



Socio-Economic
Agreement
Program Review
SUMMARY REPORT

Examen du programme
lié aux accords socio-
économiques
RAPPORT SOMMAIRE

*Le présent document contient la
traduction française du sommaire.*

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English

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French

Kīspin ki nitawih̄tīn ē nīh̄yawihk ōma ācimōwin, tipwāsinān.
Cree

Tłıchq̄ yatı k'è è . Dı wegodı newq̄ dè, gots'ō gonede.
Tłıchq̄

ʔerih̄t'ís Dēne Sų́nė yatı t'a huts'elkēr xa beyáyatı theᑭᑭ ᑭat'e, nuwe ts'ēn yółtı.
Chipewyan

Edı gondı dehgáh got'ıe zhatıé k'è è edat'éh enahddhę nıde naxets'ę edahfı.
South Slavey

K'áhshó got'ıne xədə k'é hederı ᑭedjhtl'é yerıniwę ní dé dúle.
North Slavey

Jii gwandak izhii ginjik vat'atr'ıjāhch'uu zhit yinothtan jı', diits'at ginohkhii.
Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqłuta.
Inuvialuktun

Ċ'bdĊ ħħı'bbΔĊ ΛϣLJΔħĊ ΔđbħĊĊĊı'pLĊħb, ĐĊĊħĊđĊ Đı'bcĊĊđĊı'đĊħĊ.
Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarłutit.
Inuinnaqtun

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Introduction

The Government of the Northwest Territories (GNWT) has a responsibility to ensure benefits from the extraction of natural resources are provided to residents of the NWT. In the GNWT's Mandate for the 19th Legislative Assembly, the Department of Industry, Tourism, and Investment (ITI) is tasked with leading the adoption of a benefit retention approach to economic development; meaning that decisions regarding economic development are based on ensuring NWT residents and businesses benefit to the greatest extent possible.

Socio-Economic Agreements (SEAs) were introduced as a means for the GNWT and the mining industry to collaboratively leverage economic opportunities for residents, communities, and businesses from planned diamond mining while balancing local concerns about potential adverse effects that this activity might have on individuals, families, and communities.

Over time, SEAs have provided a means to measure and monitor these socio-economic impacts. They address a wide range of subjects including:

- Employment and business opportunities;
- Training and education;
- Cultural well-being and traditional economy;
- Community, family, and individual well-being;
- The overall effect on governance; and
- Sustainable development.

SEAs are negotiated between the GNWT and individual mining companies (proponents). They capture the obligations and commitments of both parties; documenting their commitments to support capacity building and economic opportunities, complete required monitoring, and work to mitigate negative socio-economic effects.

SEAs cover all phases of a resource extraction project from pre-construction, through operation, to closure. Proponents and the GNWT are each responsible for reporting on the status of their commitments.

On behalf of the GNWT, ITI coordinates and oversees the negotiation and ongoing implementation of these agreements. The Department of Education, Culture and Employment (ECE) and the Department of Health and Social Services (HSS) are also signatories to the SEAs and have roles in establishing, monitoring, and fulfilling GNWT commitments related to their mandates.

In the pursuit of adopting a benefit retention approach through SEAs the goals set out in the mandate commitment are to:

- Maximize benefits from development while maintaining competitiveness;
- Increase the success in meeting SEA objectives under SEAs; and
- Increase opportunities for equity participation with local and Indigenous governments in economic development projects.

As an element of this work, ITI commissioned a review of its nearly-30 years of SEA implementation and performance in order to evaluate the GNWT's overall approach to Socio-Economic Agreements and the extent to which they have, or can continue to, meet their objectives.

The review was conducted by DPRA Canada (DPRA) in consultation and with guidance from: the Manager, Socio-Economics (ITI); a GNWT SEA Working Group comprised of representatives from the GNWT's ITI, HSS, ECE, and Finance departments; and a Technical Advisory Panel (TAP) composed of representatives from Indigenous Governments and Indigenous Organizations.

The review centred on the NWT's SEAs with three active diamond mines – Ekati, Diavik and Gahcho Kué; employing multiple methods of data collection and analysis and focussing on four priority areas using these key questions:

1. **Effectiveness:** Have the SEAs achieved their intended outcomes?
2. **Relevance:** Are the current SEA indicators the most relevant way to document performance against desired outcomes and areas for improvement?
3. **Administration:** Are SEAs the most appropriate mechanism through which to garner socio-economic benefits from large projects?
4. **Sustainability:** Are benefits sustained after the life of the project? What are the net benefits over time?

The Agreements reviewed in the evaluation report include:

- Ekati Diamond Mine: Arctic Canadian Diamond Company, signed October 1996¹;
- Diavik Diamond Mines: Rio Tinto, signed January 1999, amended January 2015; and
- Gahcho Kué Diamond Mine: DeBeers, signed June 2013.

