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Development Agency

Agence canadienne de  
développement économique du Nord

Evaluation of the  
**Northern Projects Management Office Initiative**

2009-2010 to 2015-2016

Final Report - Summary of the Evaluation Findings  
January 2016

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## SECTION 1: INTRODUCTION AND BACKGROUND

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### 1.1 Operating Environment and Context

Natural resources serve as the primary, large-scale driver for Canada's northern economic development and employment. As a result, natural resource development projects offer the potential to generate significant social and economic benefits for Northerners, particularly Inuit and other Aboriginal peoples living in Canada's North, and all Canadians.

The regulatory systems in each of the territories differ significantly from the environmental assessment processes in the provinces, and are unique to the legal and cultural frameworks of the North as they are derived from the land claims process. Each territory has its own set of legislation governing waters, surface rights, environmental and socio-economic assessment and use, and Aboriginal land claims.

There are four regulatory regimes which have responsibility for regulatory reviews within their respective regions in the North. These regimes are summarized in the subsections below.

#### Differing Regulatory Regimes in the Territories

The regulatory review process in the territories differs significantly both from one territory to another, and within territories. This is due to the unique constitutional standing of each territory (Yukon and the Northwest Territories have devolved, whereas Nunavut has not); in addition, a number of land claims agreements, which have helped to guarantee Inuit and First Nations representation and participation in the regulatory review and decision-making process, have resulted in significant differences in regulatory review processes within territories. As a result, the following regulatory review bodies exist in the North:

- Yukon Environmental and Socio-economic Assessment Board, in the Yukon;
- The Mackenzie Valley Environmental Impact Review Board and the Mackenzie Valley Land and Water Board, in the Mackenzie Valley region of the Northwest Territories;
- The Environmental Impact Screening Committee and the Environmental Impact Review Board, in the Inuvialuit Settlement region of the Northwest Territories; and
- The Nunavut Impact Review Board, in Nunavut.

#### Federal Initiatives and Context

In recent years, the Government of Canada has made resource development and economic growth in the North a major federal priority. Several initiatives and strategies have been implemented in a number of federal departments, such as: the Responsible Resource Development Initiative;<sup>1</sup> the *Action Plan to Improve Northern Regulatory Regimes*;<sup>2</sup> Canada's Northern Strategy;<sup>3</sup> the Geo-Mapping for Energy and Minerals (GEM) program;<sup>4</sup> and the Northern Projects Management Office (NPMO).

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<sup>1</sup> <http://eap.gc.ca/en/content/r2d-dr2>

<sup>2</sup> <http://www.aadnc-aandc.gc.ca/eng/1318007587190/1318007801685>

<sup>3</sup> <http://www.northernstrategy.gc.ca/index-eng.asp>

<sup>4</sup> <http://www.nrcan.gc.ca/earth-sciences/resources/federal-programs/geomapping-energy-minerals/10904>

## **1.2 History of the Northern Projects Management Office**

The Northern Projects Management Office (NPMO) was established in 2010 within the Canadian Northern Economic Development Agency (CanNor), with the aim of improving the efficiency of the environmental review process for proposed resource development and infrastructure projects in the territories. NPMO takes a project management approach to assist major projects, ensuring that activities and processes throughout regulatory review are well defined, transparent, timely and predictable. NPMO also ensures that federal agencies and departments involved in the environmental assessment (EA) and regulatory/permitting processes clearly understand their role and are accountable for their performance.<sup>5</sup>

The NPMO Initiative utilizes a horizontal approach, and has established partnerships with other federal regulatory departments/agencies. To facilitate their cooperation, a Memorandum of Understanding was signed by NPMO and a number of relevant federal organizations, including CanNor, Natural Resources Canada, Fisheries and Oceans Canada, Aboriginal Affairs and Northern Development Canada, and others. In addition, although not an original signatory to the MOU, Parks Canada participates in the Initiative with respect to its regulatory responsibilities for national parks.

## **1.3 NPMO Services and Activities**

NPMO provides a single-point-of-access service into the federal government for major project proponents moving through the regulatory process in Canada's North. The services NPMO provides were designed to focus on ensuring a timely, transparent and predictable regulatory review process, thereby creating a stable and attractive investment climate to project proponents. NPMO provides services to these proponents when:

- Proponents request assistance from NPMO;
- More than one federal department has a role in the review process for the proposed project; and/or
- There is a Crown consultation obligation.

Once involved in the regulatory review processes, NPMO facilitates and coordinates various activities throughout the life-cycle of a proposed resource development or regional infrastructure project.

