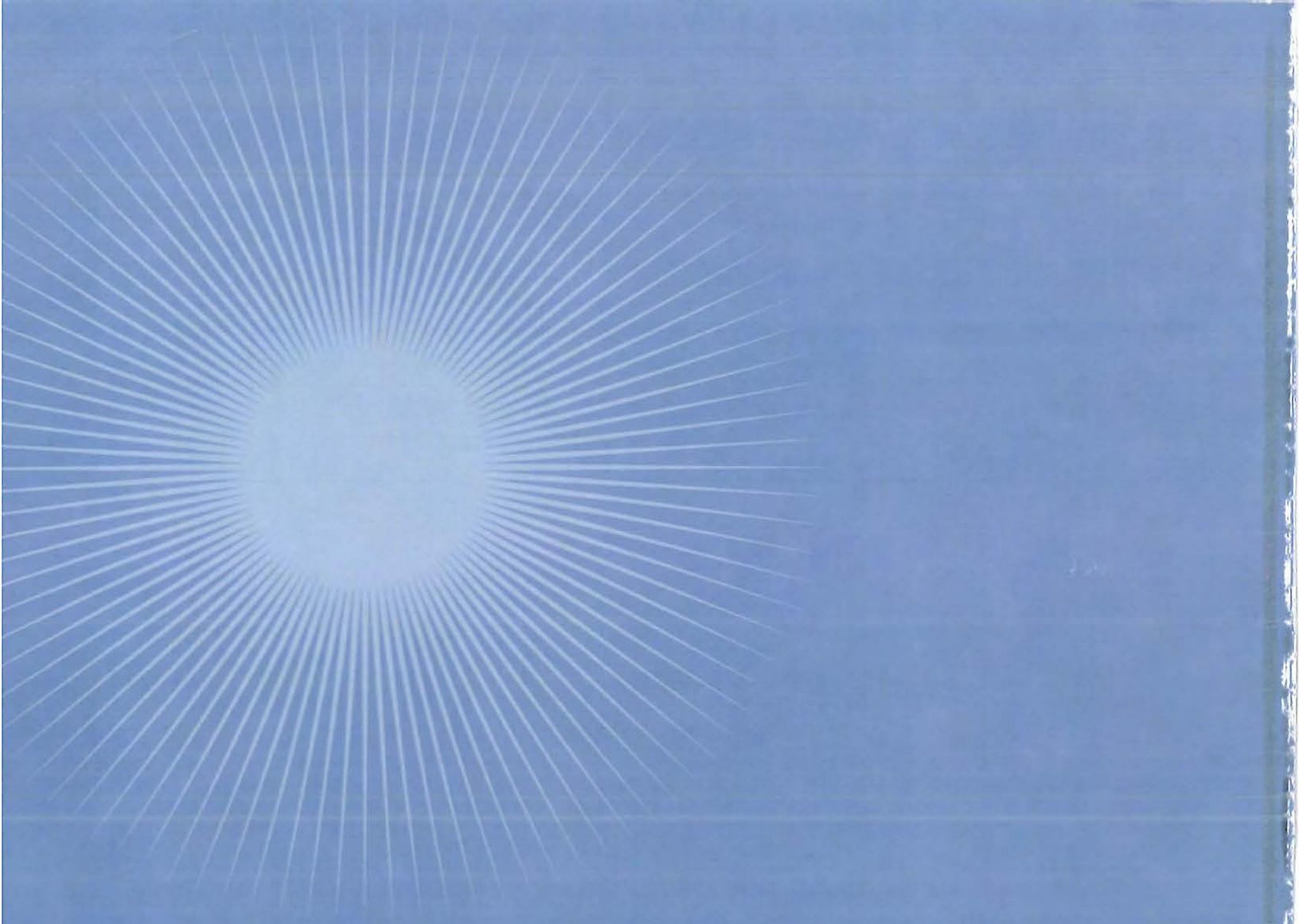


Inuvialuit
Final Agreement
Implementation
Coordinating
Committee

ANNUAL REPORT 2004 – 2005



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Foreword

The Inuvialuit Final Agreement Implementation Coordinating Committee is pleased to provide its seventh annual report on the implementation of the Inuvialuit Final Agreement (1984). This report covers the fiscal year from April 1, 2004 to March 31, 2005.

The Implementation Coordinating Committee was formally reconstituted on May 11, 1999, and comprises a senior representative from each of the Inuvialuit Regional Corporation, the Inuvialuit Game Council, the Government of the Northwest Territories, the Government of Yukon and the Government of Canada. Additionally, each member of the Committee has an alternate member who may participate on the Committee in the member's absence. The Committee has agreed to reach decisions unanimously among the relevant parties and serves as a forum where the parties can raise issues and voice their concerns regarding the implementation of the Inuvialuit Final Agreement.

The Implementation Committee monitors the ongoing obligations of the parties pursuant to the Agreement and resolves issues arising with respect to the implementation of the Agreement. This annual report describes achievements and developments during the year. Information is contributed by various federal and territorial government departments, Inuvialuit Regional Corporation, the Inuvialuit Game Council and other stakeholders to the Agreement.

Progress is being achieved within a relationship defined by mutual respect and a commitment to fulfil the obligations set out in the Agreement.

