

APPENDIX V.5

**SNAP LAKE DIAMOND PROJECT
SOCIO-ECONOMIC IMPACT SCENARIOS**

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
Table of Contents.....	V.5-i
1.0 INTRODUCTION.....	V.5-1
2.0 SCENARIO A: Construction and operation of the Snap Lake Diamond Project with full and effective implementation of the impact management measures set out in Section 5.3.4	V.5-2
3.0 SCENARIO B: Construction and operation of the Snap Lake Diamond Project with ineffective or no implementation of impact management measures	V.5-4

1.0 INTRODUCTION

For the purpose of summarizing and clarifying the potential impacts identified throughout the socio-economic impact assessment (Section 5.3), two contrasting impact scenarios are described below. The best case scenario assumes construction and operation of the Snap Lake Diamond Project with full and effective implementation of the impact management measures set out in Section 5.3.4, to which De Beers is committed. The worst case scenario assumes construction and operation of the Snap Lake Diamond Project without the implementation (or with incomplete and ineffective implementation) of impact management measures and an ongoing monitoring plan.

2.0 SCENARIO A: Construction and operation of the Snap Lake Diamond Project with full and effective implementation of the impact management measures set out in Section 5.3.4

If the impact management measures set out in Section 5.3.4 are fully and effectively implemented, the construction and operation of the Snap Lake Diamond Project will contribute to the improvement of the quality of life of individuals, families, and the primary communities. The mine project will contribute to the social and economic sustainability of the primary communities. It should be noted that “full and effective implementation” of the measures implies *adaptive* implementation, based on continuous and ongoing monitoring of impacts as they unfold. Implementation of the impact management measures must be proactive and preventative, as well as tailored to the particular community needs over time.

Where appropriate training, retraining, and education upgrading opportunities are provided, social capacity of communities will be built in several ways. The general educational level will be raised in the communities, thereby increasing opportunities for employment for the community members. A foundation for stimulating local economic development will be established which, in the intermediate and long terms, will ensure employment in a range of sectors within the communities, increase communities’ resilience against economic downturns, and provide for social and cultural spin-off benefits. In addition, a skilled northern/Aboriginal labour pool will be more readily available for employment at the Snap Lake Diamond Project, throughout the life of the mine. As continuous skills and education upgrading is provided, mine employees may advance in their careers while allowing for new entry-level hiring of trained community members.

Where support is provided for local economic development initiatives and business activities, community skills gained from the training and education programs will be harnessed for the benefit of individuals and communities as a whole. Employment levels will rise which, in the intermediate to long terms, will reduce demands for federal, territorial, and community resources for social support services and welfare. As employment opportunities are available in the communities, out-migration may be lessened, and local population levels may be maintained or increase.

With adequate community-based and on-site support services to assist individuals and families cope with life style adjustments associated with wage employment and the rotational work schedule, the Snap Lake Diamond Project may result in a range of positive impacts. With money management training for employees and families, in addition to direct transportation between the mine site and the communities, families’

material quality of life may be improved. In addition, the zero tolerance policy of the mine project, and the provision of substance abuse awareness and treatment programs in the communities, will contribute to the improvement of individuals' health and social functioning, as well as healthier and more stable families. Other family support services will also contribute to the well-being of families and communities, which, in turn, will enable greater levels of participation in training and education programs and in the labour force. In this manner, social and economic sustainability will be created in the primary communities.

If the construction and operation of the Snap Lake Diamond Project is carried out with the full and effective implementation of the impact management measures, as set out in Section 5.3.4, the primary communities will likely experience the following:

- increased employment levels;
- availability of employment opportunities, both directly related and unrelated to the mine;
- increased levels of education, ensuring greater probability of employment;
- reduced substance abuse and alcoholism problems;
- healthier individuals and families;
- maintained, and possibly strengthened, individual and community-based cultural identity; and,
- increased social and economic community capacity and sustainability.

In the same scenario, De Beers will likely experience the following:

- increased availability of a northern/Aboriginal skilled workforce during the life of the mine;
- healthy and stable workforce; and,
- positive relations and cooperation with the primary communities.

3.0 SCENARIO B: Construction and operation of the Snap Lake Diamond Project with ineffective or no implementation of impact management measures

Without the full and effective implementation of the impact management measures set out in Section 5.3.4, the construction and operation of the Snap Lake Diamond Project will likely cause individuals, families, and the primary communities to experience greater levels of stress and worsened social conditions over time. Social, economic, or cultural sustainability will not be attained in the communities, and people from the communities will not, for the most part, be the main beneficiaries of any economic benefits generated by the project.

If appropriate job training and education upgrading opportunities will not be provided, mine employment opportunities will only be available to a limited number of people from the communities, who already have the appropriate skills and experience. These employees will have limited opportunities to advance in their mining industry careers. Given the limited northern and Aboriginal labour pool, the majority of the workforce will necessarily be recruited from outside the region.

Without support for local economic diversification and business activities (both directly and indirectly related to the mine industry), employment opportunities will remain limited to those provided by the mine. As unemployment levels will remain high in the communities, high demands for social support services, including social welfare support, will also remain or, possibly, increase.

In the case where training and educational opportunities are provided, but where efforts are not made to stimulate local economic development initiatives, it is likely that the most skilled community members will seek employment opportunities outside their home community, resulting in a form of “brain drain” for the community. Resources spent on training and education will not translate into benefits for the communities. With fewer qualified people in the communities, economic and social problems will persist.

In communities where a portion of the community population is either employed by the mine or in a family with someone employed at the mine, life style adjustments associated with increased disposable income, the rotational work schedule, and work responsibilities and culture, will increase the demand for social support services in a range of ways. Without adequate life skills, money management skills training, and social support services for the employees and their families, some portion of individuals and families will experience worsened living conditions. Substance abuse may increase, domestic violence and conflict may increase, and the provision of basic needs for family members,

including children, will not be secured. As a result, the labour pool available for mine employment will decrease over time (due to the zero tolerance policy); unemployment levels will remain high or even increase; demands for social support and welfare services will increase; and the social and economic capacity of the communities will be further eroded. Individual employees' abilities to cope with adjustments to the rotation schedule and work requirements will also be compromised, as a strong community support network will be unavailable to them.

If the construction and operation of the Snap Lake Diamond Project is carried out without the full and effective implementation of the impact management measures, as set out in Section 5.3.4, the primary communities will likely experience the following:

- continued high unemployment levels;
- continued low levels of education;
- continued substance abuse and alcoholism problems;
- increased family dysfunction;
- loss of individual and community-based cultural identity; and,
- erosion of social and economic community capacity and sustainability.

In the same scenario, De Beers will likely experience the following:

- limited availability of a northern/Aboriginal skilled workforce;
- unstable workforce (including high employee turn-over); and,
- strained relations and cooperation with the primary communities.

Two categories of communities have been considered for the socio-economic impact assessment: primary communities and the employment catchment communities. Since the communities in the primary study area will likely experience the greatest impacts, they have been described in Section 5.2.3 of the environmental assessment.

Although the employment catchment communities are located farther away from the Snap Lake Diamond Project, the northern workforce may be drawn in part from any or all of these communities. The employment catchment communities include Fort Smith, Fort Providence, Fort Resolution, Enterprise, Hay River, and Hay River Reserve (located in Hay River). These communities are described in Appendix V.1.