Group may be amended at the direction of the Economic Collaboration Leadership Committee.

Term

- November 2018 - March 2019
- The term may be extended as directed by the Economic Collaboration Leadership Committee.

Operating Procedures

- By October 30th, 2018 where 75% of participating groups have named a working group representative, the Working Group may be struck and begin meeting by teleconference.
- Meet bi-weekly via teleconference and with the opportunity for quarterly in-person meetings.
- The Working Group will be led by two co-chairs to be determined through consensus of members.
- Quorum for Working Group meetings and decision-making will remain at 75% with the understanding that outputs from the Working Group requiring endorsement and direction will be referred to the Economic Collaboration Leadership Committee for consideration and approval.

Resourcing and Support

- The resourcing and support needs of the Working Group will be discussed at the first meeting that is to take place in early December 2018. Once a decision has been made on this, this section will be amended.
- GNWT resource staff will be made available as necessary. For greater certainty any resource person assigned to support the Working Group are not members of the Working Group. The Working Group will be responsible for the development of a detailed work plan and assessment of resource requirements to determine the funding and support staff needs.

3. *What are the key messages (communiqué) coming from the economic symposium that we agree on?*

The draft communiqué messaging was presented and discussed (see notes from the plenary discussion above) by participants was amended accordingly and released on October 4, 2018. The final communiqué is provided below.

Leaders make commitment on the path towards northern prosperity at the Northern Strengths, Northern Prosperity Economic Symposium in Inuvik
(October 4 release)

INUVIK (October 3, 2018) - Leaders from the Government of the Northwest Territories (GNWT), Indigenous governments (IGOs), Katlodeeche First Nation (KFN), their economic development representatives and a representative from the Government of Canada concluded meetings in Inuvik today where they had discussions focused on identifying concrete ways to work together to create a prosperous and strong territory, while still respecting the Aboriginal, Indigenous and individual rights, legal authorities and priorities of each government.

Leaders in attendance agreed that the NWT is facing significant economic challenges and that steps need to be taken immediately in order to ensure a sustainable future for the North and its residents.

The goal remains the same – they want to create a prosperous, sustainable future for the people of the Northwest Territories, built on the foundation of a strong, diversified economy which consists of traditional sectors such as tourism, agriculture, harvesting, cultural arts and commercial fishery but also recognizes the large role that non-renewable sectors have contributed to the territory. Also discussed at the meeting were opportunities for economic growth. Leaders agreed that large-scale investment in northern energy, transportation and communications infrastructure corridors is key to creating investment and economic opportunities in all sectors.

- As part of the next steps, a working group comprised of representatives from each of the IGOs, KFN and the GNWT will be created. This working group will be coordinated and supported by the GNWT and will work to identify economic opportunities and concrete next steps. A Terms of Reference identifying details of the group will be finalized through the Working Group and moving forward, information gathered through the group will be presented to an Economic Collaboration Leadership Committee comprised of the elected leaders of the north.