Nellie Cournoyea
Inuvialuit Regional Corporation

Frank Pokiak
Inuvialuit Game Council

Terry Sewell
Government of Canada

Mark Warren
Government of the Northwest Territories

Mike Connor
Yukon Government

Glossary of Acronyms and Abbreviations

AHRDA	Aboriginal Human Resources Development Agreement	ISR	Inuvialuit Settlement Region
APG	Aboriginal Pipeline Group	ITK	Inuit Tapiriit Kanatami
bcf	Billion cubic feet	MGP	Mackenzie Gas Project
BSIMPI	Beaufort Sea Integrated Management Planning Initiative	MOU	Memorandum of understanding
CEDO	Community Economic Development Organization	MVEIRB	Mackenzie Valley Environmental Impact Review Board
CHAP	Community Harvesters Assistance Program	NEB	National Energy Board
COSEWIC	Committee on the Status of Endangered Wildlife in Canada	NWT	Northwest Territories
CWS	Canadian Wildlife Service	PW&S	Public Works and Services (Government of the Northwest Territories)
DFO	Department of Fisheries and Oceans	RAC	Research Advisory Council
EIRB	Environmental Impact Review Board	RWED	(Department of) Resources, Wildlife and Economic Development (Government of the Northwest Territories)
EIS	Environmental impact statement	WAR	Western Arctic Region
EISC	Environmental Impact Screening Committee	WMAC NS	Wildlife Management Advisory Council – North Slope
ESRF	Environmental Studies Research Fund	WMAC NWT	Wildlife Management Advisory Council – Northwest Territories
FJMC	Fisheries Joint Management Committee		
GPS	Global positioning system		
HTC	Hunters and Trappers Committee		
ICG	Inuvialuit Corporate Group		
IDC	Inuvialuit Development Corporation		
IFA	Inuvialuit Final Agreement		
ICC	Implementation Coordinating Committee (of the IFA)		
IGC	Inuvialuit Game Council		
IIC	Inuvialuit Investment Corporation		
ILA	Inuvialuit Land Administration		
ILC	Inuvialuit Land Corporation		
INAC	Indian and Northern Affairs Canada		
IPC	Inuvialuit Petroleum Corporation		
IRC	Inuvialuit Regional Corporation		

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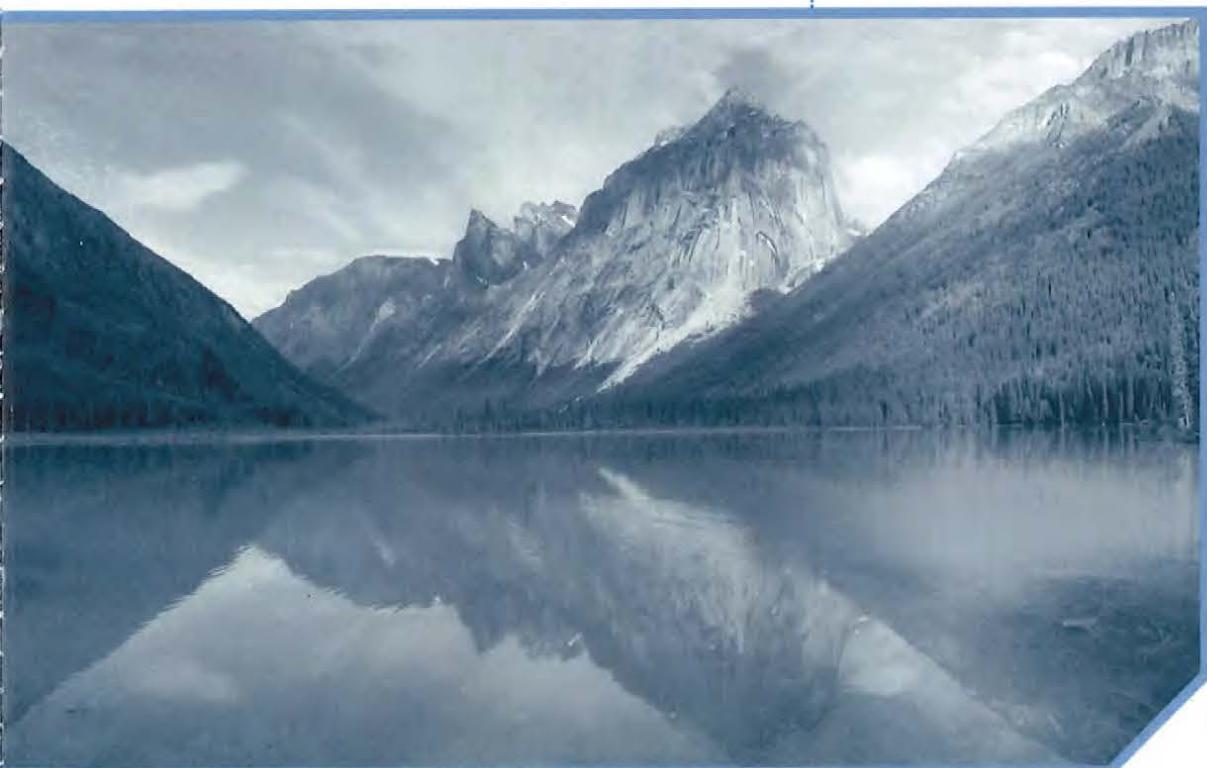
Highlights

- ❖ The Inuvialuit Corporate Group recognized earnings of \$18.5 million in 2004. These earnings were shared with the 3,530 beneficiaries of the claim, each receiving a payment of \$774.15 for a total distribution of \$2,732,760.
- ❖ Inuvialuit Development Corporation enjoyed another successful year, with a profit of \$5.9 million.
- ❖ Inuvialuit Investment Corporation recorded a profit of \$4.77 million in 2004, achieving a positive annual return of 9.8 percent.
- ❖ Following completion of the public review and evaluation of the implementation and effectiveness of the economic measures outlined in the Inuvialuit Final Agreement (IFA) (November 2001), Inuvialuit Regional Corporation (IRC) developed a five year action plan specific with recommendations in each of four distinct areas of interest and a set of guidelines for separate working groups to advance these recommendations. As requested by communities, a strong emphasis was placed on addressing current education-related concerns.
- ❖ The IRC share of funding provided to Aboriginal Futures under the Aboriginal Skills and Employment Partnership Program was \$4,499,880 for 2004 through to March 31, 2008.
- ❖ The Agreement for the Environmental Impact Review of the Mackenzie Gas Project, negotiated between the Inuvialuit (as represented by the IGC), Mackenzie Valley Environmental Impact Review Board and the Canadian Environmental Assessment Agency, representing the Minister of the Environment, provides for the establishment of a single joint review panel process under the *Canadian Environmental Assessment Act*, the Inuvialuit Final Agreement and the *Mackenzie Valley Resource Management Act* for a gas development project. The Agreement was signed on August 18, 2004. At the same time, the Terms of Reference for the Environmental Impact Statement for the Mackenzie Gas Project were also signed and the seven panel members announced.

