

# Community Benefits from Non-renewable Resources

# 2005 NAM Resolution

## ✦ Be it resolved that:

NAM lobby the federal and territorial governments to ensure a revenue stream to communities through a revenue sharing agreement to enable communities to create a structure that will enable them to respond to pressures of growth or decline far into the future so this revenue-sharing agreement will ensure the longevity of the people in the pursuits of culture and language retention.

# History of Non-renewable Resource Projects

- ✦ Giant and Con gold, 12 million ounces
- ✦ Pine Point lead and zinc, \$2 billion
- ✦ Norman Wells oil \$4 billion
- ✦ Nanisivik lead, zinc, silver \$2 billion

# The Resource Curse

The contradiction that natural resources can generate enormous wealth, yet communities in resource-rich regions too often have poor economic growth, inadequate investment in health, education, and sanitation and poor social conditions.

# Reasons for the Curse

- Resource wealth bypasses communities because:
  - Profits go to outside investors
  - Business go to outside services and suppliers
  - Wages go to outside labour
  - Local people are barred from participation by poor education, poor physical infrastructure and inadequate services.
  - Public revenues go to central governments

# Devolution

To transfer authority and responsibility for managing non-renewable resources including oil, natural gas, diamonds and gold from the federal government to Nunavut.

# Passive Negotiation of Devolution and Resource Revenue Sharing

Letting the federal government set the terms of reference for negotiation in a federal negotiating mandate.

