



Mackenzie Valley
Environmental Impact Review Board

Community Visits 2005

**Raising the Bar for
Socio-Economic Impact Assessment**

A report on what communities told us

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Impact Review Board**

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Introduction

Sharing what the Review Board learned

The Mackenzie Valley Environmental Impact Review Board is distributing this report on its Community Visits 2005, in order to share its findings back with those communities and individuals who so graciously gave the Review Board and staff their time. In addition, this report serves to enlighten other groups who may benefit from hearing what the Review Board heard around the Mackenzie Valley. This report focuses on common threads and major socio-economic issues discussed by communities. To protect the privacy of individuals and communities the report does not identify which communities shared which concerns or experiences.

Starting in September 2005, Review Board members and staff conducted extensive community visits around the Mackenzie Valley to discuss socio-economic impact assessment. The information from these visits provides the Review Board with valuable community context to assist in the drafting of the *Socio-Economic Impact Assessment Guidelines*, which will be released in 2006. The community visits did not intend to examine any single project's socio-economic impacts. However, during the visits it was unavoidable that the environmental impact review of the Mackenzie Gas Project was a focal point for community discussion.

The Review Board emphasized that the current work on drafting the *Socio-Economic Impact Assessment Guidelines* has no application to the already ongoing Joint Review Panel of the Mackenzie Gas Project. However, the Review Board acknowledges that this large project may have some influence on how socio-economic impacts are considered in future environmental impact assessments.

The expectations for consultation and active mitigation efforts have risen significantly, at both the industry and government levels, in part because of the Mackenzie Gas Project. In particular, the commitment by the federal government to provide up to \$500 million to deal with socio-economic impacts on communities if the Mackenzie Gas Project goes ahead, has people thinking about what is required in terms of planning and implementation of programs to maximize positive and minimize adverse impacts, and create healthier communities.

What is Socio-Economic Impact Assessment?

“‘impact on the environment’ means any effect on land, water, air or any other component of the environment, as well as on wildlife harvesting, and includes any effect on the social and cultural environment or on heritage resources.”

- (Section 111 (1) of the Mackenzie Valley Resource Management Act).

In the Mackenzie Valley, the environment includes people. As outlined in the *Mackenzie Valley Resource Management Act*, one of the Mackenzie Valley Environmental Impact Review Board’s guiding principles is to have regard for “ . . . the protection of the social, cultural and economic well-being of residents and communities in the Mackenzie Valley” during environmental assessments.



This means that examining the impacts a project is likely to have on the biophysical environment – earth, air, water and wildlife - is not enough when doing environmental impact assessment¹. It is also important to identify, assess and minimize any adverse social, economic and cultural impacts of developments on families, communities and regions through the process called *socio-economic impact assessment*.

Socio-economic impact assessment examines changes in the human environment caused or accelerated by a new development. Regardless of whether the impact might be viewed as good or bad, decisions need to be made on how to manage impacts to ensure that at the very least the development does not make things worse in a community. The overall goal, of course, is that developments will enhance the quality of life of residents in the Northwest Territories.

Socio-economic impact assessment is not a blame game; companies are not responsible for all social, economic or cultural impacts. The accountability lies with everyone. Socio-economic impact assessment is an excellent planning tool to make sure a community is ready for development and that the development in question fits into the socio-economic context of a community and region without creating undue impacts and/or public concerns.



