

Inuvialuit Final Agreement Annual Report

April 1, 2012 – March 31, 2013











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ABBREVIATIONS AND ACRONYMS

CCBA Comprehensive Cooperation and Benefits Agreement

COGOA Canadian Oil and Gas Operations Act

CLCA Comprehensive Land Claim Agreement

DND Department of National Defence

EISC Environmental Impact Screening Committee

FJMC Fisheries Joint Management Committee

GNWT Government of the Northwest Territories

GXT GX Technology Canada Limited

HTC Hunters and Trappers Committee

ICC Implementation Coordinating Committee

IFA Inuvialuit Final Agreement

IGC Inuvialuit Game Council

ILA Inuvialuit Land Administration

INAC Indigenous and Northern Affairs Canada

IRC Inuvialuit Regional Corporation

IRS Inuit Relations Secretariat

ISDP Inuvialuit Social Development Program

ISR Inuvialuit Settlement Region

NIHB Non-Insured Health Benefits

NWT Northwest Territories

PWGSC Public Works and Government Services Canada

WMAC (NWT) Wildlife Monitoring Advisory Council – Northwest Territories

WMAC (NS) Wildlife Monitoring Advisory Council – North Slope

YG Yukon Government



CHAPTER 1: OVERVIEW AND BACKGROUND

In recent years, the inclusion of an implementation plan and the establishment of an Implementation Committee have been key components of all comprehensive land claims agreements (CLCAs). When the Inuvialuit Final Agreement (IFA) was signed in 1984, an Implementation Plan was not a required component. In 1994, however, following several years of claim implementation, the Inuvialuit Regional Corporation (IRC) and Canada agreed that it would be beneficial to form an Implementation Coordinating Committee (ICC) to address ongoing issues and concerns related to the implementation of the IFA. Following considerable internal review, an Inuvialuit Final Agreement Implementation Coordinating Committee (IFA ICC) was established on May 11, 1999.

The IFA ICC is comprised of senior representatives from IRC, the Inuvialuit Game Council (IGC), the Government of the Northwest Territories (GNWT), the Government of Yukon (YG), and the Government of Canada. The committee monitors the ongoing obligations of the parties pursuant to the Agreement and resolves issues arising with respect to the implementation of the Agreement.

The committee has agreed to reach decisions unanimously among the relevant parties and serves as a forum where the parties can raise issues and voice their concerns regarding the implementation of the IFA.

During the April 1, 2012 to March 31, 2013 reporting period, the IFA ICC met twice, on April 11 and 12, 2012, and on October 25, 2012. The Committee considered issues that had been identified by one or more parties and had been agreed to by the other parties as appropriate for consideration and action through the IFA ICC forum. This annual report provides an overview of the issues considered by the IFA ICC during this reporting period, the extent to which they were resolved during the period, and the future actions to be taken on those issues that are still outstanding.

Summary of Agreement Provisions

Land Ownership:

The IFA provides the Inuvialuit with fee simple absolute title to approximately 91,000 square kilometres of land in the Western Arctic Region of the Northwest Territories (NWT). This area includes about 13,000 square kilometres (approximately 5,000 square miles) on which the Inuvialuit have title to surface and subsurface rights. The Inuvialuit Settlement Region (ISR) includes the North Slope of Yukon (including Herschel Island), the eastern half of the Beaufort Sea and the associated mainland, part of the Arctic Ocean, Banks Island, much of the western part of Victoria Island, and some of the Parry Islands.

Eligibility and Enrolment:

An enrolment authority composed of one federal government and two Inuvialuit representatives was initially established to enrol those who were entitled to be registered as beneficiaries of the Agreement. Ongoing enrolment is now a responsibility of IRC.

Financial Compensation:

Under the provisions of the IFA, the Inuvialuit received a total of \$152 million over 14 years. As well, the IFA provided for two additional payments made in 1984, a one-time payment of \$7.5 million to the Inuvialuit Social Development Program (ISDP) Fund, and a one-time payment of \$10 million to the Economic Enhancement Fund.

Ongoing Implementation Funding:

Financial support was provided by Canada in 2012-2013 to support ongoing implementation obligations by federal and territorial government departments and agencies, and the ongoing work of the IFA implementing bodies.