In support of facilitating an efficient regulatory system, and better managing major projects in the North, a number of governance tools are at the disposal of the NPMO. These services range in formality from informal information sessions for relevant parties to gain an early understanding of upcoming projects, to formalized Northern Project Agreements, which define specific roles, responsibilities, and milestones for federal departments and agencies that will be involved in a major project in the North.

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<sup>5</sup> Taken from the Standard Operating Procedures Manual for NPMO, June 2015

In addition, NPMO works with communities, as part of the Community Readiness Initiative (CRI), to help communities participate fully in resource development opportunities. CRI was designed to help empower communities to take active roles in managing the impacts of major projects in their regions, and to help prepare communities to participate in and fully reap the benefits of these projects. The expected outcome of CRI is that more Northerners will take part in, and prosper from, enhanced economic projects and activities in the territories.

NPMO is also responsible for coordinating consultations with Aboriginal people and maintaining the official Crown consultation record for projects coordinated. Maintaining the Crown consultation record requires ensuring there is a record of all consultations between the federal partners involved in the regulatory review and the Aboriginal community or communities that will be impacted by a major project.

Although NPMO provides significant coordination support and guidance for project proponents throughout the regulatory review process, the completion of these various regulatory processes remain the responsibility of their respective departments. Additionally, NPMO does not conduct Community Readiness Assessments (CRAs); rather, NPMO supports CRAs by providing funding under the Community Readiness Initiative for the community to develop internal expertise, often by having a community member(s) work closely with an external consultant. NPMO provides socio-economic data (when available) and information on resources/programs which may be accessed by the community.

As part of its information-sharing and coordination function, the NPMO undertakes a number of specific consulting, advising, tracking, and monitoring activities. These may include updating and maintaining the web-based NPMO Project Tracker and a variety of other web-based tools and trackers, organizing Resource Development Advisory Groups (RDAGs) and information sessions for proponents, and other coordination and information-sharing functions.

## **1.4 Governance and Administration**

### **Structure of NPMO**

NPMO is a business line operated by the Canadian Northern Economic Development Agency (CanNor). NPMO is headed by the Vice President – Policy, Planning, Communications, and NPMO, who reports directly to the President of CanNor.

There are two distinct sections of NPMO: an operations section, and a policy section. The policy side is responsible for addressing and anticipating issues and opportunities related to advancing resource development in the North, both within and outside of the environmental assessment and regulatory processes, as well as developing tools used by the operations side to manage and guide projects through regulatory review processes.

The operations side of NPMO is responsible for providing services to support the timely and efficient movement of major projects through the applicable regulatory review processes, including serving as a single window to the northern regulatory systems for proponents, coordinating federal response throughout the regulatory review phases, coordinating the Crown's consultation record, and issues management. The operations section is also responsible for supporting community readiness, to maximize socio-economic outcomes for northern communities.

## **Relationships with Other Federal Departments and Territorial Governments**

NPMO uses multiple mechanisms to facilitate a collaborative and coordinated approach to resource development in the territories. NPMO has established Memoranda of Understanding (MOU) with federal departments, territorial governments, and Aboriginal organizations. These MOUs help to clarify each party's role in the regulatory review process, and encourage collaboration and information sharing among all signatories.

NPMO has established Territorial Project Committees in each territory, to facilitate communication among all parties with a role in resource development and project regulatory review in the respective territory. The NPMO Project Specific Working Groups, and the Northern Directors General Working Group,<sup>6</sup> have also been formed by NPMO to further encourage communication and collaboration on resource development in the North.

## **Funding for NPMO**

At the creation of CanNor in 2009, NPMO was allocated operating funding of \$996,154 per year on an ongoing basis. Under the NPMO Initiative, additional funding of \$7.07M was provided to CanNor for three years (2013-14, 2014-15, and 2015-16) to increase northern regulatory capacity within NPMO. The participation of other federal departments/agencies with regulatory responsibilities related to the environmental assessment process in the North and signatories to the MOU is supported through their existing departmental resource levels.

In addition, NPMO is receiving time-limited operational funding for one full-time equivalent (FTE) position, to support delivery of the Community Readiness Initiative (CRI). The funding is sourced from the Strategic Partnerships Initiative, administered by AANDC.

## **1.5 Stakeholders / Partners**

NPMO's complex project management role, which interfaces with numerous partners at the federal, territorial, and regional levels, means that a large number of government bodies and organizations are stakeholders to the program.

Federal partners represent one group of stakeholders. Each of the territorial government departments with responsibility for aspects of the regulatory review process are further governmental stakeholders to NPMO. In some territories, regional governments also have some jurisdiction over aspects of the regulatory review process, and so also represent stakeholders to NPMO. Finally, the communities in which these projects are proposed, and the project proponents, represent "client-side" stakeholders to the program.