Overall, review findings highlighted that parties to the SEAs have made best efforts to advance the goals of their agreements as well as their spirit and intent. The review, however, also suggests that opportunities exist to update individual agreements and the SEA program as a whole in order to retain even more benefits for NWT communities and businesses.

Evidence-based recommendations are provided for consideration by the GNWT; most notably in the following areas:

- Redesign the existing SEA Program to incorporate explicit goals, objectives, outcomes, a program logic model, and a performance measurement and evaluation framework.

- Improve communication, collaboration and relationship building among the parties, in particular between the GNWT, the mines, and Indigenous Governments and Indigenous Organizations, through more regular data reporting and a greater willingness to share information relevant to the SEA objectives.
- Create an adequately funded and supported Advisory Committee as a component of each SEA to ensure meaningful input from all parties, as well as ongoing support and guidance for monitoring and mitigation efforts.
- Rely on the Mineral Resources Act and related regulations to enhance compliance with commitments and improve enforcement.
- Create targets for SEA commitments that are specific, measurable, relevant, and time-based (e.g. focused on a specific mine phase) so participants can work towards clear goals and gauge success at key points in the project lifecycle. Signatories should determine capacity required during the lifetime of the project (e.g., confirmed and committed training and education and training opportunities) and be aware of current and potential capacity available across the territory (e.g., employable residents within communities located close to mine sites).
- Review implementation of existing mine supports/ programs that were created to address identified challenges (e.g., progression plans, science, technology, engineering, and math (STEM) programming, internal/external recruiters).
- Continue creation of plans, strategies, and policies that focus on: improving health and well-being in communities; improving education, training, skills development; maintaining cultural identity; addressing local procurement opportunities; and targeting recruitment policies.
- Require that SEAs include a focus on post-closure (i.e., remediation) and development of transferable skills.

¹ The Ekati Diamond Mine SEA was originally signed with BHP Diamonds INC.

Introduction

Le gouvernement des Territoires du Nord-Ouest (GTNO) a la responsabilité de veiller à ce que les Ténos bénéficient des avantages découlant de l'extraction des ressources naturelles. En vertu du mandat du GTNO pour la 19^e Assemblée législative, le ministère de l'Industrie, du Tourisme et de l'Investissement (MITI) est chargé de diriger l'adoption d'une approche de maintien des avantages en matière de développement économique; cela signifie que les décisions en matière de développement économique sont fondées sur l'assurance que les résidents et les entreprises des TNO en tirent profit autant que possible.

Des accords socio-économiques (ASE) ont été mis en place pour permettre au GTNO et à l'industrie minière de tirer parti de façon collaborative des possibilités économiques pour les résidents, les collectivités et les entreprises de l'extraction planifiée de diamants, tout en tenant compte des préoccupations locales au sujet des effets négatifs potentiels que cette activité pourrait avoir sur les personnes, les familles et les collectivités.

Au fil du temps, les ASE ont fourni un moyen de mesurer et de surveiller ces répercussions socio-économiques. Ils portent sur un large éventail de sujets, notamment :

- les possibilités d'emploi et d'affaires;
- la formation et l'éducation;
- le bien-être culturel et l'économie traditionnelle;
- le bien-être communautaire, familial et individuel;
- l'effet global sur la gouvernance; et
- le développement durable.

Les ASE sont négociés entre le GTNO et les entreprises minières individuelles (promoteurs). Ils tiennent compte des obligations et des engagements des deux parties; ils documentent leurs engagements à soutenir le renforcement des capacités et les possibilités économiques, à effectuer la surveillance requise et à travailler pour atténuer les effets socio-économiques négatifs.

Les ASE couvrent toutes les phases d'un projet d'extraction de ressources, de la pré-construction à la fermeture, en passant par l'exploitation. Les promoteurs et le GTNO sont chacun responsables de rendre compte de l'état de leurs engagements.

Au nom du GTNO, le MITI coordonne et supervise la négociation et la mise en œuvre continue de ces accords. Le ministère de l'Éducation, de la Culture et de la Formation (MÉCF), ainsi que le ministère de la Santé et des Services sociaux (MSSS) sont également signataires des ASE et ont un rôle à jouer dans l'établissement, la surveillance et la réalisation des engagements du GTNO liés à leurs mandats.

Dans la poursuite de l'adoption d'une approche de maintien des avantages par l'entremise d'ASE, les objectifs énoncés dans l'engagement du mandat sont les suivants :

- Maximiser les avantages du développement tout en maintenant la compétitivité;
- Accroître le succès de l'atteinte des objectifs des ASE dans le cadre des ASE; et
- Accroître les possibilités de participation au capital avec les gouvernements locaux et autochtones dans les projets de développement économique.