- ❖ In October 2004, the Mackenzie Gas Project proponents filed the project's environmental impact statement for review by the Joint Review Panel. Project proponents also filed the major regulatory applications for all parts of the project with the National Energy Board. Filing these applications initiated the formal environmental assessment and regulatory review of the project.
- ❖ Inuvialuit Regional Corporation and Inuvialuit Land Corporation requested an arbitration under section 18 of the IFA in the matter of issues arising in respect of certain royalties payable to the Inuvialuit under subsections 7(93) to 7(96) of the IFA. The Arbitration Panel issued its award on April 29, 2004. In accordance with the award, the Government of Canada remitted to the Inuvialuit, royalties collected respecting the Ikhil Field from July 1999 to the present. Court costs and interest on royalties collected were also remitted to the Inuvialuit in accordance with the award. There remains outstanding a "top up" of royalties representing the difference between royalties paid under current legislation and the royalties payable under legislation at the date of the IFA. Under the terms of the arbitration award, the Government of Canada must make the top-up payment on the conclusion of an appeal by the owners of the Ikhil Field of a royalty assessment made by the Government of Canada.
- ❖ The Wildlife Management Advisory Council – Northwest Territories approved 21 IFA-funded wildlife research projects in 2004-2005.
- ❖ In May 2004, the Yukon Department of Environment, in partnership with Parks Canada and the Aklavik Hunters and Trappers Committee (HTC), began a six year grizzly bear research project on the Yukon North Slope. The research project is designed to learn about the grizzly bear population size, birth and death rates and migration and hunter harvest activity.



- ◆ The Environmental Impact Screening Committee (EISC) screened 39 project descriptions during 2004-2005 including industrial projects (17), mining projects (3), government research projects (12), university research projects (2), tourism projects (4) and one filming project. Fifteen of the proposed developments were determined to have no significant negative impact on the environment, and 21 developments had no significant negative impact with recommended terms and conditions. A proposed development was determined to be in conflict with the community conservation plans and the Beaufort Sea Beluga Management Plan and a portion of the project will not be screened until the EISC receives the revisions to the Management Plan.
- ◆ The Department of Public Works and Services of the Government of the Northwest Territories awarded 31 contracts with a total value of \$5,290,126 to Inuvialuit-owned businesses for work within the Inuvialuit Settlement Region, and seven contracts with a total value of \$338,018 to Inuvialuit-owned businesses for work outside the Settlement Region.



The Inuvialuit Final Agreement (IFA) was brought into force and effect by the *Western Arctic (Inuvialuit) Claims Settlement Act* in 1984.

1.1 Land Ownership

The Agreement provides the Inuvialuit with fee simple absolute title to about 91,000 square kilometres (35,000 square miles) of land in the Western Arctic (Northwest Territories). This area includes about 13,000 square kilometres (5,000 square miles) on which the Inuvialuit have title to surface and subsurface rights. The Inuvialuit Settlement Region (ISR) includes the North Slope of Yukon, the eastern half of the Beaufort Sea and the associated mainland, part of the Arctic Ocean, Banks Island, much of the western part of Victoria Island and some of the Parry Islands (see map, Appendix 1).

1.2 Eligibility and Enrolment

An enrolment authority composed of one federal government and two Inuvialuit representatives was initially established to enroll those who were entitled to be registered as beneficiaries of the Agreement. Ongoing enrolment is now a responsibility of Inuvialuit Regional Corporation (IRC).

1.3 Financial Compensation

Under the provisions of the IFA, the Inuvialuit received a total of \$152 million over 14 years. The Agreement also provided for one time payments, made in 1984, of \$7.5 million to a fund to assist the Inuvialuit in social development and \$10 million to the Economic Enhancement Fund.

1.4 Economic Measures

Section 16 of the IFA addresses economic development in the ISR. Its broad objectives are to support Inuvialuit participation in the northern Canadian economy and the integration of Inuvialuit into Canadian society through development of an adequate level of economic self-reliance and a solid economic base. Since 1984, the Economic Enhancement Fund and compensation payments have helped the Inuvialuit become more actively involved in the local economy with long term investments that will provide a solid base for future development.

1.5 Inuvialuit Corporations

Established under subsection 6(1) of the IFA, IRC holds the overall responsibility for managing the affairs of its corporate subsidiaries and achieving the goals outlined in the Agreement. Its ongoing functions and formal obligations include:

- ❖ *implementing the land claim agreement;*
- ❖ *fulfilling the role of institutional representative of the Inuvialuit; and*
- ❖ *being the parent corporation to, and monitor of, Inuvialuit Corporation Group (ICG).*

Inuvialuit Regional Corporation is directly controlled by six community corporations in the Settlement Region through their elected chairs. The directors of the community corporations elect the chair of IRC, who, with the chairs of the six community corporations comprise the IRC Board.

Inuvialuit Land Corporation (ILC) owns the Inuvialuit lands received under the IFA. Inuvialuit Regional Corporation administers Inuvialuit lands through its division, the Inuvialuit Land Administration (ILA), and holds responsibility for matters related to the management, supervision and administration of such lands. Inuvialuit Development Corporation (IDC), Inuvialuit Petroleum Corporation (IPC) and Inuvialuit Investment Corporation (IIC) carry out business activities and invest settlement funds on behalf of the Inuvialuit.

1.6 Wildlife and Environmental Co-management

The Inuvialuit have extensive wildlife harvesting rights in the Inuvialuit Settlement Region. They also have a mechanism for settling their claims against developers for actual harvest losses and for compensation or remedial measures as required.