Economic Measures:

Section 16 of the IFA addresses economic development in the ISR. Its broad objectives are to support Inuvialuit participation in the northern Canadian economy and their integration into Canadian society through the development of an adequate level of economic self-reliance and the establishment of a solid economic base. Since 1984, the Economic Enhancement Fund and compensation payments have helped the Inuvialuit become more actively involved in the local, regional, and national economy. This has involved long-term investments that are providing a solid base for future development.

Inuvialuit Corporations:

Established under subsection 6(1) of the IFA, IRC holds the overall responsibility for managing the affairs of its corporate subsidiaries and achieving the goals outlined in the Agreement. Its ongoing functions and formal obligations include:

- Implementing the land claim agreement;
- Fulfilling the role of institutional representative of the Inuvialuit; and
- Being the parent corporation to, and monitor of, the Inuvialuit Corporate Group.

IRC is directly controlled by six community corporations in the ISR through their elected chairs. The directors of the community corporations elect the Chair/CEO of IRC, who, along with the chairs of the six community corporations, comprise the IRC Board.

Inuvialuit Land Corporation owns the Inuvialuit lands received under the IFA. IRC administers Inuvialuit lands through its division, the Inuvialuit Land Administration (ILA), and holds responsibility for matters related to the management, supervision, and administration of such lands. Inuvialuit Development Corporation, Inuvialuit Petroleum Corporation, and Inuvialuit Investment Corporation carry out business activities and invest settlement funds on behalf of the Inuvialuit.

Wildlife and Environmental Co-management:

The Inuvialuit have extensive wildlife harvesting rights in the ISR. They also have a mechanism for settling their claims against developers for actual harvest losses and for compensation or remedial measures as required.

The IFA established structures to ensure Inuvialuit participation in wildlife management, conservation, and environmental protection in the ISR. These structures include community-based Inuvialuit Hunters and Trappers Committees (HTCs) and the IGC, which consists of members from each HTC.

The IFA also established five joint bodies that have equal government and Inuvialuit representation:

- The Environmental Impact Screening Committee (EISC) determines whether proposed developments require detailed environmental impact assessments.
- The Environmental Impact Review Board carries out public reviews of development proposals deemed necessary by the EISC.
- The Fisheries Joint Management Committee (FJMC) advises the Minister of Fisheries and Oceans on matters relating to fisheries and marine mammals in the ISR.
- The Wildlife Management Advisory Council (Northwest Territories) (WMAC (NWT)) advises governments and other appropriate bodies on wildlife management and conservation matters in the NWT portion of the settlement region.
- The Wildlife Management Advisory Council (North Slope) (WMAC (NS)) advises governments and other
 appropriate bodies on wildlife management and conservation matters on the Yukon North Slope, including
 Herschel Island.

Arbitration Board:

Established under section 18 of the IFA, the Arbitration Board has the jurisdiction to arbitrate any difference as to the meaning, interpretation, application, or implementation of the IFA between the Inuvialuit and industry or the Government of Canada.

Funding Provided by Canada for the Purpose of Implementation of the IFA

Implementing Body	Funding in 2012-2013
Inuvialuit Regional Corporation	\$40,000
Joint Secretariat	\$2,029,447
Government of the Northwest Territories	\$3,926,648
Yukon Government	\$1,066,519
Inuvialuit Arbitration Board	Funding not requested

CHAPTER 2: IFA IMPLEMENTATION COORDINATING COMMITTEE

Inuvialuit Regional Corporation

IRC remains committed to fulfilling its ongoing responsibilities to implement the IFA. During 2012-2013, IRC was represented on the ICC by Nellie Cournoyea (Chair and CEO).

IRC can be found online at www.inuvialuit.com

Inuvialuit Game Council

The IGC represents the collective Inuvialuit interest in wildlife. The IGC appoints Inuvialuit members for all joint government/Inuvialuit bodies having an interest in wildlife, has authority for matters related to harvesting rights, and an advisory role in wildlife management and conservation matters. During the 2012-2013, the IGC was represented by Frank Pokiak (Chair).