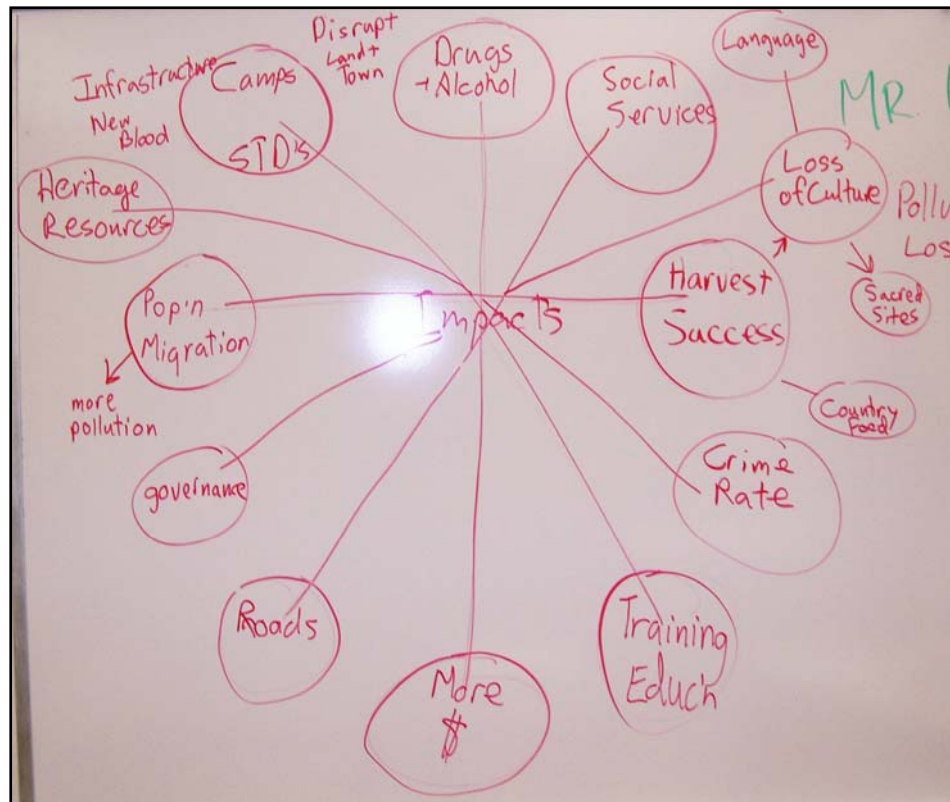
Impact assessors are required to identify pre-existing social, economic or cultural issues, assist in determining which elements of the human environment are most important to

¹ Environmental Impact Assessments may include preliminary screenings, environmental assessments and environmental impact reviews.

the community/region, and help predict how the proposed development may change conditions.

The role of Socio-Economic Impact Assessment Guidelines

The Mackenzie Valley Environmental Impact Review Board wishes to improve how it considers impacts caused by development on the human environment during an environmental impact assessment. The Review Board is therefore developing *Socio-Economic Impact Assessment Guidelines* that will target developers and regulators conducting and/or overseeing socio-economic impact assessments. In addition, the guidelines will help communities and government to more effectively participate in these aspects of environmental impact assessment.



"The Kids Know": Potential impacts from industrial development identified by a class of high school students in Fort Simpson.

What the Review Board heard

Over 50 meetings with approximately 550 people took place in 13 different communities. The goal was to speak to “front-line workers”, those dealing with social, economic and cultural impacts everyday. This included nurses, social workers, health and social services agencies, interagency committees, economic development officers, renewable resource committees, impact advisory groups, social and cultural institutes, land corporations, drug and alcohol counsellors, community leadership, elders and youth groups. The choice of where and who to visit was largely made by responses received from the Review Board’s initial request for an expression of interest by communities.



The following communities were visited between September and mid-October 2005:

Behchoko

Deline

Fort Good Hope

Fort McPherson

Fort Resolution

Fort Simpson

Hay River

Inuvik

Kakisa

Lutsel K'e

Norman Wells

Tulita

Yellowknife

Sometimes the meetings were large formal public meetings, other times they were one-on-one discussions over tea. However, no matter the format of the meeting, each discussion brought new insights to the Review Board about socio-economic impacts and the assessment of such impacts from the communities’ perspectives.



Overview

The Review Board separated what it heard from communities into two areas:

“impact concerns” – what impacts communities have faced in the past, are dealing with now, or are concerned about happening in the future – and,

“process needs” – where there are problems identified with how socio-economic issues are considered during environmental impact assessment. In both cases, the following lists are not in order of priority. All of these concerns are important to communities.

On each subject, communities provided specific suggestions for improvement. They are also included here.

Impact Concerns

While the communities often emphasized negative impacts associated with developments, there are also many positive impacts that communities want to take advantage – such as increased jobs, increased business opportunities, training and education improvements, and improved local amenities and infrastructure. One function of socio-economic impact assessment is to balance these positive and negative impacts when considering the overall significance of development-related change. The overarching theme the Review Board heard was that a desire for economic development should not put other elements of community wellness on the “back burner”.

Pressures on social and physical infrastructure

Communities are concerned that increased development activities in and around the communities may cause a population influx, which can result in increased pressures on the communities’ infrastructure and service demands such as community wellness programs, health services, roads and building maintenance, etc. In addition, new industry attracts qualified local personnel away for work and may leave some communities scrambling to find people to run social programs and municipal services. Communities want to have better assessment of changing infrastructure and human resource needs related to development, and to see government and industry commit to preparing communities for these changes before development occurs.