Although NPMO assists in coordinating activities and consultations, the specific environmental assessment and monitoring activities, as well as Crown consultation and accommodation, activities are conducted by the respective federal and/or territorial departments and agencies that have proper jurisdiction over environmental assessment, monitoring, Crown consultation, permitting, and other related activities.

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<sup>6</sup> Taken from the Standard Operating Procedures Manual for NPMO, June 2015 (DRAFT)

There are dozens of regulatory bodies responsible for these activities in the North, including territorial environmental and socio-economic boards, regional land and water boards, local and municipal governments, Aboriginal governments, and federal departments such as the National Energy Board.

In addition to the public-interest stakeholders of the federal and territorial governments and Inuit associations, private interests are invested in the NPMO initiative to the extent that they have current, or prospective, involvement in major projects in Canada's North.



## SECTION 2: METHODOLOGY

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### 2.1 Expected Outcomes

The NPMO Initiative was introduced with the anticipated ultimate outcome of helping to build “strong, stable territorial economies for the benefit of Northerners and all Canadians”.<sup>7</sup>

### 2.2 Introduction to the Evaluation / Objective and Scope

This evaluation represents the first NPMO Initiative evaluation; as such, it focuses on NPMO activities and outputs since the 2009-10 fiscal year, and covers all objectives and activities for the NPMO Initiative, including those undertaken by NPMO, hosted within CanNor. This evaluation examines the relevance and performance of NPMO in meeting its mandate objectives, and identifies opportunities to contribute to a more effective and efficient northern regulatory system. The evaluation also takes into account the horizontal, multi-department/agency nature of the federal role in resource development in the territories, as outlined in its Horizontal Results-Based Management and Accountability Framework.

Assessment of intermediate and long-term outcomes will require a greater timeframe for projects to mature and objectives to be realized. Data on these outcomes are not available for this evaluation due to the short existence of the Initiative, which was approved for ancillary funding at the end of the 2013-14 fiscal year.

To help guide the collection and analysis of all lines of evidence for this evaluation, an evaluation framework was developed. R.A. Malatest & Associates Ltd. (“Malatest”) was provided with an initial evaluation framework for the *Evaluation of the NPMO Initiative* by the NPMO Initiative upon commencement of the project. Malatest then reviewed the framework and suggested alterations.

### 2.3 Key Informant Interviews

This evaluation relied heavily on key informant interviews to provide evidence regarding the NPMO initiative’s relevance, performance, and design and delivery. A large number of potential interviewees (n=52) were identified by CanNor, representing six different stakeholder groups. All identified potential interviewees were contacted by Malatest and invited to complete an interview.

Interviews followed a semi-structured format, guided by pre-developed interview guides, which had been created by Malatest and approved by the Project Authority prior to any interviews being conducted.

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<sup>7</sup> Taken from the *Performance Measurement Strategy for the Northern Projects Management Office Initiative*, Canadian Northern Economic Development Agency, July 2014.

## **2.4 Administrative Data and File Review (including select project files)**

In support of delivering on NPMO performance measures and related results, NPMO identified a total of 22 administrative databases with a variety of data relating to the CRI and the management of major projects in the territories. Due to their evolving nature, a full review of the NPMO databases was not possible for this evaluation. Instead, Malatest approached the use of administrative data in the following ways:

- Assessing the extent to which the databases were used / leveraged by NPMO to deliver on its objectives to facilitate timely, predictable and transparent regulatory review processes in the North; and
- Examining administrative data for three selected projects, in a modified case study approach.

NPMO identified three key projects in the North which could be used in a modified case study approach; administrative data for these projects was then requested from the manager of these databases, located in Iqaluit. Administrative data for these identified projects was drawn from selected databases maintained by NPMO.

Malatest used this data review to assess the completeness and usefulness of the data in fulfilling NPMO's project management mandate. In addition to this data review, information gained through key informant interviews with project proponents and other stakeholders elicited key information on the extent to which these databases facilitated efficient movement of major projects through the regulatory process.

## **2.5 Document Review**

Malatest undertook a review of selected, relevant operational and legal documents related to the NPMO Initiative, including documentation related to Major Projects Management Office (MPMO) and the Canadian Environmental Assessment Agency (as relevant) identified as providing some comparative data and possibly best practices or lessons learned.

