



Backgrounder: Socio-Economic Agreements

What is a Socio-Economic Agreement?

When a major resource development in the Northwest Territories (NWT) makes its way through environmental assessment, and regulatory approvals, the Government of the Northwest Territories (GNWT) asks for recommendations addressing socio-economic commitments and monitoring in the form of socio-economic agreements (SEAs).

The proposed project could be a mine, a pipeline, or any natural resource development that could have an important impact on NWT lands, resources and people.

Much of that process is governed by the Mackenzie Valley Resource Management Act or the Inuvialuit Final Agreement and executed by the land and water boards established under these laws and agreements.

Who is in-charge?

The Department of Industry, Tourism and Investment (ITI) is responsible for negotiating these agreements on behalf of the GNWT. The agreements formalize commitments and reflect targets and assumptions made by a company during its environmental assessment.

How are Socio-Economic Agreements already used in the NWT?

With the signing of the Socio-Economic Agreement with Fortune Minerals for their NICO project, there are now five active Socio-Economic Agreements. They are:

- Ekati Diamond Mine (Dominion Diamonds)
- Diavik Diamond Mine (Rio Tinto)
- Gahcho Kue (De Beers/Mountain Province)
- NICO Project (Fortune Minerals)
- Snap Lake (De Beers – on care and maintenance since December 2015)



What kinds of commitments are covered in an SEA?

Commitments can include:

- Employment and business opportunities
- Cultural well-being and traditional economy
- Community, family, and individual well-being
- Net effects on government
- Sustainable development

How have Socio-Economic Agreements benefited the Northwest Territories?

Since reporting began at the signing of the first SEA with Ekati in 1996, the following benefits have been reported:

- 13,741 person-years of northern Indigenous employment — 24% of the total workforce
- 27,612 person-years of northern employment total — 49% of the total workforce
- \$6.452 billion in procurement with northern Indigenous businesses — 31% of total procurement
- \$14.587 billion in procurement with northern businesses — 70% of total procurement

How is progress tracked?

An annual report compiles data and information on identified social and economic indicators measuring the social health and economic wellbeing of NWT communities. It also contains a list of investments, initiatives and programs the GNWT is employing to encourage and enable NWT businesses and residents to respond to, and benefit from, mining activities in the NWT. This report is posted publicly each year.

In addition, ITI meets with the project proponents on an annual basis to discuss the current business of the projects and the efforts being made to meet targets set out in the Socio-Economic Agreements.

How are NWT communities engaged?

There are regularly-scheduled visits to affected communities under the Socio-Economic Agreements attended by companies, the GNWT, and Indigenous leadership. These visits include workshops, seminars, and feedback sessions. All sessions are open to any community members who wish to attend.