Then, negotiating the best agreement possible within the federal mandate

# Results of Passive Negotiation

## ★ Yukon

- ★ Territorial management

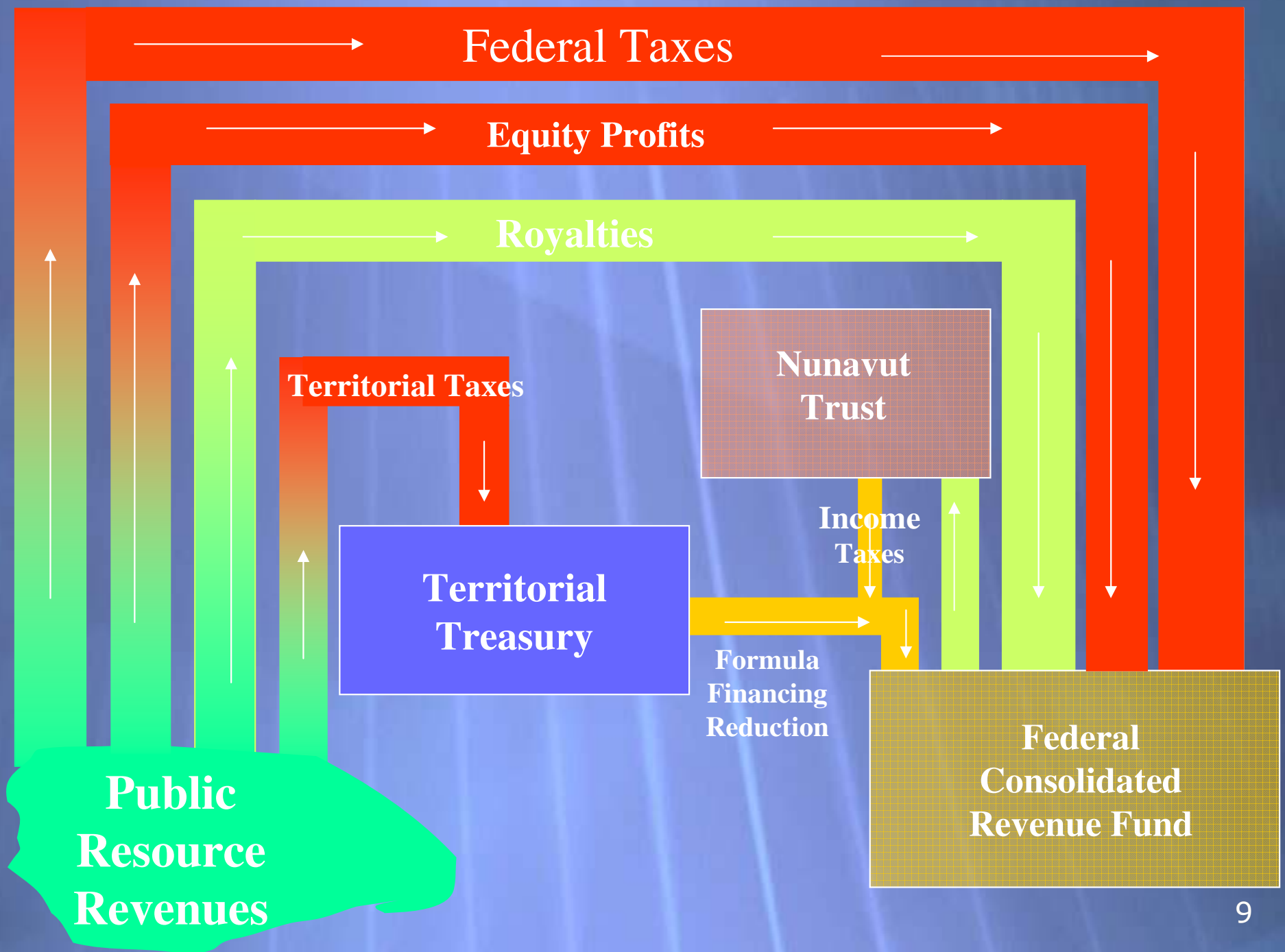
- ★ 12% of revenues; communities 1.2%

## ★ Northwest Territories

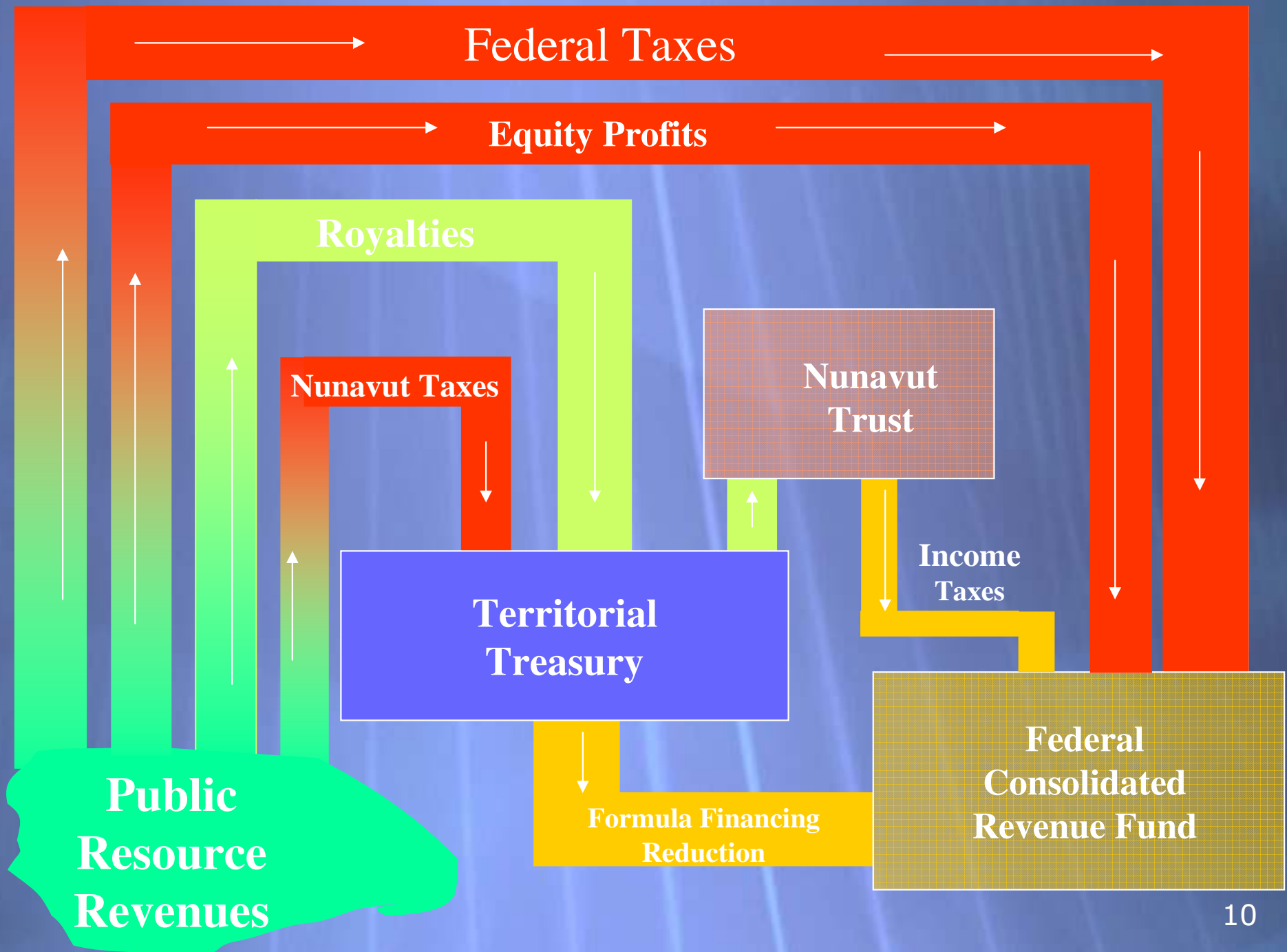