The IFA established structures to ensure Inuvialuit participation in wildlife management, conservation and environmental protection in the Settlement Region. These structures include community based Inuvialuit hunter and trapper committees (HTCs) and

the Inuvialuit Game Council (IGC), which consists of members from each HTC.

The Final Agreement also established five joint bodies that have equal government and Inuvialuit representation.

- ❖ *The Environmental Impact Screening Committee (EISC) determines whether proposed developments require detailed environmental impact assessments.*
- ❖ *The Environmental Impact Review Board (EIRB) carries out public reviews of development proposals deemed necessary by the EISC.*
- ❖ *The Fisheries Joint Management Committee (FJMC) advises the Minister of Fisheries and Oceans on matters relating to fisheries and marine mammals in the Inuvialuit Settlement Region.*
- ❖ *The Wildlife Management Advisory Council-Northwest Territories (WMAC-NWT) advises government and other appropriate bodies on wildlife conservation matters in the Northwest Territories portion of the settlement region.*

- ❖ *The Wildlife Management Advisory Council-North Slope (WMAC-NS) advises government and other appropriate bodies on wildlife conservation matters in the Yukon North Slope.*

The Joint Secretariat, located in Inuvik, was subsequently created to provide technical and administrative support to the five joint bodies and the IGC.

1.7 Arbitration Board

Established under section 18 of the IFA, the Arbitration Board has the jurisdiction to arbitrate any difference as to the meaning, interpretation, application or implementation of the IFA between the Inuvialuit and industry or the Government of Canada.





2 Specific Issues

2.1 Northern Gas Pipeline Project

A consortium of four gas producers (Imperial, ConocoPhillips, ExxonMobil and Shell) with gas holdings in the Mackenzie Delta, in partnership with the Aboriginal Pipeline Group (APG), proposed the construction of a stand-alone 1,400 kilometre natural gas pipeline. This line, estimated at a cost of \$7 billion, would have an initial capacity of 1.2 billion cubic feet per day (bcf/day) with the potential to increase capacity to 1.9 bcf/day. The Mackenzie Gas Project (MGP) includes natural gas development in the Mackenzie Delta, gathering lines, processing facilities and pipeline facilities to transport the gas south through the Mackenzie Valley to northern Alberta. The facilities would connect to the Nova Gas Transmission System and the associated commercial natural gas market, known as the NOVA Inventory Transfer near the NWT/Alberta border.

COOPERATION PLAN

The Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories represents the agreement by government and co-management boards on potential methods of cooperation in assessing a northern gas pipeline project. The Plan clearly defines regulatory roles and responsibilities for applications relating to a northern gas pipeline project and strives to avoid duplication where possible. The Cooperation Plan in no way pre-judges or pre-approves any potential project that may be proposed, nor does the approach pre-judge the decisions to be made by any authority or bind any authority to a certain course of action.

AGREEMENTS

Three agreements give effect to the Cooperation Plan. Together, they add specific details for an MGP review, which harmonizes environmental assessment processes and avoids duplication.

- ◆ *An Agreement for the Environmental Impact Review of the Mackenzie Gas Project was negotiated between the Inuvialuit (as represented by the IGC), the Mackenzie Valley Environmental Impact Review Board (MVEIRB) and the Canadian Environmental Assessment Agency (representing the Minister of the Environment) that provides for the establishment of a single joint review panel process under the Canadian Environmental Assessment Act, the Inuvialuit Final Agreement and Mackenzie Valley Resource Management Act for a gas development project. This Agreement was signed in August 2004. During the same period, Terms of Reference for the Environmental Impact Statement for the Mackenzie Gas Project were also signed and the seven panel members announced. These signings followed a public consultation period on the draft agreement and environmental impact statement (EIS) terms of reference and joint finalization of the documents by all three parties.*
- ◆ *A memorandum of understanding (MOU) was signed between the Minister of the Environment and the Inuvialuit, and provides that the review process under the Canadian Environmental Assessment Act encompasses certain unique measures contained in the IFA.*
- ◆ *The Agreement for the Coordination of the Regulatory Review of the Mackenzie Gas Project (Regulators' Agreement) was signed on April 22, 2004. It includes the regulators for the review, principally, the National Energy Board (NEB), the Mackenzie Valley Land and Water Board, the Northwest Territories Water Board, Environment Canada, the Department of Fisheries and Oceans (DFO) and the ILA.*

REVIEW ACTIVITIES

In January 2004, the EISC referred the MGP to the joint review process, after deciding that the development could have a significant negative environmental impact on wildlife or Inuvialuit harvesting. The federal Minister

of the Environment accepted the EISC recommendation that the project undergo further assessment through an environmental review panel. The EISC referral was followed on May 21, 2004 by a scoping report from the MVEIRB that similarly recommended to the Minister of Indian Affairs and Northern Development that the project be referred to the Joint Review Panel.

In October 2004, the MGP filed the project's EIS for review by the Joint Review Panel. Project proponents also filed the major regulatory applications for all parts of the project with the NEB. Filing these applications initiated the formal environmental assessment and regulatory review of the project.

The Joint Review Panel consists of seven members selected by the IGC, MVEIRB and federal Minister of the Environment. The environmental impact assessment will consider the potential effect of the project on the environment and on the social, cultural and economic well-being of the residents and communities affected.

Many workshops were held in Inuvialuit communities in preparation for the environmental impact assessment and regulatory review.

2.2 Section 16 Economic Measures Review

The objectives of the economic measures chapter set out in subsection 16(2) are:

- ❖ *full Inuvialuit participation in the northern Canadian economy; and*
- ❖ *Inuvialuit integration into Canadian society through development of an adequate level of economic self-reliance and a solid economic base.*

Subsection 16(3) of the IFA states that a full and complete public review of the efficacy of the provisions of this section was to be carried out in 2000 by the Government of Canada and the Inuvialuit. If, in the federal government's view, the review showed that the objectives of subsection 16(2) had been adequately met, then the obligations of the federal government under this section, except under subsections 16(13) and 16(14) would cease as of January 1, 2001. But, as long as these obligations remained in effect, a like review would be held every five years thereafter.