### **Selection of Documents**

Malatest initially conducted a cursory review of NPMO documents that had been made available for the purposes of this evaluation. Many of these documents contained information related to the relevance, performance, economy, and efficiency of the Initiative. As such, they were reviewed and analyzed for information related to specific research questions as illustrated in the evaluation matrix.

Malatest also consulted with CanNor to identify other documents created and maintained by NPMO that may be relevant to this evaluation. These included financial recordkeeping documents, such as expenditures relevant to conducting an assessment of the program's economy. The Consultant worked closely with NPMO contacts to identify documents that may be used for this task.

Researchers on Malatest's team reviewed NPMO documents for important information related to evaluation questions identified in the evaluation matrix.

## 2.6 Case Study Review

NPMO representatives selected three example projects for the case studies, and provided relevant documentation on these cases to Malatest. For each of the case study projects selected, key informant interview data was included when it related to the project case study. This interview data was used to supplement the secondary source information.

The following projects were selected for case studies:

- Mary River Project, by Baffinland, in Nunavut;
- Gahcho Kué Diamond Mine, by De Beers, in the Northwest Territories; and
- Mactung Tungsten Mine, by the North American Tungsten Corporation, in Yukon.

Key informant interviews were conducted with representatives from the project, the territorial government, NPMO staff, and the regulatory bodies in each of the territories. This data was reviewed prior to beginning the case study portion of the evaluation. Summary transcripts from these interviews were used as a data source for the case studies, particularly when administrative data or documents were not available, or unsuitable as a data source.

Administrative data and documents formed the second data source for these case studies. All documents and data that were provided to Malatest by NPMO representatives were sent via a secure file transfer site. Other documents were available publicly and were obtained online (e.g., NPMO Project Tracker information, Northern Project Agreements). Administrative data and documents were limited to those directly relating to NPMO's management role in each project. Some data and documents, such as the Impact Benefit Agreements (IBAs) made between industry and Aboriginal communities or organizations, were not included as NPMO did not participate in these activities, nor were these documents available.

Case studies were identified as a data source to respond to specific evaluation questions identified in the evaluation matrix. In most cases, data was also collected from some interviewees (e.g., industry and Aboriginal organizations). Relevant information from the interviewees and from the document review was included in the case study as well as data found through an online scan.

## SECTION 3: EVALUATION FINDINGS

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This section provides the comprehensive findings from three technical reports submitted to CanNor by Malatest as part of this evaluation: Key Informant Interview Technical Report, Case Study Technical Report and Comparative Analysis, and Administrative Data and Document Review Technical Report. Findings in these reports drew from a total of 44 key informant interviews, an administrative data and document review from sources available online or provided by NPMO, and a case study of three major projects, one in each territory.

### 3.1 Relevance

Overall, the evaluation found that NPMO achieves its mandate by serving to facilitate and coordinate meetings with federal departments, streamline the regulatory process for proponents, and move projects more efficiently through the system. Furthermore, findings from the Case Studies, and the Key Informant Interviews found that NPMO has achieved added relevance by functioning as an impartial party while coordinating multiple stakeholders, which grants them a diplomatic role in calling attention to delays in timelines. The findings from the Key Informant Interviews also found that NPMO provides a valuable service in the North, particularly as an entity responsible for tracking Crown consultations.

The findings from Administrative Data and Document Review provided evidence that NPMO had increased interactions with stakeholders over the last five years, particularly with regulatory and review boards, and industry proponents. Interviewees reported that NPMO's role in coordinating federal responses and sharing information had a positive impact on the quality of these outputs from federal departments. Some interviewees also noted that NPMO provided other valuable services that are needed, such as engaging more directly and building consensus with communities that are impacted by major projects.

However, some interviewees observed that, to increase NPMO's relevance and efficacy in fulfilling its mandate, stronger relationships with Aboriginal communities in the territories need to be developed. This observation is supported in the findings from Administrative Data and Document Review, where NPMO interactions with Aboriginal organizations were not increasing at the same rate as NPMO's interactions with other stakeholders. Key informants stressed the need for NPMO to develop strong relationships with Aboriginal communities, and recommended this occur through early engagement, prior to major projects moving to the environmental assessment stage. Another recommendation for developing stronger partnerships with communities is through development of Memoranda of Understanding (MOUs) with Aboriginal associations. To date there are only two MOUs signed with Aboriginal associations. NPMO should continue efforts to develop MOUs with other Aboriginal associations. MOUs also serve to fulfill NPMO's mandate for transparency by defining roles and responsibilities for participating stakeholders.