Dans le cadre de ce travail, le MITI a commandé un examen de ses près de 30 années de mise en œuvre et de rendement en lien avec les ASE, afin d'évaluer l'approche globale du GTNO à l'égard des accords socio-économiques et la mesure dans laquelle il a atteint ou peut continuer à atteindre ses objectifs.

L'examen a été mené par DPRA Canada, en consultation avec et selon les conseils du gestionnaire des services socio-économiques (MITI), d'un groupe de travail sur les ASE du GTNO composé de représentants du MITI, du MSSS, du MÉCF et des Finances; et d'un comité consultatif technique composé de représentants des gouvernements et des organisations autochtones.

L'examen a porté sur les ASE des TNO avec trois mines de diamants actives, à savoir Ekati, Diavik et Gahcho Kué, en utilisant de multiples méthodes de collecte et d'analyse des données et en se concentrant sur quatre domaines prioritaires à l'aide de ces questions clés :

1. **Efficacité** : Les ASE ont-ils atteint les résultats escomptés?
2. **Pertinence** : Les indicateurs actuels des ASE sont-ils la façon la plus pertinente de documenter le rendement par rapport aux résultats souhaités et aux domaines à améliorer?
3. **Administration** : Les ASE sont-ils le mécanisme le plus approprié pour tirer des avantages socio-économiques des grands projets?
4. **Durabilité** : Les avantages sont-ils maintenus après la durée du projet? Quels sont les avantages nets au fil du temps?

Les ASE examinés dans le rapport d'évaluation comprennent :

- La mine de diamants Ekati : Arctic Canadian Diamond Company, signé en octobre 1996¹;
- La mine de diamants Diavik : Rio Tinto, signé en janvier 1999, modifié en janvier 2015; et
- La mine de diamants Gahcho Kué : DeBeers, signé en juin 2013.

Dans l'ensemble, les constatations de l'examen ont souligné que les parties aux ASE ont fait tout leur possible pour faire progresser les objectifs de leurs accords, ainsi que leur esprit et leur intention. Toutefois, l'examen laisse également entendre qu'il est possible de mettre à jour les accords individuels et le programme d'ASE dans son ensemble, afin de conserver encore plus d'avantages pour les collectivités et les entreprises des TNO.

Des recommandations fondées sur des données probantes sont présentées pour examen par le GTNO, plus particulièrement dans les domaines suivants :

- Réviser le programme existant d'ASE de façon à intégrer des objectifs et résultats clairs, un modèle logique de programme et un cadre de mesure et d'évaluation du rendement.
- Améliorer la communication, la collaboration et l'établissement de relations entre les parties, en particulier entre le GTNO, les mines, les gouvernements autochtones et les organisations autochtones, grâce à des rapports plus réguliers sur les données et à une plus grande volonté d'échanger des renseignements pertinents aux objectifs des ASE.

¹ L'ASE de la mine de diamants Ekati a été initialement signé avec BHP Diamonds INC.

- Créer un comité consultatif adéquatement financé et appuyé dans le cadre de chaque ASE, afin d'assurer une contribution significative de toutes les parties, ainsi qu'un soutien et une orientation continus pour les efforts de surveillance et d'atténuation.
- Se fier à la *Loi sur les ressources minérales* et aux règlements connexes pour améliorer le respect des engagements et l'application de la loi.
- Créer des cibles pour les engagements en matière d'ASE qui sont spécifiques, mesurables, pertinentes et temporelles (p. ex. axées sur une phase particulière de la mine) afin que les participants puissent travailler à l'atteinte d'objectifs clairs et évaluer le succès à des moments clés du cycle de vie du projet. Les signataires devraient déterminer les capacités requises pendant le cycle de vie du projet (p. ex., formations et études confirmées et possibilités de formation) et avoir connaissance des capacités actuelles et potentielles disponibles partout aux TNO (p. ex., résidents employables dans les collectivités situées à proximité des mines).
- Examiner la mise en œuvre des programmes et des mesures de soutien à la mine existants qui ont été créés pour relever les défis cernés (p. ex., les plans d'avancement, les programmes en sciences, en technologie, en ingénierie et en mathématiques [STIM], les recruteurs internes et externes).
- Poursuivre la création de plans, de stratégies et de politiques axés sur l'amélioration de la santé et du bien-être dans les collectivités; l'amélioration de l'éducation, de la formation et du perfectionnement des compétences; le maintien de l'identité culturelle; la prise en compte des possibilités d'approvisionnement local; et le ciblage des politiques de recrutement.
- Exiger que les ASE mettent l'accent sur l'après-fermeture (c.-à-d. l'étape d'assainissement) et le développement de compétences transférables.