The economic measures review resulted in the release of an evaluation report in November 2001. The review found that the economy of the Inuvialuit Settlement

Region had not improved since the IFA was signed in 1984. There was high unemployment, income from employment was low and the use of social assistance remained high. Additionally, the report confirmed that while some of the economic measures of the IFA had been implemented, they had not been entirely effective in achieving the objectives of the Agreement.

In April 2003, the IRC submitted its assessment of the section 16 evaluation to the Minister of Indian Affairs and Northern Development. The assessment provided 26 recommendations that the IRC felt would improve socio-economic conditions in the Inuvialuit Settlement Region. It was provided to the other federal departments shortly thereafter to garner their recommendations and comments on the assessment. In December 2003, the Government of the Northwest Territories and the federal government provided their views on the recommendations brought forth by IRC. The federal government outlined which recommendations it was willing to accept, not willing to accept, those that required further analysis and those best addressed at the self-government negotiation table.

In January 2004, federal, territorial and IRC representatives met to discuss the federal and territorial response, and IRC proposed a five-year action plan to address the recommendations in IRC's report. The recommendations were divided into four main categories: economic planning and business development, capacity development and community planning, economic measures public review and evaluations, and communications. Working groups were proposed for each category. Terms of reference for the working groups, which would consist of federal, territorial and IRC representatives, were proposed. The groups would review existing government programs and initiatives and discuss required adjustments.

At the April 2004 meeting of the IFA Implementation Coordinating Committee (ICC) the Government of the Northwest Territories stated that it could not approve the action plan and proposed working groups independent of other priorities and initiatives. The Government of the Northwest Territories also stated that resolving the health and education issues goes beyond the scope of the economic measures objectives of the IFA, and the territorial government is seeking



to resolve these issues through ongoing program delivery and separate initiatives. Canada advised that the work outlined in the action plan depended on the participation of all three parties and, in the absence of approval from the Government of the Northwest Territories, the action plan would require redrafting as a bilateral agreement and be more limited in scope.

The Implementation Management Directorate of Indian and Northern Affairs Canada (INAC) organized a meeting of the economic planning and business development working group in June 2004. Participants from federal government departments and IRC attended.

At the October 2004 ICC meeting, the Government of the Northwest Territories stated that it was prepared to undertake work in the areas identified in the action plan, but not prepared to endorse the action plan fully as it did not wish to duplicate the efforts of other initiatives. The Government of the Northwest Territories did agree to participate on an economic measures working group dealing with economic development issues.

In February 2005, the Implementation Management Directorate attempted to set up another Economic Planning and Business Development Working Group meeting for April with all parties participating.

3 Inuvialuit Regional Corporation

During 2004, IRC remained committed to fulfilling its ongoing responsibilities to implement the Inuvialuit land claim settlement and as the parent organization of the ICG. Core goals of the land claim settlement guide to activities:

- ❖ *preserve Inuvialuit cultural identity and values in a changing northern society;*
- ❖ *enable Inuvialuit to be equal and meaningful participants in the northern and national economy and society; and*
- ❖ *protect and preserve the Arctic wildlife, environment and biological productivity.*

Through the profits from IRC business subsidiaries, the ICG recognized earnings of \$18.5 million in 2004. These earnings were shared with the 3,530 enrolled beneficiaries of the claim, each receiving a payment of \$774.15 for a total distribution of \$2,732,760.

3.1 Business Subsidiaries

Inuvialuit Development Corporation enjoyed another successful year in 2004 with a profit of \$5.9 million. Within its 19 subsidiary companies, IDC worked toward a balance between corporate profits and opportunities for beneficiaries. Inuvialuit Investment Corporation recorded a profit of \$4.77 million, achieving a positive annual return of 9.8 percent. Inuvialuit Petroleum Corporation recorded a profit of \$7.54 million while continuing to hold a significant investment portfolio in preparation for anticipated oil and gas investment opportunities on Inuvialuit lands.

3.2 Inuvialuit Lands

Having undertaken an exhaustive multi year review of the rules and procedures for accessing Inuvialuit lands, the ILA finalized the new comprehensive Inuvialuit Land Management System that was formally approved by the IRC Board. Land exchanges were advanced with the federal and territorial governments. The ILA/INAC Granular Resource Management Plan was implemented. Several elements of the Husky Lakes Management Plan were finalized and approved during 2004 with the remaining to be advanced during 2005 following ongoing discussions with the communities of Tuktoyaktuk and Inuvik.

3.3 Community Development Division

During 2004, IRC's Community Development Division continued to provide a broad range of community based health, educational, cultural, social and economic programs supported by federal, territorial, private sector and in house funding. These included the following:

- ❖ *Through the federal ASEP program, IRC succeeded in obtaining over \$3.6 million to assist beneficiaries in gaining the necessary skills to access employment opportunities associated with construction and field operations of a Mackenzie Valley natural gas pipeline;*
- ❖ *A three year \$1.8 million agreement was signed with the Aboriginal Healing Foundation to deliver recovery and healing programs in Inuvialuit communities beginning in 2004;*
- ❖ *Inuvialuit Human Resources delivered over \$1.4 million in training initiatives and provided year round assistance in career planning, pre-employment skills, employment referrals and educational information;*
- ❖ *The Inuvialuit Education Foundation provided financial support to 85 Inuvialuit students through its Post Secondary Supplementary Funding Program. In addition, support was given to beneficiaries through individual tutoring, scholarships, part time studies and summer language camps;*
- ❖ *The Inuvialuit Cultural Resource Centre continued to focus on the revitalization of Inuvialuktun with work on the second language curriculum, production of Our Voices language calendars, production of music CDs for Holman and Inuvik, and support of language camps and professional development opportunities for language teachers;*
- ❖ *With the acceptance of their proposal by Health Canada, the Inuvialuit Early Childhood Development Program focussed on starting the Inuvik Aboriginal Head Start Program in the fall of 2004. The division also provided training and operational support to an Aboriginal Head Start Program in Paulatuk, early childhood development centres with programming for children (infants to 6 years old) in Aklavik and Tuktoyaktuk, and a day care in Holman;*