The IGC can be found on-line at http://jointsecretariat.ca/co-management-system/inuvialuit-game-council/

Government of the Northwest Territories

The Department of Aboriginal Affairs and Intergovernmental Relations is responsible for coordinating the GNWT's implementation activities under the IFA, managing the allocation of implementation funds received from the Government of Canada, and representing the GNWT on the ICC. During 2012-2013, the GNWT was represented on the ICC by Scott Alexander, Director of Implementation.

The GNWT can be found on-line at www.gov.nt.ca

Government of Yukon

The Yukon Secretariat in the Policy, Planning, and Aboriginal Relations Branch of Department of Environment is responsible for coordinating the YG's implementation activities under the IFA, managing the allocation of implementation funds received from the Government of Canada, and representing YG on the ICC. During 2012-2013, YG was represented on the ICC by Dan Paleczny (Director, Policy, Planning and Aboriginal Relations).

The Yukon Government can be found on-line at www.gov.yk.ca

Government of Canada

The Government of Canada is represented on the ICC by the Department of Indigenous and Northern Affairs Canada's (INAC) Implementation Branch. The Implementation Branch serves as a liaison on IFA implementation issues for comanagement boards, the Inuvialuit, territorial governments, and other federal departments. Kimberly Thompson (Director, Implementation Branch, INAC) represented the Government of Canada on the ICC in 2012-2013.

More information on the Government of Canada and its departments, programs, and services can be found on-line at http://canada.ca

More information on INAC can be found on-line at http://www.aadnc-aandc.gc.ca

CHAPTER 3: 2012-2013 REPORTING

Annual implementation objectives for the IFA ICC can be suggested by any party, and are approved by the Committee. This chapter details the issues considered by the IFA ICC during this reporting period, the extent to which they were resolved, and the future actions to be taken on those issues that are still outstanding.

Economic Measures

In 2002, pursuant to section 16(3) of the IFA, a report was provided to INAC, the GNWT, and IRC on the public review of economic measures within the IFA. In response to one of the observations of the report (that unless new approaches to economic participation were identified, the goals of section 16 would never be achieved) the three parties agreed to undertake a fundamental project-specific economic planning and implementation process for all Inuvialuit communities. The purpose was to identify new business opportunities that would create new sustainable employment opportunities. A full-time Economic Measures Coordinator staff position was established in IRC offices that would be guided by an INAC/GNWT/IRC Economic Measures Working Group.

Following a comprehensive review of all economic planning initiatives in the region over the past ten years and consultations with community and business organizations in all Inuvialuit communities, an economic opportunities list was developed for all communities. A detailed assessment of this list was undertaken by the parties. The resulting findings were that all suggested opportunities had fundamental shortcomings to being advanced as viable sustainable opportunities without significant governmental financial support. These findings in turn advanced the realization that, in the absence of oil and gas or mining activities or major government programs in the immediate area, new economic opportunities in all (particularly smaller outlying) communities were extremely limited; the majority of economic opportunities had already been advanced by community entrepreneurs - stores, hotels, equipment contractors, taxi's, etc.

Upon recognition of this "economic reality" the parties agreed to undertake a comprehensive review of the economic realities of a sample ISR community. Such a review would identify the economic means of all families in the community - and in turn, would outline the economic health of the community under current socio-economic circumstances. The community of Paulatuk was chosen as the site for this survey.

Activities: 2012-2013

IRC circulated a copy of their draft report "Economic Life of a Household in Paulatuk" for review. The report surveyed 68 of 75 households in Paulatuk and looked at sources of income, the relationship between age and employment, housing, quality of life and areas of potential economic expansion. The report and how it might be of use in informing government programming was discussed, and Canada suggested that it would be interesting to do a similar report on another Inuvialuit community. IRC concurred that there is a tendency to generalize about small communities, yet small communities are often unique. IRC also noted that programs such as the GNWT's Take a Kid Trapping were beneficial in supporting traditional harvesting/economy. The undertaking of this broader survey will assist in identifying, in the absence of any major outside economic activities, the base level of economic opportunities in a northern community. With an understanding of this "economic reality" leadership and governments will have a solid base to measure and assess the cost and benefits of future economic development opportunities.