Approach and Methodology

The review employed a mixed-methods approach which entailed the collection and analysis of both quantitative and qualitative primary and secondary data. Four primary methods of data collection were used, detailed below:

Method	Description
Administrative Data Review	The administrative review focused primarily on the SEAs and any amendments (to identify the specific objectives, commitments, targets/indicators and measures) as well as the annual reports prepared by the mines and the GNWT.
Engagement	The engagement provided participants with the opportunity to share their opinions regarding SEA content and processes. The following data collection methods were used: <ul style="list-style-type: none"> • Roundtable discussions with TAP members (6) • Interviews (29) • Focus group discussions (10) • Online/email surveys (7)
Jurisdictional Scan	Online searches for publicly available socio-economic agreements between proponents and territorial/provincial governments from the following jurisdictions were carried out: Yukon, Nunavut, Newfoundland and Labrador, and Saskatchewan. The scan was intended to compare and contrast NWT SEAs and other jurisdictions' SEAs, with the goal of identifying new commitments/indicators, processes and supports that might be considered for inclusion in the NWT SEAs. A search of academic and non-academic literature was also carried out to identify any assessment of the SEAs and best practices in the area of maximizing benefits and minimizing impacts, to support the larger jurisdictional scan.
Desktop Review	The desktop review involved examining internal organization-specific documents (e.g., policies, strategies, plans) as well as peer-reviewed and non-academic literature provided by the GNWT (ITI, HSS and ECE), the three proponents, TAP members and other engagement participants. The review documents provided specific information on internal policies and procedures, the effectiveness of the SEAs, and best practices.

Discussion of Findings

The four methods of data collection utilized were thorough and generated considerable volumes of both qualitative and quantitative data. The following section summarizes the review’s findings as to how they relate to/address each of the four key questions set out in the objective.

Effectiveness: Have the SEAs achieved their intended outcomes?

Overall, the findings show that most employment and business development targets for the construction phase were achieved or exceeded by the proponents, while operations-phase targets were only sometimes achieved. For the GNWT, most commitments have been addressed – particularly in the areas of employment and business development; while most, but not all measures have been addressed in the areas of training and education, cultural wellbeing, traditional economy opportunities and individual, family and community well-being commitments.

Through engagement responses, areas reported to have had positive effects include employment, training, and contracting opportunities. Respondents also noted that the SEAs have contributed to increased skill levels among some members of impacted communities and have resulted in enhancements to infrastructure in those communities, and they have had some positive effects on Indigenous businesses (e.g., growth of economic development corporations).

GNWT programs offered by ITI (e.g., Mining North Works, Mining Matters and REDI) and ECE (e.g., Labour Market Programs, Apprenticeship, Trades and Occupation Certification program, Trades and Occupations Wage Subsidy Program, and Small Community Employment Support Program) as well as supports provided to the Mine Training Society,

Aurora College and community learning centres were said to demonstrate that the SEAs are being implemented as intended.

Activities that demonstrate proponents are meeting their commitments as intended include:

- developing recruitment strategies
- undertaking a range of training activities
- developing policies to support the participation of Northern businesses; and
- supporting community social and cultural events.

While there are several areas in which SEAs are being implemented as intended by the proponents and the GNWT, there are others where it is either unclear or where it appears commitments are not being addressed as expected.

Although the GNWT is required through the SEAs to report annually on specific economic, education, social, and health and well-being indicators,² it is not possible to exclusively attribute the outcomes of those indicators to the SEAs or mines—given the complexity of these indicators and the numerous determinants/drivers at play that may contribute positively and/or negatively to the outcomes. The SEAs did not account for appropriate mitigative measures or adaptive management approaches when considering changes to these indicators.

² Refer to Table 15 of the report for a complete listing of the indicators GNWT is required to report on.

In the context of SEAs, adaptive management clauses create a planned and systemic process for continually improving SEA outcomes on a regular basis. Adaptive management creates a forum for the GNWT, proponents, Indigenous governments, and other interested parties to assess findings and jointly develop approaches to address unfulfilled commitments. It provides flexibility to identify and implement new approaches to maximizing SEA outcomes, or to modify existing approaches, as necessary.

The review found that the SEAs had both positive and negative effects on impacted communities, NWT businesses, and the NWT as a whole. The findings suggest that some Indigenous communities feel there have been limited benefits from the SEAs due to a variety of challenges. These include lack of access to training for the existing employment opportunities; employment opportunities limited to entry-level positions; lack of capacity for smaller communities and businesses to participate in mining opportunities; limited opportunities for women; tendency for the mines to work with larger, more well-established and closely situated Indigenous businesses thus eliminating opportunities for smaller Indigenous businesses; lack of business development training and supports; and a lack of housing and parental supports for potential workers.

A notable suggestion for successful implementation of the SEAs is that they can be written to better acknowledge the different strengths, needs and capacities of communities when determining targets and measures.