In addition, findings from Administrative Data and Document Review found that Resource Development Advisory Group (RDAG) meetings had decreased from 10 meetings in each of 2013/14 and 2014/15 to 5 meetings in 2015/16. Although more may occur in the 2015/16 fiscal year, it is unlikely that 5 or more will occur before year end. Interviewees reported that RDAG meetings were beneficial in providing a more efficient assessment and regulatory process, and as such should be used to attract more external/international industry to the North.

Findings from the Key Informant Interviews, Case Studies and Administrative Data and Document Review reveal that NPMO fulfills a relevant role in the North and many stakeholders would benefit from NPMO increasing its services and activities.

### **3.2 Design and Delivery**

Overall, although NPMO was found to be highly relevant, NPMO faces challenges with the design and delivery of its services. Findings from the Case Studies and the Data and the Document Review highlighted the challenge NPMO faces as a result of playing a different role in each of the territories, due to differing governance and legislation, as well as navigating the changes in players and procedures that resulted from devolution in the Northwest Territories. NPMO created the Policy section to address and anticipate issues and opportunities related to advancing resource development in the North and develop tools used by the operations side to manage and guide projects through the regulatory review processes.

Findings from the Case Studies found that NPMO attended several meetings with proponents and/or relevant agencies in all three case studies, and focused on tasks to achieve timeline milestones. Most tasks delegated to NPMO involved following up with varying agencies or departments to remind them of timelines, arranging workgroup meetings, providing the proponent with feedback on documents, or researching the next step in the regulatory process. Although most tasks were completed, the case studies highlighted NPMO's challenge in coordinating and following up with the territorial governments and local regulatory review bodies, particularly in the territories where offices are more isolated and minimally staffed. With devolution, NPMO needs to negotiate a strong, clearly defined partnership with the territory to facilitate the movement of projects through the new regulatory system, as well as to advance the economic opportunities of the Aboriginal communities by leveraging territorial support. As NPMO is still in its infancy as an agency, offices that are more isolated in the North would benefit from stronger mentorship from senior management at NPMO to allow a strong impact with stakeholders.

The majority of the 22 databases identified by NPMO (16 databases) were considered functional and provided information related to Treasury Board and investment plan reporting, community planning, local or relevant research initiatives, socio-economic and resource development. A limited review was done on these databases as only sample reports were provided for nine of the databases. It is recommended that the databases be reviewed in more detail for overlap of information and application for other uses. Some of these databases were in need of more routine updating; merging databases with similar or overlapping information would make updating easier to maintain and reporting more efficient. Also, the Project Tracker was identified as needing more detailed project information and more regular updates. NPMO would benefit from consulting with external stakeholders to determine what level of detail would be most beneficial to include in the Tracker. The remaining six databases were described as non-functional or in need of updating (e.g., the Infrastructure Database contained information predominantly from 2011). These databases appeared to be useful and important to guiding NPMO Policy and the Community Readiness Initiative (CRI). In particular, the Crown Consultation Database was a tool that federal stakeholders identified as valuable and would help NPMO successfully fulfill its role as Crown Consultant Coordinator. It is recommended that a Crown Consultation Database be developed on a single platform that would be available across regional offices.

Findings from the Key Informant Interviews highlighted that there were challenges in NPMO being clearly separated from CanNor, in terms of ‘branding’ – currently, its connection with CanNor appears to be muddled to some stakeholders, and the extent to which the two entities share a mandate, roles and responsibilities was somewhat unclear. As the responsible body for tracking Crown consultation activities, several interviewees also noted that NPMO could benefit from offering some form of participant or capacity funding, which would be offered to Aboriginal communities involved in Crown consultations. Monies disbursed from this fund would be for the purpose of hiring expert consultants in areas related to environmental protection and conservation, as applicable to the project. It was believed that offering such a fund would facilitate greater involvement from, and more meaningful consultation with, Aboriginal communities; currently, many Aboriginal communities lack the expertise to review and respond to highly technical scientific documents, such as environmental assessment reports and proponents’ submissions, which limits their ability to engage meaningfully in the review process. Finally, some interviewees noted that the Community Readiness Initiative (CRI) overlapped with similar funds or programs such as the Community Readiness Opportunity Program (CROP), administered through CanNor. However, findings from the Administrative Data and Document Review ascertained that while CROP’s strategic objective is to support the overarching development of strong and diversified local economies, CRI focuses on building community capacity specific to the industry related to the non-renewable resource development projects near those communities. With greater collaboration between NPMO and CanNor, CRI, CROP and other CanNor programs could be used to maximize the benefits to Aboriginal communities.

