

## FAX TRANSMISSION SHEET



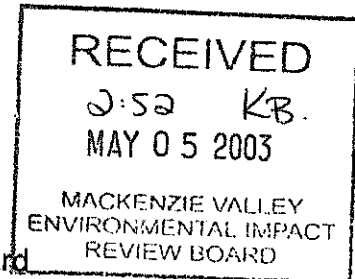
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Date: May 5, 2003

To: Glenda Fraton  
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This fax contains \_\_\_\_\_ page(s), including the cover sheet.

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*Gavin More*

**Comments:**

Please see attached the GNWT's closing statement for the DeBeers Public Hearing.

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## **GNWT CLOSING REMARKS**

Presented by Acting Deputy Minister Mr. Doug Doan.

Mr. Chairman and members of the Board. Thank you for this opportunity to provide summary remarks on behalf of the GNWT. We have also listened carefully to the words spoken by the proponent and by the other parties involved in this hearing.

The development of two diamond mines, and the exploration activity by companies like De Beers, has created significant benefits for NWT businesses and the economy. In fact, our northern business community sees continued growth as an important element of our positive investment climate. The development of the De Beers property can contribute to our continued strong economic performance.

At the same time, we know that developments of this nature have impacts on the environment and wildlife. These impacts must be understood and mitigated.

Progress is evident in a number of areas, but there are still issues outstanding in both the environmental and socio-economic areas. In my closing remarks, I would like to outline some of these issues and how they can be addressed.

## **SOCIO ECONOMIC AGREEMENT**

De Beers has done an excellent job of analyzing the fiscal and tax benefits resulting from this project. Total cumulative tax and fiscal benefits to Canada were estimated by De Beers at \$872 million. The total cumulative tax and fiscal benefits to the GNWT were estimated at \$119 million.

This disproportionate sharing of the fiscal and tax benefits between the Federal government and the GNWT speaks directly to our desire to maximize socio-economic benefits to NWT residents through negotiation of a socio-economic agreement.

We appreciate that De Beers has committed during this hearing to a number of specific targets. We look forward to negotiating mutually agreeable targets through the socio-economic agreement process.

These targets would specifically address issues **INCLUDING**, but not limited to:

- Employment
- Procurement
- Development of sustainable secondary industries, including the provision of rough diamonds, and
- Training.

This agreement also needs to establish commitments to monitor and mitigate cultural impacts, and to promote positive social development.

It is the socio-economic agreement that provides the GNWT and parties with the formal commitment that the socio-economic impacts predicted by De Beers will be achieved. It also establishes a process whereby the GNWT and parties can work with De Beers on further mitigation methods where targets are not achieved.

The GNWT respectfully asks the Board to consider the need for a comprehensive socio-economic agreement to complement the Impact Benefit Agreements between the company and aboriginal communities.

The GNWT would like to see the socio-economic agreement concluded by June 30, 2003.

In the absence of a completed Socio-Economic agreement by the time you make your recommendations we ask the Board to recommend that a condition of approval commits De Beers to negotiate a socio-economic agreement which addresses issues **INCLUDING**, but not limited to:

- Employment targets
- Procurement targets
- Provision of rough diamonds to support secondary industries
- Training of NWT residents
- Monitoring and mitigation of impacts
- Promotion of positive social development

## **ENVIRONMENTAL AGREEMENT**

The GNWT is pleased to have the commitment of De Beers and the interest of DIAND, First Nations and the Metis in entering into an Environmental Agreement.

We believe an Environmental Agreement will allow us to:

- Rigorously test environmental and cumulative effects impact predictions,
- Ensure appropriate and effective site specific monitoring programs are conducted,
- Strengthen regional monitoring programs through links to other project monitoring and links with regional research and monitoring conducted by Government.
- Ensure adequate and effective environmental management plans are in place and effective including plans for waste management, treatment of contaminated soils, air quality monitoring and emission tracking,
- Ensure strong and ongoing cooperation with stakeholders and
- Involve stakeholders in adaptive environmental management.

The GNWT is prepared to work with De Beers, First Nations, Metis, Federal Agencies and non-government organizations to ensure comprehensive and cooperative approaches to understanding, monitoring and managing the environmental impacts of this development.

The GNWT respectfully asks the Board to consider the need for an environmental agreement. We ask the Board to recommend that a condition of approval commits De Beers to negotiate and implement an environmental agreement that will ensure that the programs and plans necessary for managing and monitoring impacts are in place before construction begins.

## **CUMULATIVE EFFECTS MANAGEMENT**

However, environmental impacts are not linked just to this project. There are other existing and proposed activities within the Slave Geological Province that give the people of the NWT cause for concern. We have heard this week repeated concerns about the potential for increasing human activity in this area to affect the caribou. While the Snap Lake Project is small in footprint it will contribute to the cumulative environmental changes in the Slave Geological Province.

Therefore, the project must also contribute to the understanding of and management of cumulative effects. Unfortunately, the baseline data and analysis conducted by De Beers in their Environmental Assessment did not contribute significantly to the body of knowledge necessary for managing cumulative effects. However, we are confident that De Beers' commitment to an Environmental Agreement and their commitment to participate in regional cumulative effects monitoring programs will help address this.

The need for an integrated and effective approach for cumulative effects assessment and management in the Slave Geological Province is not a new message. Both the Environmental Assessment Review Panel report on the Ekati Mine in 1996 and the Comprehensive Study Report on the Diavik Diamond Mine in 1999 recognized it was not those specific developments that were likely to result in significant change but the cumulative impacts of multiple developments.

In 1999, in response to the Diavik Comprehensive Study Report, the Federal Minister of the Environment committed to the development of a regional cumulative effects management framework.

In 2001, the National Round Table on the Environment and the Economy identified cumulative effects management as essential for the sustainability of aboriginal communities in northern Canada and recommended the Federal Government invest \$25.8 million over six years to develop and implement cumulative effects management in the NWT.

While progress is being made, it has been slow and, as we have heard at this hearing, funding remains uncertain. Some of the parties at this hearing have stated that while they are not against development, they are very concerned that there is currently no process to satisfactorily predict, understand, manage or monitor cumulative impacts in the NWT.

The proponent has committed to a collaborative approach to monitoring and managing regional cumulative effects. Now we need a process for this to occur.

As mentioned earlier, the total cumulative tax and fiscal benefits to the Government of Canada and the GNWT are disproportionate. We believe that the Government of Canada has the responsibility and resources to invest in cumulative effects management and in doing so provide some certainty to the

people of the NWT that development will only occur in a responsible and environmentally sensitive manner.

Therefore we ask the Board to recommend that the Federal commitment to a regional cumulative effects assessment and management framework made in 1999 now receive the necessary funding to move quickly towards implementation of the framework components.

Thank you

## GNWT Closing Remarks

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