- ❖ Community wellness was supported throughout the year with funding from Brighter Futures, the Canadian Prenatal Nutrition Program and the Urban Multi Purpose Aboriginal Youth Centres Program;
- ❖ The Inuvialuit Community Economic Development Office (CEDO) provided a combination of advisory, administrative and advocacy support, and investment in, and direct management of, selected community economic development projects. Projects supported included the Sachs Harbour commercial muskox harvest, the Paulatuk Visitors Centre, Bessie's Boarding Home in Aklavik and the Kunnek Resource Development Corporation reindeer project;
- ❖ Working with the Inuit Tapiriit Kanatami (ITK) on a number of health-related issues, IRC established a strong Inuvialuit presence on territorial and national health committees to ensure long term benefits to the overall health of the Inuvialuit.

3.4 Political and Cultural Representation

The filing of the application and EIS by the MGP producers had enormous implications for all Inuvialuit. Inuvialuit Regional Corporation's interests in the pipeline focussed on three primary areas: economic opportunity,

social impact and environmental protection. Significant time and energy was spent throughout the year in negotiating a land access and benefits agreement with the pipeline proponents: Imperial Oil, Shell and ConocoPhillips.

Through the Beaufort Sea Integrated Management Planning Initiative (BSIMPI), IRC worked closely with the IGC, FJMC and other interested parties in developing the regulatory intent and drafting a management plan that identified the parameters within which three marine protected areas in the Mackenzie Delta estuary for beluga, their habitat and Inuvialuit harvesting could be established under the Canada Oceans Act.

Following completion of the public review and evaluation of the implementation and effectiveness of the economic measures outlined in the IFA (November 2001), IRC developed a five year action plan that provides specific recommendations in each of four distinct areas of interest and a set of guidelines for separate working groups to advance these recommendations. As requested by communities, a strong emphasis was placed on addressing current education-related concerns.

In April, IRC in coordination with the ITK, hosted the Inuit Arctic Tour to Inuvik, Tuktoyaktuk and Holman. The objective was to inform and communicate to senior-level bureaucrats in the federal government about the Inuit of Canada in a positive manner.

In October, Nellie Cournoyea was honoured with the Energy Person of the Year Award by the Energy Council of Canada in Ottawa.

In celebration of the 20th anniversary of the signing of the IFA, IRC and the community corporations spearheaded festivities throughout the year to mark the occasion in the six Inuvialuit communities (Aklavik, Holman, Inuvik, Paulatuk, Sachs Harbour and Tuktoyaktuk). Recognition was given to individuals or families involved with the signing of the land claim agreement on June 5, 1984.

In 2005, IRC will continue to advance and support efforts to expand the individual, business and organizational capacities of Inuvialuit and their communities.



The Arbitration Board is a quasi-judicial arbitration board set out under section 18 of the IFA. Essentially, it provides a mechanism to arbitrate disputes between the Inuvialuit and the governments of Canada, the Northwest Territories or Yukon, as well as between the Inuvialuit and industry. The Arbitration Board consists of 11 members, three appointed by the Government of Canada, including the designates of the governments of the Northwest Territories and Yukon, three appointed by the Inuvialuit and three appointed by industry. The chair and vice-chair of the Board are appointed by the Government of Canada, and must be acceptable to the Inuvialuit and industry (as defined by the Agreement). Section 18 sets out the detailed provision for the constitution of arbitral panels and the arbitration procedure.

The most significant activity undertaken by the Board during the year related to a claim filed by IRC in respect of certain royalties payable to the Inuvialuit and accruing out of the hydrocarbon resources at the Ikhil land site. The arbitration had to deal with the question of whether those royalties were to be based on the rates payable under the provisions of the *Canada Oil and Gas Act* or under the *Canada Petroleum Resources Act*. The arbitration involved several issues relating to the facts and the application of law. On April 29, 2004, the Arbitration Board rendered its award, which was unanimously agreed to by all Board members that deal with the matter.

The appointments of the chair and vice-chair were renewed, for a period of three years, as provided in sub-section 18(7) of the IFA.



5.1 Inuvialuit Game Council

The IGC represents the collective Inuvialuit interest in wildlife and derives its mandate from subsection 14(74) of the IFA. The IGC works in parallel with IRC to implement the IFA. It is responsible for upholding and administering the Inuvialuit harvesting rights recognized under the IFA. The Council also has the mandate to represent the collective Inuvialuit interests in all matters related to renewable resource management in the ISR.

The IGC appoints Inuvialuit representatives to all the joint wildlife and environmental co-management bodies established under the IFA. With the consent of the IGC, the Government of either Canada, the Northwest Territories or Yukon appoints the chairs for the co-management bodies. In addition to its responsibilities under the IFA, the IGC acts as the regional representative of Inuvialuit hunters, trappers and fishers, and holds a seat on the ICC.

The IGC is made up of a director and an alternate from each of the six HTCs. The chair is elected by all 42 HTC directors and can be any active HTC member over 18 years of age. The vice-chair and treasurer are elected by the IGC directors from among themselves.

Many older pieces of government legislation do not reflect the harvesting rights of the Inuvialuit, which are established in the IFA. Although the IFA supersedes existing and future legislation to the extent of any inconsistency, the IGC feels it is important to ensure that when legislation is being written or amended, it is made consistent with the IFA. The IGC provided ongoing input into various territorial and national acts and regulations. During 2004-2005, the IGC continued to be involved with the development of the new wildlife act and species at risk legislation for the Northwest Territories. This involved meetings with other Aboriginal groups in the Northwest Territories and the Department of Resources, Wildlife and Economic Development (RWED).