NPMO has many challenges that impact the design and delivery of services, such as differing governance and legislation in the territories and need for clarification of its mandates, roles, and responsibilities. However, NPMO has been able to provide a comprehensive suite of services and activities, and with time, greater mentorship, and experience their value may further increase.

### **3.3 Performance: Effectiveness**

Overall, the three lines of evidence (Key Informant Interviews, Case Studies and Administrative Data Review) identified some shortfalls in NPMO’s achievement of expected outcomes. However, in comparison to MPMO, and confirmed by interviewees in many stakeholder groups, NPMO is considered to still be young and ‘learning the ropes’ of its role and relationships to other departments and stakeholders. Many interviewees recommended that NPMO continue, as they expected that NPMO would become even more effective and valuable as corporate knowledge and experience accrued.

The Case Studies found the projects reviewed varied in the time they took to move through the regulatory review processes, with the Northwest Territories project moving through the regulatory phase in 5 months and the Yukon and Nunavut case studies taking 13 and 22 months, respectively. Delays in the review process generally were attributed to delays from the review boards or the proponents. There were only two instances (one each from the Gacho Kué and the Mactung Mine environmental assessments) from the three case studies where NPMO was the lead responsible for a delayed task or milestone. Differing processes in each territory limit the ability to comment on whether the timelines in these case studies are comparable. However, findings from the Data and Document Review provided insight, revealing that projects in the Northwest Territories spent an average of six months less time moving through the regulatory phase as compared to the other two territories, across 13 projects from January 2013 to October 2015. As mentioned in the Design and

Delivery section, increased frequency of updates and detail in the NPMP Tracker to provide stakeholders with more guidance for the review process should be considered to promote transparency and increase efficacy of NPMO.

Overall, key informants reported NPMO was successful in its coordination role and providing issues resolutions. However, improvements could be made by using Northern Project Agreements (NPAs). The Data and Document Review revealed that only 4 of the 23 active projects had NPAs, and of the 3 case studies, only 1 had an NPA in place. However, despite the lack of NPAs, most interviewees involved in regulatory review (NPMO staff and management, federal departments, territorial governments, regulatory review boards) felt that NPMO had done a good job of improving and facilitating issues resolution. The Key Informant Interview findings revealed that interviewees felt that NPAs provided clarity of roles of responsible parties and improved the understanding of NPMO's governance structure. Completing more NPAs would help fulfill the mandate of providing a transparent process.

Overall, the Key Informant Interviews findings showed that many interviewees believed NPMO was doing well in establishing partnerships, and in its role as the Crown consultation record keeper. The Case Studies found that NPMO's transparency to stakeholders and role as record keeper contributed to the establishment of a few Memorandums of Understanding (MOUs) and several Impact Benefit Agreements (IBAs), and in one case an NPA, for the projects. However, some interviewees believed that NPMO was not fulfilling all of its responsibilities (e.g., not completing the Crown consultation tracking tables). Despite that, key informant interviewees reported that NPMO continued to promote partnerships by providing problem resolution and being responsive to ad hoc requests.

The three lines of evidence (Key Informant Interviews, Case Studies and Administrative Data Review) reveal that NPMO staff are working diligently, despite isolated offices and limited staffing, to overcome the many challenges faced in the North. As the main office in the Northwest Territories demonstrates, with more experience and increased staffing, the offices in the other territories should be able to improve effectiveness of moving projects through the regulatory process by building strong partnerships while supporting both Aboriginal communities and project proponents.

### **3.4 Performance: Efficiency and Economy**

Limited information was available to report on efficiency and economy of the program. The Key Informant Interviews showed many stakeholder groups felt that NPMO needed to be better funded. Currently, NPMO suffers from noticeable service shortfalls (for example, Crown consultation tables not being filled out, and emerging risks to projects not being discussed early enough) that most interviewees believed are due to staff at NPMO being overburdened and not able to keep up with all emerging issues and associated paperwork related to each major project. Increasing staff funding, particularly in the offices more isolated in the North (Yukon and Nunavut), would provide the opportunity to meet more service requests and fully utilize the operating and maintenance funds. However, as indicated in the Data and Document Review, NPMO demonstrated increased efficiency between 2012-13 and 2015-16. Operating and maintenance expenditures show a reduced cost per meeting/interaction and personnel expenditures were identified as being efficient with a 25% increase in workload for project managers between 2013-14 and 2015-16. NPMO continues to work towards filling Full-time equivalent (FTE) allotments in isolated areas, such as Iqaluit where it is difficult to attract candidates with the required profile, in an effort to fill all FTE allotments and increase efficiency further over time.