Next Steps:

IRC is to circulate the final report to the IFA ICC members when it is complete.

IFA Amendments

Following amendments to the IFA in 2005, it was discovered that section 18 of the Agreement contained a number of inaccurate references to subsections that had not been amended to reflect the renumbering caused by the addition of a new subsection. As well, other provisions of the IFA contained inaccurate references, inconsistent formatting, and other clerical errors. During 2008-2009, all Parties provided input on the provisions within the 2005 consolidated version of the IFA that are believed to contain inaccuracies. A list of these perceived inaccuracies was compiled by INAC.

Activities: 2012-2013

IRC advised that the consolidation of the IFA is progressing. A contractor is matching amendments, and then consolidating the document with consistent language.

IRC advised the IFA ICC that the final report on the errors in the consolidated version of the IFA is due from their contractor, and should be expected before the end of November. Once the report is received, IRC will circulate it to all parties for review.

Inuit Relations Secretariat

The Inuit Relations Secretariat (IRS) was established by Canada in 2005 with a mandate to strengthen federal relationships with Inuit organizations, raise awareness of Inuit issues within the Government of Canada, and to advocate for the inclusion of Inuit issues in federal policy development and program implementation. Generally, Inuvialuit interests are advanced either directly or through Inuit Tapiriit Kanatami; however, IRC requested intervention and support from the IRS to address two specific federal policy issues: the inequitable level of core funding provided to Inuit representative organizations versus that provided to representative First Nations organizations, and the creation of an Inuit photo ID program.

Activities: 2012-2013

Core Funding: On September 4, 2012, Canada announced a change to all core funding to tribal councils and other groups. The cut is 10% for national organizations. Project funding will also be affected, and that is currently being examined. The reduction does not come into effect until 2013-2014.

Funding for the Indian Government Support Program was extended until 2013.

Non-Insured Health Benefits (NIHB): IRC has been working with Health Canada, which has been open to having meetings to discuss how to make access to information about NIHB better for Inuit. IRC noted that the primary area of concern is assisting Inuit in urban centres. Canada noted that the best place to start is a better website, with a place on-line for clients and health service providers alike.

Canada noted that this is a pan-Inuit issue and needs to be addressed as such, and that total reliance on beneficiary lists is becoming a challenge as more Inuit individuals will not be registered as geographically-based beneficiaries. As such, IRC received funding to improve access to passport photos for the residents of the Inuvialuit communities. In November and January, several staff members were trained by Passport Canada and a professional photographer on what constitutes as an acceptable photo for Canadian passport purposes as well as other basic passport application requirements. In March, with the assistance of the Community Corporations, IRC staff conducted a tour of the communities - Aklavik (March 8), Ulukhaktok (March 14 to 16), Sachs Harbour (March 21 to 22), Tuktoyaktuk (March 24 to 25) and Paulatuk (March 29 to 30) to take passport photos of beneficiaries at no charge. Now all year round appointments can be made for photos at the Corporate Centre in Inuvik. In addition, when IRC conducts its annual Corporate Group Tour of the communities, the passport photo equipment is included to ensure that beneficiaries are able to obtain photos on an annual basis without having to leave their communities.

Next Steps:

Canada will continue working internally on the issue of Inuit access to NIHB. IRC will confirm its list of beneficiaries living south of 60 with Health Canada and Health Canada will issue numbers to those who do not yet have one.

Regulatory Reform

The 2008 Neil McCrank report entitled *Road to Improvement* contained recommendations in the area of northern regulatory regimes. Concern had been expressed about the way the systems operated, the multitude of jurisdictions, and the length of time needed for regulatory approval. No concerns had been expressed in relation to the regulatory processes in the ISR. As a result, the McCrank report concentrated on the Mackenzie Valley and not the ISR. No recommendations in the McCrank report were directed specifically to the ISR.

In response to the report, Canada has worked to achieve consistency in land use and water regulations among northern land claims and has initially included the ISR in its action plan. However, IRC believes Canada should not include the ISR because current regulatory processes are working well in the ISR and any changes would result in difficulties related to revisions to the IFA. IRC wants the ISR to be dealt with on its own merits and not as a result of shortcomings of regimes in the other land claim regions.