- ★ Territorial management

- ★ ?% of revenues; communities ?%

# Current Government Revenue Flows from Resource Production



# Yukon Model of Government Revenue Flows from Resource Production

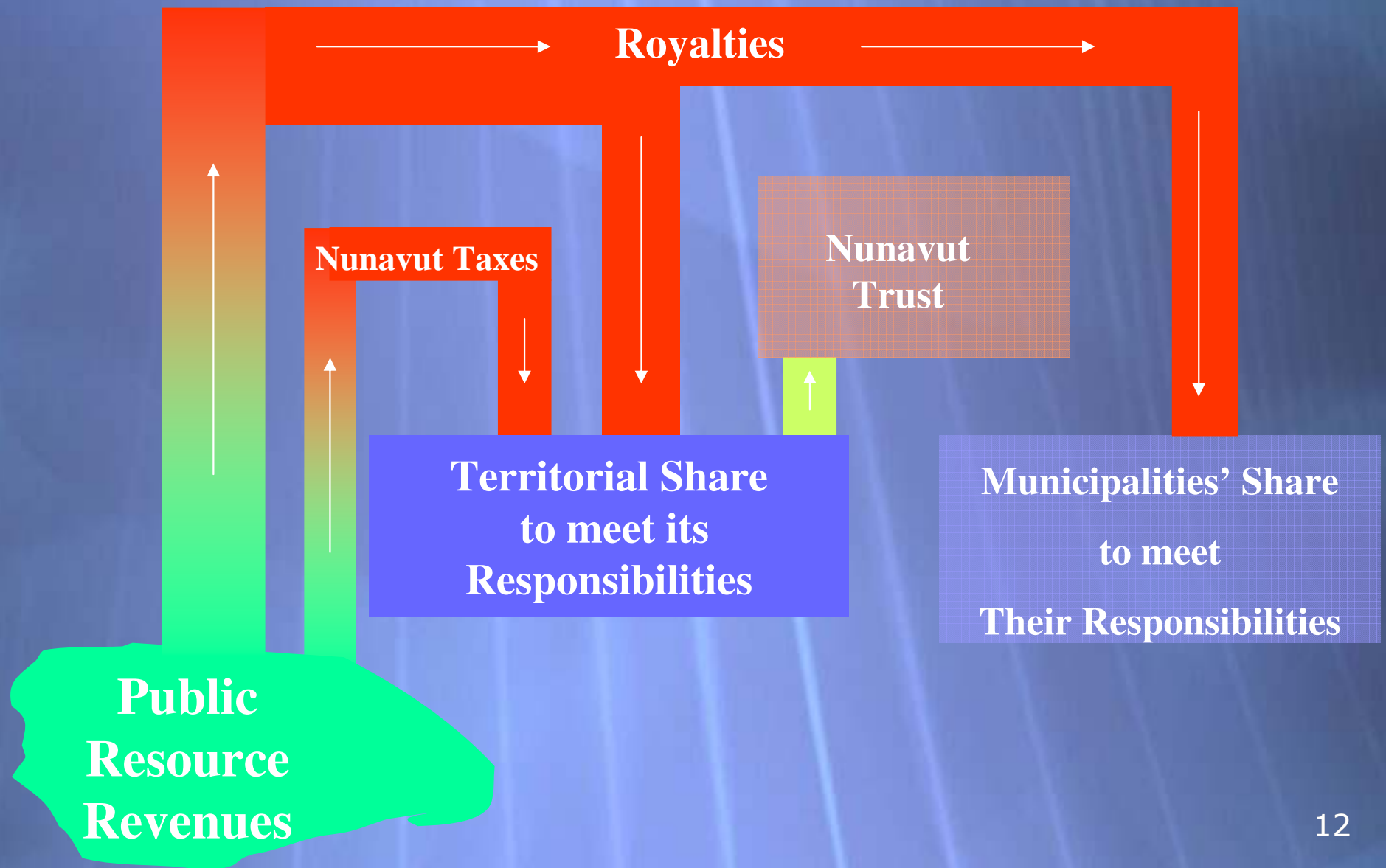


# Proactive Approach to Negotiations

Develop a