The IGC and HTCs met with oil and gas company representatives and consultants regarding proposed projects to address the wildlife and environmental management obligations under the IFA. After the MGP

proponents submitted their environmental impact statement, considerable effort was spent by the IGC and Joint Secretariat staff on examining the impact statement, submitting information requests and staying current with the volumes of information posted to the public registry by both the Joint Review Panel and the NEB.

Concerns regarding the design of the MGP continued to be raised by IGC members. The IGC members were also involved in finalizing MGP worst-case scenarios, which is a requirement of the IFA and will be used by the Joint Review Panel in estimating the potential liability of the developer in the event of a worst-case scenario happening.

The chair continued to be involved in the development of the terms of reference for the MGP environmental impact assessment.

MEETINGS

In addition to three IGC directors' meetings, IGC members or appointed representatives attended 47 meetings, conferences, symposiums, workshops and gatherings during 2003-2004.

5.2 Hunters and Trappers Committees

Subsection 14(75) of the Agreement provides for the creation of the HTCs. An HTC has been established in each of the six Inuvialuit communities: Inuvik, Aklavik, Tuktoyaktuk, Holman, Paulatuk and Sachs Harbour. Administrative and operational costs of the HTCs are the responsibility of the Government of the Northwest Territories.

AKLAVIK HUNTERS AND TRAPPERS COMMITTEE

The Aklavik HTC and the Aklavik Community Corporation continued their amalgamation during 2004-2005, and will meet to consider the feasibility of having a joint office.

The Aklavik HTC:

- ❖ held twice monthly board meetings and numerous community consultations related to oil and gas development;

- ❖ hired local people to conduct a Yukon government harvest study, to monitor beluga whales at Shingle Point and West Whitefish, and conduct net fishing;
- ❖ distributed Community Harvesters Assistance Program (CHAP) funding to members (the Aklavik HTC feels that due to the increase in prices in the community, its CHAP funding should be increased);
- ❖ held a community caribou hunt and distribution of meat to elders in the community; and
- ❖ convened a wildlife monitor training course.

OLOKHAKTOMIUT (HOLMAN) HUNTERS AND TRAPPERS COMMITTEE

The Olokhaktomiat HTC:

- ❖ assisted in Environment Canada's hiring of a wildlife monitor for the duck tagging program at Kagleoryuak River;
- ❖ selected three youth to work on the seal monitoring project;
- ❖ convened a joint public meeting with Great Northern Mining Exploration to discuss proposed diamond exploration on Victoria Island;
- ❖ hired three local residents to work on the Tributary One Charr Assessment Project;
- ❖ hired a wildlife monitor to work with Diamonds North Resources Ltd. in its diamond exploration program near Prince Albert Sound;
- ❖ held 11 sports hunts;
- ❖ hired two wildlife monitors to work in the Minto Inlet area for the Great Northern Mining and Exploration Project; and
- ❖ convened a public meeting with Diamonds North Resources Ltd. on past work and planned work for 2005.

INUVIK HUNTERS AND TRAPPERS COMMITTEE

The Inuvik HTC:

- ❖ reviewed all research applications related to the MGP and other projects drilling in the Inuvialuit Settlement Region;
- ❖ met with the regulators for the oil spill at Oniak Channel and effluent spill at Lucas Point;

- ❖ attended a nuclear waste workshop in Inuvik to communicate the HTC's position against nuclear waste dumping in the North;
- ❖ distributed meat to elders from the caribou harvest;
- ❖ convened an open house for members;
- ❖ took part in a rig tour and follow-up with ILC on issues related to the use of equipment without sufficient snow cover;
- ❖ convened a trappers training program;
- ❖ met with Shell on its bathymetry project;
- ❖ attended a workshop on Mackenzie Delta drilling waste management; and
- ❖ took part in a nuclear waste workshop in Ottawa and the environmental sector round table. At the round table, the importance of traditional knowledge in search and rescue operations was raised by the HTC representative.

PAULATUK HUNTERS AND TRAPPERS COMMITTEE

The Paulatuk HTC:

- ❖ convened the Alternate Fishing Sites Program despite a decrease in the amount of the contract;
- ❖ received donations from other organizations to help with the elders fishing program, which distributed 212 charr to the elders;
- ❖ continued year-round operation of the harvest data collection;
- ❖ worked closely with RWED on the collection of wolverine carcasses, and polar bear and grizzly bear samples; and
- ❖ distributed CHAP funding between the beluga whale hunting season and the caribou hunting season. Allocations of gas to individual harvesters were decreased this year to allow the HTC to assist more harvesters.

SACHS HARBOUR HUNTERS AND TRAPPERS COMMITTEE

The Sachs Harbour HTC:

- ❖ requested that RWED and WMAC-NWT lift the caribou quota for Sachs Harbour;



- ❖ approved a Canadian Wildlife Service (CWS) permit from the British Broadcasting Corporation to film muskox around Sachs Harbour for the Discovery Channel;
- ❖ completed a seal study;
- ❖ approved all CHAP applicants through the use of money from the administration fee account;
- ❖ selected two persons to participate in the Land Skills Program in Inuvik; and
- ❖ submitted a successful application to the Inuvialuit Summer Student Program.

TUKTOYAKTUK HUNTERS AND TRAPPERS COMMITTEE

The Tuktoyaktuk HTC:

- ❖ convened community workshops with Shell and Conoco, and a public meeting with Chevron/BP/Burlington;
- ❖ hired two whale monitors;
- ❖ successfully completed the whale monitoring program, even though funding was received late in the season;
- ❖ attended a meeting with the ILA and Tuktoyaktuk Community Corporation to address the Husky Lakes Management Plan;
- ❖ reduced the number of hunting tags allowed in the polar bear season from two to one;
- ❖ received and reviewed numerous development applications, an activity for which no funding had been budgeted;
- ❖ took part in various meetings with the oil and gas industry;
- ❖ completed a successful caribou harvest study by the Tuktoyaktuk Community Corporation (funding provided by the Tuktoyaktuk HTC);
- ❖ attended meetings with the Pingo Working Committee, BSIMPI, Kavik-AXYS Inc. and DFO; and
- ❖ completed the wolverine sampling project.