Activities: 2012-2013

Canada provided an update on its "Action Plan to Improve Northern Regulatory Regimes," which focuses on the consolidation of Land and Water Boards and the creation of NWT Surface Rights legislation. Consultation on Surface Rights legislation took place April 23-30, 2012. Canada met with the groups tied to the Mackenzie Valley Resource Management Act to discuss restructuring, a timeline for processes, and to develop the ability to provide policy direction. The Yukon Surface Rights Board is proceeding with amendments, and amendments to the Northwest Territories Waters Act have been proposed. IRC indicated that their decision to support the amendments would be contingent upon the receipt and review of additional information and the completion of further consultation.

Canada noted that the revival of the *Nunavut Planning and Project Assessment Act* (NUPPAA) had occurred, and also described the progress made over the summer on the *Northwest Territories Surface Rights Board Act*. In addition, a large number of legislative changes relating to the regulatory regime in the North are under review, and aboriginal partners across the North have expressed their concerns at the number of initiatives and the speed at which things are going forward. As such, aboriginal participation in the review progress has slowed. It is expected that John Pollard will again approach the Inuvialuit to discuss proposed changes to the NWT's regulatory regime.

Next Steps:

Canada continues to communicate with IRC on proposed regulation changes and the *Northwest Territories Surface Rights Board Act.*

Environmental Clean-Ups

The Contaminants and Remediation Division continues to work on several sites within the ISR, with continual engagement with the Inuvialuit with respect to the clean-ups.

Activities: 2012-2013

Canada provided an update on activities at BAR C, and a final report was shared with the Inuvialuit Cultural Resource Centre in September; all above-ground demolition work was completed and site de-mobilization was done in early October. Additionally, work to compile a traditional oral history of land use was completed. Community consultations were undertaken in Tuktoyaktuk and Inuvik in the first week of August. The IGC raised questions about contamination within buildings that may have been removed from the Bar C site and relocated to Tuktoyaktuk.

Canada also stated that the post remediation report for Johnson Point was complete and that monitoring was ongoing.

Annex "R" Reservations

Pursuant to Section 7(1) of the IFA, titles to lands acquired by the Inuvialuit are subject to certain existing surface rights as listed in Annex R of the IFA. The Government of Canada holds 20 of the 21 sites listed in Annex R. To date, Canada has released its reservation interest on nine sites.

Activities: 2012-2013

North Peak (Annex R-12) was inspected and signed off for release in the summer of 2012 by the ILA and Canada. The Quit Claim was registered in the Land Titles Office on October 17th, 2012.

The remaining sites on the Annex R list continue to be retained for their original purposes.

Next Steps:

Canada and IRC continue to discuss options for addressing landfills located on Annex R sites that have yet to be released.

Appointments

The timeliness of Board appointments, specifically the length of time required to process Federal Ministerial appointments is a concern for all parties. Timely appointments help to avoid quorum issues within the various Boards created pursuant to the IFA.

Activities: 2012-2013

EISC – the re-appointment of Eric Cockney and Albert Ruben Sr. IGC will proceed with Mr. Cockney's appointment. John Ryder was reappointed as the Yukon member on November 5, 2012, for a three year period.

EIRB – GNWT agreed to review the Board's status, as there is the potential for EIRB to strike a panel to review the Inuvik-Tuk Highway.

Inuvialuit Arbitration Board – The Vice-Chair appointment was moved to the Minister's office. Serge Lamarche was reappointed as the Yukon member on September 30, 2012, for a three year term. The Inuvialuit have been filling their appointments, and Lena Selamio has been reappointed.

WMAC (NWT) – Vanessa Charlwood is Blake Bartzen's alternate until 2013. IRC noted that Evelyn Storr, Chuck Gruben and Joseph Haluksit need to be reviewed as they are coming up for IGC as Alternates.

WMAC (NS) – Chris Hunter was appointed as the Canada member in November 2012 and Billy Storr's appointment is to be reviewed by IGC.

FJMC - Canada reported that Mike Pap's appointment is delayed but the paperwork is in the system. Inuvialuit need to review Stan Ruben's appointment as an Alternate member.