Nunavut Negotiating Mandate Based on Nunavut's Territorial and Community Interests

Then, negotiate the best agreement possible within the Nunavut mandate

# Basic Resource Revenue Sharing within Nunavut



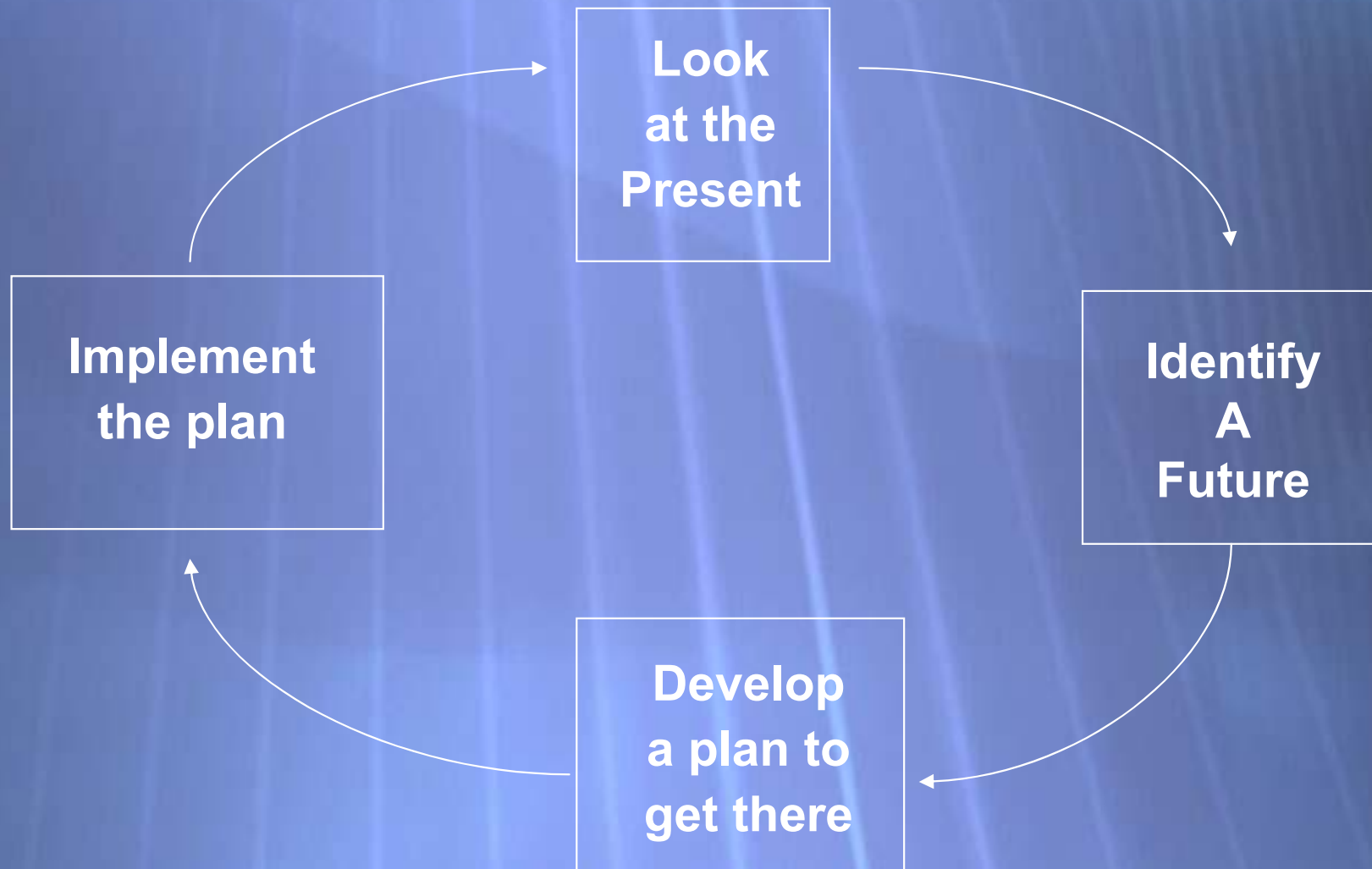
# Defining a Fair Municipal Revenue Share

