

Social and Cultural Well-Being

The SEA comprises social commitments such as healthy lifestyle maintenance, including money management, zero tolerance for drugs and alcohol on site, support for NWT and community wellness issues, and site and public safety.

The SEA supports and encourages the promotion of cultural preservation, through the Proponents' commitment to fund cross-cultural awareness training courses and offer Aboriginal language support, including provision of interpreters, support for community cultural activities and, where available, access to Aboriginal language media products.

Through this Agreement, the MGP Proponents have also committed to encourage and support the participation of women.

Business

To encourage local business competitiveness, the SEA ensures that the MGP developers optimize the support and use of local businesses wherever possible.

The SEA promotes the use of local businesses as priority suppliers, as well as the transfer of business knowledge and education to local business, in order to assist their growth.

The MGP Proponents have committed to make reasonable commercial efforts to spend at least 15% of their materials, supplies, equipment and services on NWT businesses during construction – an estimated 930 million additional dollars for the NWT economy.



The Proponents also committed to use reasonable efforts to maximize procurement from NWT businesses during operations, which could provide an additional \$145 million per year to the NWT economy over the life of the Project. At a 28-year life for the Project, the total operations business opportunities could be \$3.6 billion.

Additional related economic opportunities from the Mackenzie Gas Project will also provide opportunities for NWT residents and communities.

Monitoring and Reporting

The Agreement establishes a socio-economic monitoring program, including reporting mechanisms and an NWT Oil and Gas Socio-Economic Advisory Board, made up of industry, government and participating Aboriginal representatives. The role of the Advisory Board is to ensure that Project-related effects are monitored and that mitigations are adapted to meet changing elements. Currently, the Gwich'in and the Inuvialuit are set to sign on as original members of the Advisory Board.

Bringing the Benefits to the People

During the hearing phase of the Environmental Impact Assessment, the Government of Northwest Territories proposed that the Joint Review Panel recommend this Agreement as the follow-up socio-economic program. This approach offers certainty about the commitments undertaken by the Project Proponents.



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The MGP Socio-Economic Agreement

Opportunities for the NWT
and its Residents

The MGP Socio-Economic Agreement

What is a Socio-Economic Agreement?

A Socio-Economic Agreement (SEA) is a signed agreement between government and industry. It reflects social and economic commitments and predictions that a developer makes when it seeks approval for its project. For example, the Government of Northwest Territories (GNWT) has existing SEAs with each of the three diamond mines currently operating in the NWT.

In January 2007, the GNWT executed a Socio-Economic Agreement with the Proponents of the Mackenzie Gas Project (MGP). This Agreement is a contract that pulls together MGP predictions and commitments made during the Environmental Impact Review, project performance, broad societal cumulative effects monitoring, operational monitoring and adaptive management.

It helps reassure the people of the NWT that the developers will manage the MGP so that there are no serious negative impacts, while providing the fullest opportunity to existing NWT residents. It provides for multi-party collaboration with regard to enhancing Socio-Economic opportunities, verifying Socio-Economic impacts, and looking at whether there are better ways to implement the developer's commitments.

In addition to the SEA, several Aboriginal communities are negotiating Access and Benefit Agreements (ABAs) with the Proponents. The Inuvialuit, Gwich'in, and the Deline and Tulita/Norman Wells districts in the Sahtu have so far announced the formal ratification of ABAs with the MGP Proponents. The benefit part of these documents describes employment and business opportunities resulting from the proposed resource activity and outlines how the developers will address them.

A Socio-Economic Agreement covers opportunities for the broader NWT, and supports the ABAs. In a way, it acts like an umbrella that reinforces many of the opportunities offered in all NWT agreements.

In short, the implementation of SEAs helps us to make sure that the Mackenzie Gas Project will be an example of sustainable development for NWT governments, businesses and residents. This includes realizing business, employment and training opportunities for NWT residents.

Commitments Under the Mackenzie Gas Project SEA

The 2007 Socio-Economic Agreement maximizes employment, training and skill development opportunities for Northerners in the Mackenzie Gas Project.

Employment

The SEA provides for priority hiring of Aboriginal and NWT residents. To encourage priority hiring, the MGP developers have committed to communicate employment needs to communities.

For employees living in any of the NWT's communities, the SEA includes a commitment from the Proponents to cover the costs of travel to and from the job site, thus removing one of the greatest barriers that NWT residents face when seeking employment – the remoteness of their home communities.

In the Agreement, the Proponents have restated their projections to fill roughly 3,000 jobs with people from the NWT. This will be about 806 jobs per year, on average 16%, during the construction phase. With additional opportunities, there will be approximately 1,450 jobs for NWT residents each year. Total MGP employment opportunities will provide NWT residents approximately \$300 million in additional income over the four-year construction period.

Direct NWT employment benefits during the operation period are predicted to reach 72% of total employment (approximately 138 employees each year). Including related opportunities, approximately 450 long-term employment opportunities are predicted to be available for NWT residents. Total MGP employment opportunities will provide approximately \$28 million in yearly income over the operational life of the Project (an estimated 28 years).

Training

The SEA defines several benefits for employees, including:

- rotational transportation to site;
- benefits packages to NWT residents;
- relocation packages; and
- on-the-job support programs, as well as other training opportunities.

The MGP Proponents will offer employees opportunities to train and enhance technical and professional skills, thus developing a northern workforce with transferable skills.

Once the Decision to Construct the Project is made, the new SEA training fund will represent a new standard for investment in the NWT's human resource capacity. This fund would provide \$10 million over the first ten years of the Project, with \$500,000 for each additional year until the last anchor field is closed (an estimated cumulative total of 32 years, including construction and operation).

