

THE NORTHERN STRATEGY



Nunavut Economic Forum

June 10-11, 2008



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Canada 



Government's Integrated Northern Strategy

- ❖ *"Our Government will bring forward an integrated northern strategy focused on strengthening Canada's sovereignty, protecting our environmental heritage, promoting economic and social development, and improving and devolving governance, so that northerners have greater control over their destinies."*

SFT, October 16, 2007

Sovereignty

Protecting our Arctic sovereignty as international interest in the region increases.

Economic and Social Development

Encouraging social and economic development and regulatory improvements that benefit Northerners.

Environmental Protection

Adapting to climate change challenges and ensuring sensitive Arctic ecosystems are protected for future generations.

Governance

Providing Northerners with more control over their economic and political destiny.



Sovereignty



- ❖ Fundamental symbol of Canadian identity
- ❖ Media preoccupation with perceived geopolitical tension concerning energy supply and security
- ❖ Public perception of Russian assertions over large piece of Arctic
- ❖ For Canada, no uncertainty over sovereignty of NW Passage, US disagrees and views passage as international waterway



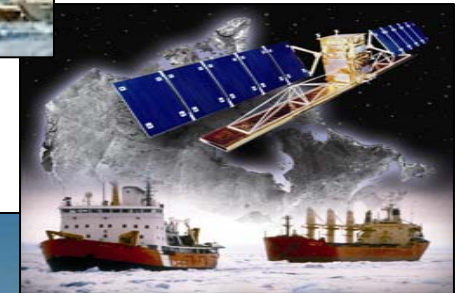
- ❖ Canadians react strongly to perceived threats to Arctic sovereignty
“75% say Canada should invest heavily to secure Arctic sovereignty”

A record of achievement

Sovereignty

Strengthening our Arctic Presence

- ✓ More boots on the tundra
- ✓ More ships in the cold icy water
- ✓ A better eye-in-the-sky over the North
- ✓ Staking economic claims in the Arctic



Seeking Certainty over our Boundaries

- ✓ “On-the-Shelf” - working to extend Canada’s Arctic continental shelf via the United Nations Convention on the Law of the Sea (UNCLOS)

Economic and Social Development



- ❖ Increased demand for energy and minerals has led to record level commodity prices rendering previously expensive resource fields attractive
 - And new technologies making extraction more feasible
- ❖ Regulatory impediments to sustainable development and resource management
- ❖ Many challenges including inadequate infrastructure and human capital deficits
- ❖ Challenging socio-economic situation from many measures including health
 - Poor health and social outcomes limiting participation of Northerners in workforce
- ❖ Outstanding Aboriginal land claims must be settled to advance economic agenda

Resource development

- ❖ ~1/3 of Canada's hydro-carbon potential remains untapped
- ❖ Diamonds could generate \$5B in royalties over next 20 years

Socio-Economic

- ❖ Young, rapidly growing population
- ❖ Highest crime rates in territories
- ❖ Life expectancy in the territories — 5 to 10 years shorter than Canadian average
- ❖ 25% high school graduation rate in Nunavut

A record of achievement

Economic and Social Development



Helping develop the North's potential

- ✓ Catching and landing fish in the North
- ✓ Unlocking natural resource potential of the North
- ✓ Deductions direct to Northerners



Addressing some key social issues

- ✓ More houses for Northerners, especially in Nunavut
- ✓ Increasing investments in Territorial Financing Formula



Environmental Protection



- ❖ Canadians see their Arctic as pristine and unique and expect effective federal stewardship
- ❖ Already seeing thinning sea ice and thawing permafrost
- ❖ Climate change affects traditional lifestyles, human behaviour, infrastructure, and wildlife movement and migration patterns
- ❖ Pollution impact on environment and human health
- ❖ Lack of baseline information about Arctic environment
- ❖ Resource development could threaten sensitive areas if not managed well

Climate change

- ❖ Temperature rises in the Arctic Ocean cause changes in global ocean currents and weather
- ❖ By 2040, Arctic Ocean may be free of summer ice

Pollutants

- ❖ Increased marine traffic heightens potential pollution and environmental incidents in Arctic Ocean



A record of achievement cont.

Environmental Protection



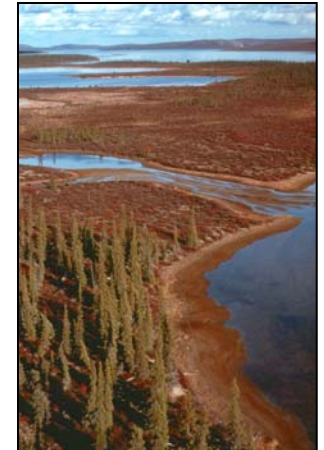
Being a Global Leader in Arctic Science

- ✓ Establishing a North Star for world-class science via the Arctic Research Station
- ✓ Having strongest International Polar Year research commitment of any country
- ✓ Identifying northern research to be priority of university granting councils



Ensuring Preservation of Sensitive Ecology

- ✓ Holding onto our heritage by setting aside land for conservation areas and national parks





- ❖ Transfer of federal government responsibilities (devolution) to territorial governments will help realize aspirations of northerners, increase local decision-making.
- ❖ Aboriginal land claims, self-government agreements are well advanced and are an important pre-condition
- ❖ Governance, social development are foundational
- ❖ Some challenges to new governance regimes under stress: complex governance and regulatory regimes, human capacity challenges

Governance

- Public Sector jobs in the North twice Canada's average
- Territorial revenues from transfers: 91% in NU, 83% in YK, 74% in NWT (Canadian average is 19%)

Demographic strains

- 11% unemployment rate in NU
- Suicide rates — highest in Canada



A record of achievement cont.



Governance



Providing Northerners with more control over their destinies

- ✓ Strengthening Nunavut financial management capacity
- ✓ Advancing devolution yardsticks in Northwest Territories & Nunavut



❖ **Collectively, these are extraordinary accomplishments of this Government. Signature initiatives of the Northern Strategy will endure and reap rewards for years to come:**

- Canada will be one of three nations with a polar class icebreaker
- We will map the North and lay preconditions for expansive resource development
- We will establish a world class research presence in the Arctic

Next Steps



- ❖ The post Budget 2008 environment is different than previous years and caution is being exercised on the economic front
- ❖ Realization that more can be done, but tempered by emerging fiscal realities
 - Clear need to ramp up stakeholder engagement, particularly with Northerners (Gov'ts, Aboriginal groups, other keen northern interests)
 - While resource prices are at records levels there is broad recognition that there are challenges to resource development
 - The people dimension and the regulatory environment
- ❖ Arctic sovereignty issues remain media preoccupation

ANNEX A Science Priorities Work plan for Arctic Research Station

Science Program, Governance, Infrastructure, Technology

❖ Science priorities process for the station

- From many needs (April: Science needs scoping papers and overview perspectives - Federal, national, Inuit, Canadian Polar Commission)
- To a small number of priorities (May 12-13: Arctic Science Priorities Visioning Workshop)
- To global advantage (June: International Expert Validation convened by Council of Canadian Academies)

❖ Concurrent activities – location & benchmarking

- Operational analysis for the location of the station (led by Defence Research & Development Canada)
- Engagement with national and international community of station operators for 'lessons learned' and global benchmarking

❖ Target outputs

- Science Priorities and location recommendations

Canada's Arctic Research Station