- ✦ A share in proportion to government responsibilities
- ✦ Compensation for coping with impacts from resource related activities.
- ✦ A heritage premium

# Address Deficits

- ✦ Human
  - ✦ Personal and family security
  - ✦ Community Health
  - ✦ Recreation
- ✦ Organizational
  - ✦ Community Organization
- ✦ Natural
  - ✦ Water quality
- ✦ Physical
  - ✦ Infrastructure

# Strategic Planning Cycle



# Community Participation in Planning is Important

- ✦ Mobilize community in a common purpose
- ✦ Community determines its objectives instead of responding to the objectives of other stakeholders
- ✦ Community gains credibility to take more responsibility and receive the funds to do it

# Community's Assessment

## ✦ Identifying Stakeholders

- ✦ Who are affected and who can affect resource development?

## ✦ Baseline Studies

- ✦ Describe social and economic circumstances and population characteristics

## ✦ Impact and Opportunity Assessment

- ✦ Identify potential negative and positive effects

# Community's Own Planning

- ✦ Vision statement
  - ✦ Long-term objectives, values and principles
- ✦ Mission statement
  - ✦ What is going to be done and why it is going to be done
- ✦ Strategic objectives
  - ✦ The results wanted in the medium and long term
- ✦ Strategies
  - ✦ How will the objectives be achieved
- ✦ Goals
  - ✦ Measures to be achieved

# Community's Planning (continued)

## ✦ Community Map

- ✦ Identify sites and areas that are important to the whole community
- ✦ Identify sites that are important to groups in the community

## ✦ Institutional Analysis

- ✦ What are the community's institutions?
- ✦ What do they do? How important are they to each other and to the whole community?

# Problem Identification

- ✦ Identify Problems that need to be addressed
- ✦ Discuss the problems
- ✦ Decide which problems are to be addressed first

# Opportunity Identification

- ✦ List potential opportunities for solving problems
- ✦ Rank opportunities by suitability as solutions

# Relationships

- ✦ Identify stake holder's level of interest
- ✦ Develop a system of consultation with stakeholders
- ✦ Identify potential partners based on mutual interest

# Managing

- ✦ Identify understand and manage conflicts so they do not disrupt community plan
- ✦ Develop action plans that lists :
  - ✦ action to be taken,
  - ✦ who needs to take action, including community members and external partners
  - ✦ dates by which action needs to be taken

# Monitoring & Evaluation

- ✦ Ongoing collection and analysis of information and activities providing managers and stakeholders with early indications of progress
- ✦ Identifies why activities succeeded, failed or were changed to improve effectiveness

# Alternative Approach to Negotiations

- ✦ Principled
- ✦ Proactive
- ✦ Positive
- ✦ Determined

★ **Be it resolved that:**

- NAM's lobbying efforts are to be guided by the principle that fiscal benefits from resource exploration, development and production need to be fairly shared among the three orders of government, based on their respective local, territorial and national jurisdictions authorities and responsibilities;
- Public revenues including the municipal share or resource revenues need be allocated equitably among communities, however, communities that have been impacted or that are expected to be impacted by resource development should receive supplemental funding to prepare the local communities for participation in the development;
- The Government of Nunavut and municipal governments need to jointly explore the concept of allocating a portion of non-renewable resource revenue to a Nunavut heritage fund;
- The Government of Nunavut and municipal governments, as key stakeholders, need to collaborate on local and territorial strategic planning for resource development including offshore development in Nunavut;
- Planning by all orders of government need to emphasize development of sustainable communities and socially responsible resource development.

★ **Be it resolved that:**

1. the strategic planning proposal outlined in "An Overview of Community Non-Renewable Resource Benefits and a Strategic Planning Framework to Increase Benefits" be adopted and;
2. NAM provide coordinating and supporting services to community based planning processes; and
3. NAM explore and identify potential funding sources for strategic planning.