Federal Government Procurement

Canada continues to examine its contracting processes to identify potential barriers that may hinder access to federal contracts by firms located in land claim areas. In addition, information sessions were provided to contracting officers and project managers who supervise contracts where the deliverable of a good, service or construction is delivered into a land claim agreement area. These sessions addressed the contracting obligations of various land claim agreements, including the IFA.

In accordance with Contracting Policy Notice 2008-4, which came into effect in April 2009, federal departments are required to report contractual data where a contract has been awarded in a land claim area. More information is available on INAC's website: http://www.aadnc-aandc.gc.ca/eng/1100100032266.

Activities: 2012-2013

Canada provided a list of federal government contracts in the ISR for the 3rd and 4th quarter of 2011.

Canada developed the ability to correct old data from CLCA.net and to republish it online. All data collected to date has been corrected and the IFA ICC agreed that another year of data should be collected before having a discussion of reasonable share (section 16.(8)(c)).

Canada and IRC discussed the development of a list of Inuvialuit entities that should be formally recognized under the CLCA.net tracking system for accurate data tracking collection.

Next Steps:

IRC will follow up with the GNWT.

Canada and IRC will continue development of the Inuvialuit entities list.

Canadian Oil and Gas Operations Act - Northern Benefits Plan

The Canadian Oil and Gas Operations Act (COGOA) sets out regulations for the oil and gas industry in Canada. This includes specific regulations around aboriginal lands and Northern exploration and extraction. Benefit Agreements with industry and Aboriginal groups have a significant impact on economic development and growth in the north.

Activities: 2012-2013

IRC raised concerns with the implementation of Northern Benefits Plans under COGOA, particularly as they relate to offshore activities. A number of issues have surfaced including reports that the Oil and Gas Division is advising operators that entering into IRC's Co-operation Agreements will render the operator noncompliant with COGOA. IRC expressed the opinion that some operators were proceeding without input from IRC on the content of the plans. New guidelines were developed which are intended to address the concerns raised. These offshore guidelines for oil and gas exploration were completed and published online on September 2, 2012.

How Comprehensive Cooperation and Benefits Agreements (CCBAs) are handled in the offshore has also been a topic of concern. Companies are engaging in talks with the Inuvialuit, and in some cases they may share a draft of a benefits plan. Problems are arising where those benefits plans are not improved to meet the Inuvialuit's standards, while Canada is being incorrectly notified that the benefits plans have been approved by the Inuvialuit.

Currently, GX Technology Canada Ltd (GXT) has consulted with IRC and the Tuktoyaktuk Development Corporation but there was no follow up by GXT with IRC regarding their comments on the draft benefits plan. GXT has not reached an agreement with IRC regarding contracting and GXT's seismic work on Banks Island, and it is unknown if a Northern Benefits Plan has been completed. Additionally, it appears that GXT may be contracting with firms outside the ISR when there are qualified Inuvialuit firms available. IRC is concerned that GXT is not engaging properly and that the Inuvialuit are being circumvented.

Next Steps:

Canada will meet with colleagues in Oil and Gas Division to gain a perspective on the issue of CCBAs.

Northwest Territories Devolution

In January 2011, Canada and the GNWT signed a Devolution Agreement-in-Principle (AIP) that is the basis for a Final Agreement that will see the transfer of responsibilities and authorities associated with the management of Crown lands and resources in the NWT.

Activities: 2012-2013

The parties to the devolution negotiations are attempting to conclude an agreement with an implementation date of April 1, 2014. Negotiations are well advanced, but there are four significant issues yet to be resolved. The biggest issue is regulatory reform and the approach to the *Mackenzie Valley Resource Management Act*. Second, Canada is negotiating a Memorandum of Agreement with regard to the Off-Shore resources in the NWT. The third item deals with human resources and the transfer of federal employees and reasonable job offer mechanism. The final significant issue involves administration and transfer of contaminated waste sites.

Work has started on a review of the IFA, pursuant to Section 4.15 and 4.16 of the draft Devolution Agreement, identifying government obligations that may be affected by Devolution. Kimberly Thompson is Canada's contact.

