



Arctic Development
Library

***Presentation On The Nwt Diamonds Project -
Submission To The General Session - Bhp
Diamond Mine Environmental Assessment
Panel***

Type of Study: Plans/strategies

***Author: G.n.w.t. - E.d. & T./e.m.p.r./renewable
Resources***

Catalogue Number: 6-3-102

**PRESENTATION ON THE NWT DIAMONDS
PROJECT - SUBMISSION TO THE GENERAL
SESSION - BHP DIAMOND MINE**
Sector: Mining/Oil/Energy
6-3-102 •
Plans/Strategies

PRESENTATION ON THE NWT DIAMONDS PROJECT
Submission to the General Session
BHP Diamond Mine Environmental Assessment Panel
Yellowknife, NT

Prepared by
Government of the Northwest Territories
February, 1996

PRESENTATION ON THE NWT DIAMONDS PROJECT

**Submission to the General Session
BHP Diamond Mine Environmental Assessment Panel**

Yellowknife, NT

Prepared by

Government of the Northwest Territories

February, 1996

TABLE OF CONTENTS

1.0	INTRODUCTION	1
2.0	ECONOMIC	2
3.0	SOCIAL	3
4.0	ENVIRONMENT	4
5.0	TRADITIONAL KNOWLEDGE	5
6.0	CONCLUSION	5

1.0 INTRODUCTION

On behalf of the Government of the Northwest Territories, I am pleased to have the opportunity to comment on our review of the Environmental Impact Statement for the NWT Diamonds Project and subsequent additional information provided by the Proponent. When the Panel has completed its Final Report on the NWT Diamonds Project it will be forwarded to the Ministers of the Environment and Indian Affairs and Northern Development as well as the Premier of the Northwest Territories. The Government of the Northwest Territories' final position on the NWT Diamonds Project will await the Panel's work and final recommendations.

This is the first public panel, established under the federal Environmental Assessment and Review Process Guidelines Order, to review a large scale mining development proposal in the Slave Geological Province. The recommendations that will be contained in the Panel's report to government, and the manner in which those recommendations are acted upon by the Proponent and government, will have a significant impact on the nature and extent of future diamond mining development in the region.

The Government of the Northwest Territories has responsibility for the health and welfare of its citizens and shares the responsibility for managing and protecting the environment in the Northwest Territories with the Government of Canada. The Government of the Northwest Territories supports sustainable development of natural resources that contributes to the social and economic well-being of present and future generations of northerners.

The NWT Diamonds Project offers an important opportunity to increase economic self-reliance at the territorial, regional, community and individual level. Partnerships will enable us to take advantage of these opportunities while protecting the strength and identity of our northern culture and environment. An example of the type of partnership we are suggesting is the West Kitikmeot/Slave Study which is a cooperative initiative involving the federal and territorial governments, Aboriginal groups, mining industry and environmental groups. The vision of the partners in the West Kitikmeot/Slave Study area is to achieve sustainable development which respects aboriginal cultures and values, protects the land and enhances community self-reliance.

The Government of the Northwest Territories notes with approval the Proponent's efforts to negotiate Impact Benefits Agreements with Aboriginal organizations affected by the NWT Diamonds Project. Recognition of the rights and interests of Aboriginal residents of the area, in advance of land claim settlements, will enhance the acceptability of the NWT Diamonds Project.



At this point in the environmental assessment and review process, we have concluded that no significant adverse social, economic or environmental impacts are likely to occur. The Government of the Northwest Territories remains concerned about residual social, economic and environmental effects. We believe that appropriate, reasonable and cooperatively designed and managed mitigation measures and monitoring programs can address these concerns. Monitoring programs must play a role in ensuring that mitigative measures and socioeconomic programs and policies are successful in the long-term. The Government of the Northwest Territories would like to see some improvements to the mitigation measures and monitoring programs outlined by the Proponent, and will be making specific recommendations to this end at the technical sessions.

The Government of the Northwest Territories will make detailed presentations at the Traditional Knowledge, Environmental Management Plans, Water, Wildlife and Socioeconomic Technical Sessions.

2.0 ECONOMIC

The Proponent, government, Aboriginal groups and the communities must work together so that the NWT Diamonds Project provides maximum economic benefits to the Northwest Territories economy and people. Northern residents and northern businesses should receive priority in employment and contracting opportunities with a view to maximizing benefits in the north.