To help ensure SEAs are implemented as intended, with the parties to the SEA addressing their commitments under the agreement, it was suggested through the engagement that:

- meetings among all parties (proponents, the GNWT, Indigenous Governments and Indigenous Organizations) be held, allowing for SEA review and revision to account for changes in policies and context;
- more effective partnerships between training providers and the mines be developed; and

- the GNWT provide targeted programming or supports specific to implementation of SEAs, instead of relying on general programming, which limits their success.

The findings also reveal that certain SEA commitments contribute more to the achievement of intended objectives than others. For example, commitments which were focused on career advancement of Northern residents and Indigenous peoples and opportunities for registered NWT businesses have the most room for improvement.

Perceived positive unintended outcomes identified during the engagement include the transferability of skills learned through mine employment to other work opportunities and the growth of some businesses working with the mines that has enabled their expansion into other markets.

Meanwhile, a perceived negative unintended outcome identified via engagement is an increased division in the communities between the “haves” and “have-nots”. Workers who obtain additional training, experience and skills are more likely to leave their community for better employment opportunities.

The findings indicate that there is limited effectiveness for SEAs in mitigating or adaptively managing impacts. It was suggested that although SEAs can help monitor some project benefits, they are much less effective in monitoring the effects of the mines on social issues such as substance abuse or poverty. Moreover, because of the absence of fulsome data and reporting, as well as the social and economic complexity of the NWT (of which diamond mining is only one influence) it is not possible to demonstrate causality between most indicator trends and the mining projects. This may contribute to a lack of meaningful discussion about impacts and potential adaptive management strategies. Additionally, while the SEAs are important and provide needed mechanisms, it was suggested they should not be the only mechanism in place to mitigate adverse social issues that may relate to projects, particularly given their limited enforcement capacity.

Relevance: Are the current SEA indicators the most relevant way to document performance against desired outcomes and areas for improvement?

For the most part, SEA commitments have remained relevant over the life of the projects, but they may benefit from ongoing review and continued refinement as required.

The findings show that some indicators are well-suited to contribute to measurements of progress on commitments, whereas in other areas they are not appropriate for capturing the full impact of a project or its SEA commitments. It was suggested that more qualitative information is required to illustrate what is actually happening in communities and that more regular monitoring is needed to ensure data is being collected, reported, and used in meaningful ways. Recommendation for the adoption of an adaptive management approach is suggested to ensure that effects from resource development activities are fully understood at the beginning, middle, and end of a project.

Through engagement, participants identified a variety of new mine and GNWT indicators that focus on employment, income, training, education, business forecasting, and scholarships that they thought should be included in the SEAs. A need was expressed for more indicators that address individual, family and community health and well-being as well as environmental indicators (such as number of caribou, given the link between Indigenous health and wellness and reliance on country food).

It was also suggested that the indicators chosen for each SEA should be tailored for each project and its potential impacts and community characteristics and that they be revisited and refreshed during the life of the project and updated based on achievements and available workforce.

While some participants indicated that no new commitments should be added to the SEAs until improved performance is shown on existing commitments, others identified some additional commitments for consideration. These focused on improving the effectiveness of employment, training and business development targets and included suggestions such as better data, and coordination of information and collaboration among parties and projects. Suggestions included improving identification of needed skills for various project phases, as well as their linkages to the available labour pool and training programs. Cooperative recruitment initiatives and training coordination that includes local, territorial, federal, and Indigenous governments were also identified. Specific targets for hours worked by locally hired workers, and the development of specific skills and capacities (in particular, technical skills) were identified as more effective commitments.

To improve relevance of business development commitments, suggestions included:

- encouraging joint ventures and the direct award of contracts to local firms
- requiring bids to detail expected local benefits and enforcing those actions through suppliers
- requiring contractors to have a base of operations in the territory
- providing annually updated five-year business opportunities forecasts to government
- regularly assessing the success in obtaining local content; and
- developing action plans for improvement.

New commitments that would help improve or extend the legacy of investments made during the project were also identified, including establishing a long-term education and training fund and/or contribution to an education and research legacy or innovation centre, training supports to improve worker and business capacity to participate in initiatives post-closure or remediation (e.g., transferable skills), and infrastructure investments.

Additionally, new commitments were suggested to:

- provide more robust cultural and mental well-being and family assistance resources;
- provide specific processes for dispute resolution;

- monitor and enforce agreements; and
- require implementation plans for achieving and monitoring compliance with commitments.

The ability to revise commitments would help incorporate lessons learned through experience with new initiatives that unfold during the life of the project as well as changes that occur in community priorities and capacity. It was suggested that commitment relevance could be enhanced if the SEA program adopted clear program outcomes, measures, monitoring and reporting processes, review schedules and required the development of an evaluation and performance measurement framework.