In-migration and out-migration effects

Many people have already felt community dynamics change with a sudden influx of “outside” workers or alternatively, migration of community members to follow work in larger centres. In addition, family dynamics have to accommodate different work schedules such as two week in/out work schedules. This can lead to family disturbance or even breakdown, with women and children often enduring most of this change. Communities suggested better consideration of case studies of in-migration effects, as well as of alternative work scheduling.

Sustainable development vs. boom and bust economic cycles

Communities are tired of (or for those communities that have not yet experienced large-scale fluctuations, fearful of) going through boom and bust economic cycles. They want a stable pace of development with diverse and locally appropriate economic development. To ease concerns about the effects of boom and bust cycles and associated social as well as economic hardships, there is interest in training in money management for those engaging in the boom economy.

Communities recognize that non-renewable resource development is a relatively short-term activity; there is a need to replace natural capital with other forms of economic and social capital to ease the eventual transition to a post-mining or post-oil and gas economy. There is also a desire for an economy that works in harmony with and respects communities’ needs for traditional subsistence lifestyles. Pre-development planning, impact benefit agreements and socio-economic agreements should be dealing with these issues, according to community members.

Training, education and job retention

Communities feel the opportunities promised by development are not always available to their people due to lack of suitable education and training. Getting a relatively unskilled, short-term job will not prepare a person for the future; *maintaining* a job with personal growth potential that can translate into future benefits to the individual and their community is the desired outcome. Impact benefit agreements and socio-economic agreements are among the best mechanisms. In addition, there is a real desire for long-term planning to provide training in industrial sectors with growth potential, starting well before the development activity. The communities emphasized the difference between proactive and reactive development planning, and the role of government in economic transition.



Pace of change on vulnerable communities

Many communities are working very hard to deal with pre-existing social issues even before development is proposed. Social programming that exists in the communities, such as drug and alcohol awareness and even community festivals are important elements to a healthy sense of individual and community wellbeing. However, with the potential of new development, communities worry that the rapid onset of impacts (a “domino effect”) may threaten the success of these programs. Many communities are not confident their existing social programming can handle existing issues, let alone new issues arising from industrial development.



Communities want a closer examination of cumulative socio-economic impacts and better analysis of the socio-economic to identify local strengths and vulnerabilities. Communities want wellness infrastructure set up prior to the onset of development. Suggested action items include: parenting training, treatment centres, additional drug and alcohol counsellors, more programs and activities for youth, development of community healing strategies, etc. Communities want training so they can “self-assess” their social, economic and cultural strengths and vulnerabilities. They want future assessments to consider how development fits into a community’s plan, not vice versa.

Language and cultural maintenance

Communities are concerned about maintaining their language and culture because industrial development brings with it a different set of values. Culture needs to be maintained, not as a reminder of a *former* way of life, but rather as a living and dynamic system that guides aboriginal existence. While development is but one aspect that may contribute to the erosion of traditional culture, public concerns about cumulative erosion of culture are common and merit further attention during environmental assessment.



Protection of language, respect for traditional knowledge and the elders, protection of heritage resources, access to land and respect for traditional laws were all things brought forward by communities when talking about reducing cultural loss. Specific suggestions included funding for “bush schools”, increased incorporation of elders and traditional teachings into the school curricula, and increased language and cultural program funding.

Housing and the cost of living

Housing issues continue to be a concern in communities. Increased demand for existing housing during periods of rapid in-migration can cause inflationary pressures in housing costs. Socio-economic impacts are unique in that they may be felt *prior* to the physical development beginning. Handling community expectations and their outcomes is important. For example, the very rumour of major new development can create speculative increases in housing costs. Increased rental and home ownership costs can lead to additional overcrowding in communities already subject to this problem.



A booming economy often leads to a higher cost of living, which is a problem for community members that are not able to take advantage of newly available higher wages. Better incorporation of case studies from prior development booms during environmental assessment would help communities prepare for economic changes. Better understanding of the level of potential increased economic benefits and impacts from a development will also assist in managing community expectations.

Protection of cultural and heritage resources

There is significant community fear that industrial development will destroy many known and unknown archaeological resources, as well as harm the spiritual and cultural powers of these areas. Often, knowledge of the traditional way of life and the cultural perspective that binds people together has a link to these locations of special significance. In addition, there are concerns that development may degrade or lessen the aesthetic value of places that support alternative economic ventures, such as eco-tourism.