In the Environmental Impact Statement, the Proponent proposed a number of operational measures to help maximize northern economic benefits. The Proponent has committed to providing employment preference first to Aboriginal residents, then to non-Aboriginal residents of the Northwest Territories and the same preference to contractors and sub-contractors. It is our understanding that the specific measures to provide such preferences will be addressed in the Impact Benefits Agreements currently under negotiation with Aboriginal groups. The Proponent states that it will have a northern preference purchasing policy and that local NWT suppliers will have first opportunity in supplying goods and services. The Proponent has estimated that 69% of operation expenditures will be captured by NWT suppliers.

The Proponent has designed a number of strategies to develop a northern workforce. Many of these initiatives will assist in ensuring that northerners can develop and maintain the skills and knowledge needed to secure and sustain employment. These initiatives are likely to result in positive effects and should help to increase northern benefits from the project.



The Government of the Northwest Territories supports these approaches. Our experience with previous non-renewable resource development projects indicates that there is considerable room for improvement in the level of employment and business opportunities and benefits realized by northerners. We expect that the approvals granted for this project will include the requirement that there will be **Northerners** in jobs created by the proposed activity. We will address this issue directly with the Proponent, with those directly affected by the development and with the federal government. We expect the Proponent to fulfill its stated commitments and we will be monitoring progress.

The Proponent has already demonstrated a willingness to engage in partnerships which promote the possibility of new economic and employment opportunities. The Community Mobilization Strategy represents a type of partnership which enables government, the Proponent, small business, aboriginal and other interest groups to work together to achieve common goals. We encourage partnerships which are premised on a sincere and meaningful consultation process and which result in a clear strategy which can be committed to by all parties.

It will be necessary for the Proponent to develop measures to evaluate and monitor the results of their effort toward new employment and economic opportunities. A firm commitment to setting benchmarks will enable the Proponent to demonstrate these results. For this reason, the Government of the Northwest Territories is prepared to work with the Proponent and other partners to regularly review progress.

The NWT Diamonds Project should provide economic benefits to the Government of the Northwest Territories through royalties and taxation. Under current fiscal arrangements, the Government of the Northwest Territories will receive little net financial benefit from the NWT Diamonds Project. The transfer of legislative powers over mineral resources and arrangements for the sharing of royalties and other resource revenues would enable northerners to control and retain more of the benefits from mineral development. The transfer of remaining federal resource management responsibilities would result in a more efficient and effective operating environment for industry. This would benefit both the Northwest Territories and Canada as a whole.

Valuation is a process undertaken by all major diamond producing jurisdictions to ensure that sales of actual production for tax and royalty purposes reflect market value. A system should be established for valuation of production from the NWT Diamonds Project. The valuation process should occur in the Northwest Territories. The Government of the Northwest Territories is also interested in the long-term potential to conduct diamond sorting in the Northwest Territories. This is an opportunity to create additional employment and training opportunities, and increase economic benefits to the north.



3.0 SOCIAL

The economy and culture of the Northwest Territories are closely tied to the environment. Many people continue to rely on traditional activities. Data compiled in 1994 indicate that over 85% of aboriginal households in the Northwest Territories consume meat and fish obtained from traditional harvesting activities. The Government of the Northwest Territories recognizes the importance of maintaining traditional lifestyles and values in support of individual, family and community well-being. The Proponent has proposed a work and leave schedule which will allow workers the option of balancing employment at the mine site with traditional pursuits. We support this approach as it could play an important role in building a strong and successful northern workforce at the mine site. Furthermore, it helps to maintain the social fabric of the communities and provide more lifestyle options in the future for northerners.

The NWT Diamonds Project provides an opportunity to provide residents with wage employment without having to move away from their communities. There presently are social problems in the communities which will be affected by the NWT Diamonds Project. [n large part, these social problems exist because there are few employment opportunities. The Government of the Northwest Territories has concerns about the potential for undesirable social effects caused by the introduction of increased wage employment and rotational work schedules. Increased incomes, and the absence of family members for extended periods of time, can create social problems at the individual, family and community level. These include the possibility for increased substance abuse, family violence, child protection needs and crime.