## SECTION 4: RECOMMENDATIONS

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From the three lines of evidence (i.e. Key Informant Interviews, Case Studies and Administrative Data Review), a number of recommendations for improving NPMO were identified. Most recommendations emerged from the key informant interviews; however, wherever possible, support from the other reports was provided to strengthen the recommendation. The recommendations have been presented below according to substantive area rather than source.

### 4.1 Partnerships and Collaborations

1. **Implement more formalized relationships and agreements.** Several stakeholders believed that an increased formality to partnerships and collaborations was required to facilitate effective and timely regulatory reviews. In comparison to the Major Project Management Office (MPMO), NPMO lacks consistency in the completion of Project Agreements. Stakeholders suggested that a formalized governance structure should be outlined in partnership frameworks and NPMO should consistently use of Northern Partnership Agreements (NPAs) with project partners for each major project.
2. **Bridging external partnerships.** A few stakeholders identified that there was a need for stronger relationships between the Aboriginal communities and territorial partners. They recommended that NPMO would be well-suited to bridge the relationships, by bringing a representative from the territorial partners to the communities. This would help create formal accountability between the community and the territory.
3. **Early and intensive outreach to industry.** NPMO should engage in outreach through industry events whenever possible and establish a better relationship with the Chamber of Mines. Most stakeholders felt NPMO could play an important role being involved with industry at an earlier stage; some felt as early as the explorations stage, while a few felt NPMO would be useful when proponents were looking for ways to resolve issues related to infrastructure. Another important role for NPMO could be a more deliberate and intensive outreach to new and/or smaller members of industry. Targeting these groups to publicize NPMO's services would be key in attracting new investors.
4. **Early and intensive outreach to Aboriginal groups.** NPMO should engage in outreach to Aboriginal organization and communities whenever possible and establish MOUs or partnership agreements. By establishing relationships with Aboriginal communities, NPMO can also facilitate the development of the Impact Benefit Agreements (IBAs) and interactions with industry should a community participate in the Community Readiness Initiative (CRI).
5. **Greater collaboration with CanNor.** It was noted that NPMO could be better aligned with CanNor to support programming particularly related to Community Readiness Assessments (CRAs) completed under the Community Readiness Initiative (CRI). Greater integration of complementary tools and services between CanNor and NPMO was recommended, such as using CRA Maps to facilitate the application of CanNor's relevant programming to communities in need, promoting greater engagement and support for northern communities. Greater collaboration could also mean clearer messages are provided to Aboriginal organizations and proponents as to the specifics of programs and services offered by each, supported by an alignment of internal processes to increase efficiencies in operation.
6. **Conduct reviews of major projects that did and did not proceed to identify lessons learned.** NPMO is well positioned to conduct a review of major projects that appeared to be advancing to



implementation but withdrew and those that proceeded to identify areas where NPMO and its partners (e.g., federal departments, territorial governments, and regulatory boards) may be able to make improvements to assist proponents of upcoming projects proceed with fewer challenges.

7. **Hold a forum for regulatory boards, federal and territorial departments.** To build relationships among the territorial governments and regulatory boards, a workshop-style forum could be held where participants share best practices and challenges related the regulatory review process.

## 4.2 Tools and Services

8. **Bring all existing internal databases and tools to a functional level.** Some internal and federal stakeholders acknowledged that databases and tools intended to be used by NPMO were not completed or not used widely enough to contribute to NPMO's anticipated outcomes. It was recommended that these databases and tools be completed, updated, and put online for use by NPMO staff and other federal departments.
9. **Maximize the use of existing tools.** The Project Tracker was largely unknown to most interviewees, and of those that had investigated the tool prior to the interview, did not believe that this tool had sufficient information to be useful to them. Potential users of this tool need to be made aware of its existence, and a review of the tools to ensure it is meeting the needs of these end users may be helpful in encouraging its uptake and maximizing its usefulness. Reviewing databases for overlap and potential merging is also recommended. Some databases were in need of updating. Merging databases that contain similar or overlapping information would ease the burden of updating.
10. **Develop a Crown consultation tracker.** Many federal department representatives expressed confusion about knowing the exact stage of various aspects of the Crown consultation record; for example, a federal department working on a project will conduct their own Crown consultation, but other federal departments working on that same project will not be aware of these consultation activities. Although there is a Crown Consultation table, having a Crown Consultation Database available on a single platform and across all regions would maximize the benefit and use to external stakeholders. Interviewees recommended the development of a Crown consultation tool, similar to the NPMO Project Tracker tool. Such a tool would be used within the Government of Canada's relevant federal departments to keep track of, and disseminate, Crown consultation information for each project coordinated by NPMO, and would include information from all relevant federal departments.
11. **Provide open, public reporting and updates.** NPMO would better serve stakeholders if they provided newsletters, which could include their mandate, guides to rules and processes to implement mandates, and upcoming or newly implemented changes to regulations or legislation.
12. **Provide capacity funding for Aboriginal communities to participate in reviews.** It was noted that a considerable barrier to Aboriginal communities' meaningful participation in the Crown consultation process was a lack of expertise to interpret and respond to technical and scientific documents that are a part of the environmental review process. Some interviewees recommended that a capacity or participation fund be implemented, which would provide funding for communities to hire expert consultants on these matters to assist in responding to relevant documents during the Crown consultation and environmental review process. NPMO