Administration: Are SEAs the most appropriate mechanism through which to garner socio-economic benefits from large projects?

SEAs are the appropriate mechanism through which to garner socio-economic benefits from large resource development projects, according to the review findings. They have many inherent strengths supporting commitments, monitoring, and creating benefits for all NWT residents.

In their current state, SEAs have some gaps:

- the voluntary nature of the agreements without penalties for non-compliance
- lack of enforcement mechanisms
- aspirational/'soft' targets in the agreements
- lack of attention to closure and post-closure
- lack of targeted and tailored mine-specific education and training programs provided in communities impacted by the mines
- inclusion of indicators/targets that may have been valuable to include at the time of negotiation but are no longer relevant
- lack of communication, data sharing, and collaboration between proponents, GNWT departments and the communities
- encouraged competition between Indigenous businesses rather than cooperation and collaboration
- lack of 'whole government' approach to program delivery; and
- lack of joint ownership and accountability to manage impacts.

The findings also reveal tools that support the maximization of local benefits and minimize project impacts. While some of these tools are currently used to support the SEAs (e.g., Human Resources Plans), in other jurisdictions these tools often benefit from:

- additional content/focus
- reporting requirements; and
- oversight mechanisms, such as:
 - details on bidders
 - quarterly reports and forecasts required; and
 - committees needed for annual planning and tracking.

To contrast the SEAs with similar agreements in other Jurisdictions, there are other tools mentioned in the Jurisdictional Scan that are not currently part of or associated with SEAs:

- internal/external assurance audits
- women's employment plan/gender equity and diversity plans
- succession plans
- compliance with benefits agreements plans; and
- implementation plans.

The *NWT Mineral Resources Act*—in particular, Part 5: New Benefits for People and Communities—was identified as a new tool that could support maximization of local benefits from resource development projects going forward. The Act empowers the Commissioner, on the recommendation of the Minister, to prescribe requirements for measures that provide benefits to the people of the NWT and to make regulations regarding such measures.

The importance of monitoring is highlighted, noting that it is key to the successful maximization of benefits and by extension, the minimization of impacts. To support enhanced monitoring in the NWT SEA context, a number of new mechanisms/tools were identified, including:

- a SEA program logic model and a database customized by the GNWT that can process data for monthly reports;
- an online reporting platform that would display the most up-to-date information from GNWT departments;
- regular indicator reviews and updates; and
- more community-based monitoring activities that focus on capturing qualitative/contextual information.

The literature suggests that the creation of a project monitoring committee, involving as many stakeholders as possible, is key to succeeding in efforts to maximize socio-economic benefits from large projects through the mechanism of SEAs. It recommends that elements such as the following be considered when developing such a monitoring system: collaborating with relevant stakeholders, local communities and Indigenous Governments and Indigenous Organizations; establishing the monitoring system at the beginning of a project but allow flexibility to adjust and fine-tune indicators as the need arises; incorporating regular monitoring and reporting requirements throughout the life of the project; creating a comprehensive framework with core indicators that enable cumulative impact monitoring (while at the same time remaining flexible enough to meet project/industry/regional needs); and securing adequate resources—staff, time, technology—through signing partnership agreements to commit to monitoring, for example.

Sustainability: Are benefits lasting beyond the life of the project? What are the net benefits over time?

Benefits from the SEA projects are indeed lasting beyond the life of the projects. A number of commitments were identified as having such benefits. The most prominent examples noted were in the areas of skills training, business capacity development, and experience gained by workers and contractors that are transferable outside the mining project or sector. Infrastructure improvements or legacy investments in communities were also identified as having a lasting impact, for example:

- Infrastructure improvements (e.g., through donations to hospitals or of equipment to communities);
- Investments to address social issues, such as addictions management or retirement homes;
- Skills and work experience gained by Northern residents;
- Increases in local business capacity (i.e., through development of Indigenous development corporations);
- Closure and reclamation planning.

The findings suggest that maximizing the sustainability of benefits requires a range of actions that begin in the project design phase and continue post-closure. This ongoing sustainability process requires that planning for project completion and post-closure transition be integrated into training and recruitment/retention strategies from the

project outset. In addition, taking a holistic view of the project, and being aware of the connections between the built and natural environments as well as between the economic objectives, the social environment and quality of life help ensure a stronger network is in place to sustain project benefits. Operationalizing this integrated approach to sustainability requires the deliberate and explicit involvement of NWT community members and the application of sustainable development principles.

The review found that sustainability of benefits is enhanced by ensuring equal consideration is given to the present and future generations to support appropriate sharing of benefits across time, and by focusing on capacity development, infrastructure, and legacy funding to extend project investment into the future.

Actions that would support these approaches include:

- encouraging alliances between suppliers
- requiring suppliers to identify knowledge transfer and succession plans as part of bid submissions; and
- expanding participation of local workers and businesses as it increases confidence and education/skills, which are lasting benefits.