The Proponent recognized this in its Environmental Impact Statement. The Environmental Impact Statement outlined an Employee Assistance Program and a Community Mobilization Partnership Strategy to mitigate such adverse effects. We support this approach and are working in partnership with the Proponent in the Community Mobilization Partnership Strategy. Under the GNWT Community **Wellness** Strategy and through existing social services at the community level, there are opportunities to combine resources with the Proponent to provide counseling and support services and empower the communities to more effectively address present and future social problems.

Consistent with the requirement to monitor employment and economic opportunities is the need to monitor social effects of the NWT Diamonds Project. As the Proponent has stated, solutions to social problems can only be effective if they are initiated and sustained by the communities. Government, the Proponent and communities must work in partnership to mitigate unwanted social effects.

4.0 ENVIRONMENT

Diamond mines generally pose fewer environmental risks than other types of mines, however, the NWT Diamonds Mine Project will be the largest mine in the Northwest Territories. Effective mitigation measures and monitoring programs will be important to managing the environmental changes resulting from the project in an acceptable manner.

The NWT Diamonds Project proposes to use ice core dams to contain tailings and tailings water. The use of this technology is relatively new in Canada, and consequently, close attention to design and construction is important. Furthermore, the tailings must be stored in a way that long-term effects on the downstream environment are minimized.

We are concerned about the lack of detail in some of the environmental management and monitoring plans proposed by the Proponent. As a result, it is difficult to evaluate the potential effectiveness of the mitigation and monitoring methods proposed by the Proponent. This is particularly true for caribou, which represent an important resource to the traditional lifestyle of community residents, and grizzly bears which are of national and international importance since they are a vulnerable species requiring large areas of undisturbed habitat. However, we feel that these concerns, and the potential for cumulative effects on these species, can be addressed through improvements to the mitigation measures and monitoring programs proposed by the Proponent.

5.0 TRADITIONAL KNOWLEDGE

The Panel has made considerable effort to incorporate traditional knowledge in the environmental assessment and review process. The degree of importance placed on traditional knowledge by the Panel, and instructions to use it in an applied manner, is unprecedented. The Proponent, in turn, has attempted to meet the requirements for incorporating traditional knowledge as effectively as possible under considerable time constraints. The Proponent has expressed interest in forming partnerships with the communities to work with elders to collect and use traditional knowledge.

We believe traditional knowledge should be recognized as a valuable information resource and incorporated as much as possible into the NWT Diamonds Project. It should play an important role in the Proponent's proposed socioeconomic and environmental monitoring plans. Since information from Phase II of the Proponent's Traditional Knowledge Study is not expected for some time, the discussion at the technical session should focus on how traditional knowledge can be effectively incorporated and applied, where appropriate, into future project operations, including the proposed monitoring program.



6.0 CONCLUSION

The NWT Diamonds Project represents an essential economic development opportunity for the Northwest Territories. The Government of the Northwest Territories supports the development of natural resources on a sustainable basis which contributes to the social and economic well-being of present and future generations of northerners. We believe the responsibility for developing resources in a sustainable manner is a shared responsibility. Government, Aboriginal groups, industry and the public must play a role in ensuring that this goal is met.

The NWT Diamonds Project offers an important opportunity to increase economic self-reliance at the territorial, regional, community and individual level. We intend to work with the Proponent to establish the partnerships which will enable us to take advantage of these opportunities while protecting the strength and identity of our northern culture and environment.

Monitoring programs must be established to measure the social, economic and environmental effects of the NWT Diamonds Project. This is particularly important where mitigation measures are not fully proven. Mechanisms must be in place to ensure that information generated by the monitoring programs is assessed and changes can be made quickly if required.

Officials from the Government of the Northwest Territories will make presentations at the Traditional Knowledge, Environmental Management Plans, Water, Wildlife and Socioeconomic Technical Sessions where we will speak in detail on mitigative measures and monitoring programs. The Government of the Northwest Territories will attempt to provide practical and effective recommendations to the Panel in order to assist both the Proponent and the Panel during these proceedings.

We look forward to productive sessions over the next week and a half. All participants should assist the Panel in completing its review in the hope that the NWT Diamonds Project will provide lasting social and economic benefits to northerners.