could expand their abilities by creating potential capital investment funds. Capacity or participation funding for Aboriginal communities to participate in Crown consultation could be provided either through NPMO or through the operations branch of CanNor.

13. **Complete Community Readiness Initiative (CRI) pilots and conduct review.** Although significant potential benefits have been anticipated from the CRI, the pilots need to be evaluated to ensure goals have been achieved. If the results of the program review are positive, the CRI should consider any improvements prior to receiving more substantive funding (e.g., addressing challenges in initiating a CRA at the community level). Several interviewees indicated that CRI is not well-known in the territories and, as such, not as many communities have been taking advantage of it as could be. Because this is a new program only in the pilot stage and unknown to most communities, it requires significant time for the communities to recognize the benefits of the program and come together to take advantage of it. Currently, program outcomes have not been fully realized as most of those pilots are still in process.

#### 4.3 Resource Allocation

14. **Increase staffing allotments for NPMO.** Many of the shortfalls of NPMO, such as a lack of direct Crown consultation tracking and inefficient movement of projects through the regulatory phase in Yukon and Nunavut were attributed to insufficient staff at NPMO, particularly in offices outside of Yellowknife. Staff in these offices were identified as being overburdened and not able to complete all of their tasks, resulting in federal departments taking on some of the workload, such as filling out Crown consultation tables or reminding project coordinators to set up meetings. It was noted that having such a 'lean' staff contingent meant that the organization was at risk when any one staff member left the organization. Many interviewees recommended that resources for staffing at NPMO be increased. It should be noted that NIRB and the water boards in Nunavut are located in western Nunavut; having an NPMO office in the same area would facilitate increasing efficiencies between the offices and be an advantage to NPMO to fulfill its mandate. A review of the Treasury Board budget also revealed that the operating and maintenance funds were not being fully utilized, but that increasing staff allotments would allow for more complete use of the budget for NPMO to provide sufficient services and activities.

#### 4.4 Publicity

15. **'Brand' NPMO and publicize the services and tools offered by NPMO to external stakeholders.** Some interviewees believed that many external stakeholders (project proponents and Aboriginal communities) were not aware of the services offered by NPMO and often confused NPMO with CanNor. Increasing the profile of NPMO may facilitate consultation with industry and more meaningful involvement of Aboriginal communities in the regulatory review process due to improved community readiness. Overall, these early interactions would lead to improved collaboration in the North between Aboriginal communities, the Government of Canada, and industry proponents to facilitate sustainable resource development.
16. **Ensure external stakeholders are aware of what NPMO cannot do.** Conversely to the above recommendation, some Aboriginal and industry interviewees experienced frustration with NPMO, as they were not aware of NPMO's role before requesting something that was beyond the mandate of NPMO. NPMO's role as a coordinator and messenger, rather than a decision-making body, needs to be better communicated to proponents and Aboriginal groups.

17. **Earlier initiation of Community Readiness Initiative (CRI).** NPMO could consider initiating community readiness sooner. Most stakeholders believed earlier implementation of CRI (e.g., at the oil and gas exploration stage) would be beneficial to Aboriginal communities and provide them with more time to learn about the project and navigate government processes. NPMO could also play an ongoing role helping communities understand what kind of opportunities the major project could offer that would be advantageous to them, such as new business opportunities for Aboriginal entrepreneurs. Also, earlier CRIs would benefit Industry during the development of Impact Benefit Agreements (IBAs). One stakeholder recommended NPMO should consider a “Regional Readiness” approach, particularly since the North is divided into regions with its land claims, and land and water boards.
18. **Publicize “lessons learned” from Aboriginal communities’ perspectives.** NPMO could document a “lessons learned” or best practice record by bringing people from Aboriginal communities to describe their experiences with major resource development. This would be beneficial to other Aboriginal communities and Industry stakeholders to learn about the initial stage of resource development, various Aboriginal rights issues, and related consultation and community engagement issues.