Challenges

During data collection for each of the four methods, a number of limitations were encountered:

- administrative: insufficient, inconsistent, or missing data;
- engagement: interviewees were sometimes unavailable or lacked specific knowledge of or experience with SEAs, telecommunications difficulties, and COVID-19 impacts;
- jurisdictional scan: limited applicability based on publicly available documents unique to other agreements, and lack of literature on socio-economic agreements;
- desktop review: some available documents lacked relevance and appropriate context, and some uncertainty existed about reliability of the information.

A multi-method approach was used to address these challenges, relying on multiple methods of inquiry, multiple data sources, and multiple indicators. Generally speaking, evaluations of this nature generally encounter similar constraints, but through synthesis across all lines of evidence, the overall validity and reliability of the findings has been strengthened to the degree it can be.

One overarching constraint for the evaluators was the lack of an existing SEA program design, including a program logic model, clearly identifying the intended outcomes of the program.

Recommendation Areas

Opportunities to further strengthen the SEA Program and the individual SEAs to maximize benefits for NWT communities, businesses, and the NWT as a whole are reflected in the following evidence-based recommendation areas put forth for consideration:

1. Redesign the SEA program

- It is recommended that the existing SEA program be redesigned to incorporate clear goals, outcomes, a program logic model, and a performance measurement and evaluation framework. It is further recommended that the role and purpose of SEAs be clearly defined in the redesign of the SEA program. *[Recommendation specific to GNWT]*

2. Develop regulations under the Mineral Resources Act to comply with SEA commitments

- Currently, the Mackenzie Valley Environmental Impact Review Board (MVEIRB) must recommend an SEA as a formal measure of the Environmental Assessment process. It is recommended that SEAs be regulated under the Mineral Resources Act (MRA), so that SEAs can be required independently of the Mackenzie Valley Environmental Impact Review Board (MVEIRB). *[Recommendation specific to GNWT]*
- Although SEAs are enforceable as contracts, there are concerns about how enforceable or binding they are in practice. To ensure SEAs work as intended, and can be enforced, it is recommended that when drafting regulations under the MRA, the GNWT consider requiring the parties (both the GNWT and proponent) to comply with SEA commitments. Since benefits provisions of the MRA do not address impacts, to align with the MRA, SEAs would need to be tailored towards benefits provisions specifically. *[Recommendation specific to GNWT]*

3. Focus SEAs as benefit retention agreements, leaving impacts to be mitigated under other mechanisms

- SEAs are not intended to be impact mitigation tools. However, SEAs do provide helpful monitoring of benefits from projects. It is recommended that SEAs focus on the effective monitoring and improvement of benefits, leaving impacts to be monitored and mitigated under other regulatory processes. This would not remove SEAs from the complete impact mitigation framework, as other processes could still refer to SEAs for benefit monitoring purposes. It would however focus the scope of SEAs to only address benefits.

4. Use stronger language

- There are specific clauses within SEAs that provide aspirational, or soft, targets without penalties for noncompliance and with minimal requirements of the proponent. They include language like: “best efforts”, “all reasonable steps”, and “acting in good faith”. It is recommended that language used in the SEAs be strengthened with hard targets and penalties for noncompliance. A review of commitments from agreements found in other jurisdictions could inform changes to SEA language. For example, including pre-determined financial remedies if the proponent fails to meet specific agreed upon project milestones. *[Recommendation specific to GNWT and proponents]*

5. Include an implementation plan

- SEAs are currently developed without direction on how they are to be implemented. It is recommended that SEAs include a commitment requiring the development of an implementation plan by each of the parties detailing the steps required to effectively put commitments into action. These plans should be developed in collaboration with affected communities and efforts should be made to coordinate efforts and streamline activities. *[Recommendation specific to GNWT, proponents, and any other named party in the SEA]*

6. Address mine closure

- Economic opportunities associated with closure and remediation are significant for NWT communities, NWT businesses and the NWT as a whole. It is recommended that the SEAs include project closure commitments which promote sustainable social and economic development. *[Recommendation specific to GNWT and proponents]*

7. Identify commitment outcomes

- There is currently no link between SEA commitments and specific outcomes for communities—and by extension their residents and businesses. As such, the understanding of SEA effects on communities is unclear. It is recommended that SEA commitments be linked to specific outcomes that align with each SEA's objectives and intentions, and that can be monitored for achievement. *[Recommendation specific to GNWT and proponents]*
- While monitoring under the SEAs encompass a collection of qualitative/narrative data that provides context of commitments, the requirements for data are inconsistent between the SEAs and some information is not generally reported. Without reporting more qualitative information, it is not possible to capture a full picture of the benefits or impacts of the projects on communities. It is recommended that more qualitative data collection and reporting be required by the GNWT and proponents and that this information be used to address impacts and strengthen benefits. *[Recommendation specific to GNWT, proponents, and any other named party in the SEA responsible for data collection and reporting]*