There is a high level of interest in having Community Environmental Monitors onsite for any new developments, with the capacity to stop work if they identify heritage resources. Better incorporation of traditional knowledge and consideration of alternative land uses (including land withdrawals and the use of lands for tourism and other economic purposes) during environmental assessment was also called for by communities.

Practice of the traditional economy and harvesting success

Communities are noticing their time on the land is limited these days because of affordability and the need to work in the wage economy. When they do get the chance to go out, many believe that development impacts have resulted in a reduction in their harvesting success. They feel that developers should put more emphasis on harvesting success during assessment.



Communities feel harvester compensation agreements are an underutilized tool for dealing with these issues. In addition, concerns were raised that industrial activities (e.g., aircraft over-flights) were partially to blame for reduced wildlife activity. Residents suggested more community liaison concerning development activities would better assist harvesters when scheduling harvesting activities.

Maintaining jobs, business and revenue in the North

It is about impact equity – the idea that northerners will get a fair share in the benefits stemming from development and that there is a level playing field when competing for jobs and contracts. Perhaps due to a community's proximity to the development, because it is smaller, more traditional and/or more vulnerable to the negative aspects of change, the community is less able to take advantage of the positive changes. It is felt that communities with pre-existing disadvantages should have preferential access to benefits. At the territorial level, socio-economic agreements can ensure these goals. At the local level, impact benefit agreements are the desired outcome for large projects.

Vulnerable sub-populations: women, elders, youth

Communities feel that where there are long-distance commuting requirements for new developments, women feel pressure by having to work for an income and manage the family. There is a real need to reduce these burdens because they can create immense individual, familial and community-wide social strains, with negative outcomes for many people. While the community is trying to cope with the changing society, elders and their valuable knowledge and wisdom are being forgotten and the youth are often left to their own devices. These sub-populations are often less successful at taking advantage of economic opportunities in a developing economy. Gender-based assessments and a greater understanding of community social dynamics (including more voice for women, youth and elders) will improve environmental impact assessment.



Addictions and criminal activity

Residents feel that increased access and influence from outsiders, lack of skills to manage increased income, and pre-existing social and economic ills are examples of issues have, and will again lead to unhealthy behaviours in their communities. Better baseline condition assessment to determine community vulnerability and prediction of potential impacts can result in more effective prevention and mitigation. For example, money management training, social infrastructure in place to take care of people affected by addictions and crime (treatment centres, women's shelters, social services for youth), and additional drug and alcohol counsellors or RCMP officers are required.

Process Needs

Generally, the Review Board encountered a lack of faith in the past and current ability of the environmental impact assessment system to address socio-economic impacts. Communities are cynical about whether environmental impact assessments can deal with the socio-economic issues they bring up in a meaningful way. Despite this common opinion, there is a common desire to use environmental impact assessment as a planning process that incorporates socio-economic impacts more fully. There were many suggestions on how to improve the process.

Early and continuous community engagement

Communities want the development explained properly and opportunities to influence development design. They want a voice to influence changes to the development and to avoid negative socio-economic impacts, *before* the project application reaches the screeners and assessors. In addition, regulators and government departments need to play a key role in the post environmental impact assessment communication. Communities want information on all stages of development, and this includes monitoring and follow-up programs. They want consultation, from developers and government, to meet ethical principles and other requirements set by the communities themselves. Given the special nature of socio-economic impacts, there is also a desire for wider audiences to be included in these consultations.



Improve preliminary screening of socio-economic impacts

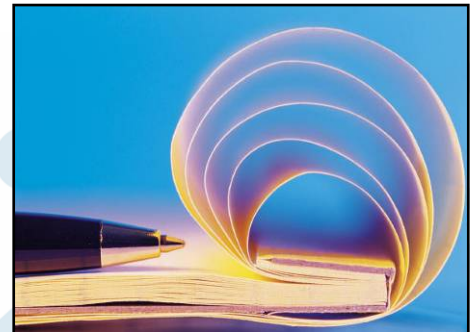
Communities believe that developers could put better efforts forth during initial impact assessment - prior to preliminary screening - when considering possible socio-economic impacts and/or public concerns. Those projects forwarded to Environmental Assessment without any socio-economic impact assessment are playing "catch-up". Many communities feel there is not enough time or guidance given on how to review and comment on initial development applications. Often organizations involved in dealing with socio-economic impacts – the social service providers – are not included on the distribution lists for preliminary screenings.