8. Make targets realistic and achievable

- If commitments are to reflect hard targets and penalties for non-compliance (see Recommendation #5) it is necessary for the SEA Program to determine the actual capacity required for achievement (during the lifetime of the mine) and to be aware of the current and potential capacity available across the Territory—in particular within communities located close to mine sites whose residents are more likely to be employed by the mine. It is recommended that targets be identified that are specific, measurable, attainable, relevant, and time-based (e.g., to a specific mine phase) to set the stage for successful implementation. These targets should be reviewed and updated by the parties of an agreement every three to five years, or more frequently as required. *[Recommendation specific to GNWT, proponents, and possibly other signatories]*

9. Ensure greater collaboration between GNWT departments and address the need for sufficient human resources capacity within GNWT departments

- Cooperation and collaboration among the participating GNWT departments (ITI, ECE and HSS) with respect to implementation of the SEAs is limited. In order to foster more collaboration between participating GNWT departments (ITI, ECE and HSS), it is recommended that the GNWT establish a formal mechanism with explicit roles and responsibilities to allow for improved data sharing, reporting, and fulfilment of commitments within and between departments. *[Recommendation specific to GNWT]*
- The SEAs represent significant economic activity and wealth for the NWT, its residents, and communities. The review found that implementation of SEAs is limited by capacity. After improved communication and collaboration mechanisms have been established, if the GNWT finds capacity is still lacking, the recommendation is that the GNWT conduct an internal review of the human and financial resources currently allocated to the implementation of the SEAs in each of the departments—ITI, ECE and HSS—to determine the capacity necessary to support maximization of benefits and minimization of impacts.

10. Increase involvement of impacted communities

- The SEAs contain numerous commitments that must be met over the lifetime of a project (e.g., employment, training, procurement) that directly affect the communities in proximity to the mine site (i.e., impacted communities). As communities in proximity to the mine site have a particularly strong and vested interest in the agreement(s), it is recommended that:
 - i. Prior to developing each SEA, an Advisory Committee be established. This Advisory Committee should include participation by the GNWT, proponent, impacted communities, and other SEA partners (dependent on the specific SEA) and meet at least once annually. The Advisory Committee will help ensure monitoring, mitigation and adaptive management processes are occurring as required and by doing so will improve socio-economic outcomes for impacted communities. *[Recommendation specific to GNWT, proponents, and others who may sit on the Advisory Committee]*
 - ii. SEAs include a commitment requiring an Engagement Plan, prepared in collaboration with impacted communities, that details the manner in which these communities will be engaged and the frequency of the engagements, to ensure that all impacted communities are kept up to date on SEA implementation, and that they have an opportunity to share experiences and perspectives, and advise on future decision-making. *[Recommendation specific to GNWT and proponents]*

11. Target education and training

- A need exists to offer more targeted education and training programs to meet the needs of impacted community members so they may take advantage of mine employment opportunities. Although not mandated to provide education and training programs itself, GNWT is required to support access to training and skills development. It is recommended that the GNWT continue to work with its training providers and the impacted communities to identify the types of programs and supports required to develop the specific skills and abilities needed for employment. In addition, it is recommended that the GNWT provide the funding needed by training providers and/or community organizations to effectively deliver these programs. It is further recommended that these targeted programs be delivered in the small communities to encourage increased uptake by community members who are not willing or able to leave their home community.
[Recommendation specific to GNWT]

12. Regular review of SEAs

- The SEAs generally span a project lifetime ranging from 10 to over 20 years, and as such it is important to confirm the relevance of commitments. To help ensure that commitments remain appropriate over time, it is recommended that:
 - i. SEA commitments be aligned with specific phases of the mine (e.g., construction, operations, closure, post-closure);
 - ii. SEA commitments be reviewed regularly (e.g., at project milestones) by the named parties to ensure they continue to reflect the context in which the parties operate;
 - iii. In situations where commitments are found to be no longer relevant or are outdated, that amendments to the SEA be permitted; and
 - iv. A review of commitments from agreements found in other jurisdictions be used to help inform revisions to SEA commitments in order to help increase local benefits, particularly related to those areas found challenging to achieve through the SEA program review (e.g., local employment). Commitments found in other jurisdictions that relate to local employment and building capacity often address activities such as: collaboration between local and non-local firms if work cannot be carried out locally; proponent funding for local research and development projects approved by the government proportionate to any shortfall in local employment against targets; carrying out studies to explore additional activities; and provision of a set amount of funding for a local academic research centre.

Socio-Economic Agreement Program Review

SUMMARY REPORT