Avoid consultation burnout

Early and meaningful engagement is necessary. However, the sheer quantity of meetings is not the measure of success. Community calendars are full of more developer/government meetings than they are with community-based events. Communities need to choose between the important meetings they can attend and which important ones they cannot attend. In addition, many communities feel that too often meetings have few measurable outcomes, adding to the sense of fatigue. Local organizations dedicated to assessing socio-economic impacts, such as fledgling Resource Development Impact Groups and Interagency Committees need to have adequate resources and an opportunity to contribute their perspectives.

Avoid information overload

Many community organizations who review the piles of documents associated with development proposals find the information intimidating and frustrating to decipher. Until the issue of capacity is addressed, communities want things to be more digestible. They would like process managers (for example, preliminary screeners during preliminary screenings) to clarify what parts of the applications and information packages they should dedicate most of their limited time to analyzing and responding. Plain language summaries focused on key issues for communities are essential.



Identify vulnerable populations and sub-populations

Good baseline condition profiling can allow an assessment to identify and consider community vulnerabilities and strengths. Communities, and particularly those who work with vulnerable sub-populations within communities, feel their voices are not being sought after or heard during this step of environmental impact assessment. Local service providers, for example, want and need to input in the assessment of a project's socio-economic impacts on vulnerable community members. The professionals who deal with socio-economic impacts every day as part of their jobs and lives have valuable and underutilized knowledge. Identification and engagement of these wider audiences will result in better socio-economic impact assessment. Communities would

also like to see more case studies of how development, both within and outside the Mackenzie Valley may have affected other similar communities.

Use locally appropriate data collection and interpretation

Socio-economic impact assessment is not just about unemployment rates and average income. Communities want to be involved in the identification of relevant criteria and indicators linked directly to valued components of community wellness, *and* the collection and interpretation of this data. Each community is different; what is important in one community might not be as valued in another. Thus, local level data is more valuable than regional data, in the eyes of many communities.



Tapping community knowledge is important when gathering and assessing such data. Not only is traditional knowledge related to *ecological* knowledge – it can also provide valuable information on the social fabric of communities. Who better to assess the causes and impacts of social, economic and cultural change than the people who have lived through it?

Find ways to make socio-economic measures stick

Communities are concerned that the federal and responsible ministers do not always accept and implement measures made by the Review Board. They want decision makers to be responsible for the implantation and enforcement of socio-economic measures related directly to likely significant adverse impacts. The legitimacy of the process is questioned when there is no one responsible for implementation of measures,

A system including follow-up, monitoring and adaptive management is desirable for socio-economic impact mitigation. Communities noted that there are no such systems in place even for large developments in the Mackenzie Valley. Existing Socio-Economic Agreements lack the power to identify thresholds of acceptable change, and adequate resources to implement programs to reduce, not just monitor, impacts. In addition, confusion remains about when Impact Benefit and/or Socio-Economic Agreements are required for projects.

Support community-based assessment

It comes down to empowerment. Communities are best suited to assess their own resilience and vulnerability. Before a development is proposed, communities want time to prepare and a voice in the process of setting priorities. Communities want the resources and capacity to determine for themselves, what are the levels of acceptable change beyond which they are not willing to deal with. When a development is assessed, community priorities and needs must be considered. Right now, the opposite – assessing the community's ability to adapt to the needs of development - is the norm.

Improve community capacity

Capacity is a huge issue for communities. Communities need information and resources to participate effectively in a developer's socio-economic impact assessment, to review and analyze the results of that impact assessment properly, and to contribute their own technical reports. The environmental impact assessment process feeds on information. Currently, capacity issues have limited the inclusion of valuable information only the people living in the human environment that may be impacted can provide.



Next Steps

Where we go from here

The Review Board hopes this summary of community interests about socio-economic issues will provide assistance in the finalization of the *Socio-Economic Impact Assessment Guidelines*. There will be an opportunity for communities and any other interested parties to provide input to the draft *Socio-Economic Impact Assessment Guidelines* during an 8-week public review in early 2006.

The draft guidelines will have a wide distribution throughout the Mackenzie Valley. All parties are encouraged to submit any comments they have to the Review Board. The Review Board plans to finalize, and distribute the guidelines in the summer of 2006. It will become the key guidance document on socio-economic impact assessment for the Mackenzie Valley.

The Review Board's goal is to make socio-economic impact assessment a more integral part of development planning and impact assessment in the Mackenzie Valley. The Review Board welcomes and encourages your feedback.

Thank you for taking the time to read this report.