6.1 Fisheries Joint Management Committee

Under subsection 14(61) of the IFA, the FJMC provides advice to the Minister of Fisheries and Oceans on all matters affecting fisheries and the management of fish and marine mammals found in the Inuvialuit Settlement Region. The FJMC works closely with government agencies, renewable resource user groups in the Inuvialuit communities and other renewable resource boards in Canada and Alaska that oversee common migratory stocks.

Implementation funds to support the Committee's operations, provided through a contribution agreement with DFO, totalled \$589,000. A further \$452,000 was available for FJMC projects and administered by DFO

CONSULTATION AND PLANNING

In keeping with the co-management philosophy of the IFA, consultation with local HTCs, the IGC and DFO, and other government agencies formed an important part of the Committee's activities. The Committee held a special meeting with the Minister of Fisheries and Oceans and senior DFO staff on several issues, including marine protected areas in the Western Arctic, the United Nations Convention on the Law of the Sea and the International Whaling Commission, funding for northern science, hydrocarbon exploration in the Settlement Region and FJMC funding.

The Committee held four regular meetings and four teleconferences, as well as public meetings in Inuvik and Sachs Harbour in June and Aklavik in November, to discuss with hunters and fishers issues of concern related to fish, marine mammals and research priorities for the region. One regular meeting was held in Winnipeg at DFO's Freshwater Institute to facilitate the exchange of information and project planning with DFO's scientific and management staff. The process by which the FJMC sets its research priorities and develops a work plan is unique among Inuvialuit joint implementing bodies. Community meetings in November, discussions with scientific staff at the Freshwater Institute in January and Committee planning sessions in March, all comprise the essential elements in the Committee's annual work plan and budgeting cycle for the next fiscal year.

RESEARCH AND MONITORING

The FJMC was active in numerous research, monitoring and management programs in 2004-2005. Twenty-seven projects were conducted through joint efforts between the FJMC and DFO.

Support continued for charr monitoring projects that provide information for existing community-based charr fishing plans for the Hornaday and Kuujua rivers near Paulatuk and Holman respectively. Also in support of the Hornaday plan, the Committee continued to contribute to a baseline water quality and quantity monitoring project for that river system.

The FJMC continued to support the West Side Working Group in its efforts to develop a community-driven integrated fishing plan for the Yukon North Slope and West Side rivers from the Big Fish River west to Fish Creek near the Alaskan border. The Working Group continued to assemble critical scientific and traditional knowledge information on North Slope fisheries that will form the foundation of the developing management plan. Preliminary planning of a community based monitoring program of the Big Fish River was begun, with elders and youth from the community of Aklavik, and DFO and FJMC staff. The West Side Working Group also set research priorities to monitor charr harvests from Shingle Point and tag Dolly Varden charr at Shingle Point and along the Yukon North Slope.

The multi-year program to assess the ecology and fisheries resources of Husky and Sitidgi lakes was completed by DFO researchers. These lakes support important local subsistence and recreational fisheries. In coming years, the Committee anticipates growing pressures associated with accelerating hydrocarbon development on surrounding lands and increased public access through seasonal ice roads and a proposed all-weather road to Tuktoyaktuk.

The Committee contributed to an ongoing project designed to monitor the reproductive status and condition of ringed seals in Amundsen Gulf. In 2004-2005, the project was expanded to include monitoring in Sachs Harbour.

The quality of country foods continued to be a significant concern for the communities in the Settlement Region. Therefore, the allocation of funds for research involving the collection of samples from harvested marine mammals (including ringed seals and beluga whales) for contaminant and disease analysis was continued. In addition to annual research project funding, the Committee supported long term harvest monitoring programs that provide essential harvest data required by the Committee and DFO biologists as a basis for making sound management decisions:

- ◆ *In co-operation with the HTCs, the FJMC delivered the Beluga Harvest Monitoring Program. Local Inuvialuit whale monitors employed by HTCs are stationed in each of the active whaling camps within the Settlement Region. They collect biological information from each harvested whale. Committee staff members provide training, program and logistic support, co-ordination of special sample collections and data collation. Monitors also keep track of aircraft traffic over whale camps and submit detailed incident reports in cases where aircraft may have harassed or disturbed whales and harvesters. At season's end, these harassment incident reports were turned over to DFO Conservation and Protection for follow-up with air charter companies as required.*
- ◆ *Following the cancellation of the Inuvialuit Harvest Study, the Committee continued its support of the collection of Inuvialuit subsistence fisheries harvest data by DFO.*

In accordance with subsection 14(64) of the IFA, the Committee continued with its Private Lands Sport Fishing Registry. The promotional campaign initiated in 2001-2002 to better educate the fishing public was continued with the renewal of large wall displays at major air and road travel gateways into the Inuvialuit Settlement Region, the provision of private lands wall maps for all fishing licence vendors and HTCs in the region, reprinting and distributing information brochures to vendors and HTCs, and placing advertisements in the NWT Explorers' Guide / Guide to Hunting and Fishing in the Northwest Territories and the Beaufort Delta Attractions Guide.

To facilitate the distribution of information related to research within the Inuvialuit Settlement Region, the re-activated FJMC Technical Report was continued. These

reports are published, distributed and posted on the Committee's web site. Several reports in production will be released in 2005-2006.

Researchers who received funding from the Committee participated in the annual Co-Management IFA Research Workshop, initiated by the IGC and held on December 8, 2004 in Inuvik. This workshop gave beneficiaries the opportunity to see the results of co-management funded research conducted within the Inuvialuit Settlement Region during the year.

HYDROCARBON DEVELOPMENT

The FJMC continued to be well positioned to provide sound advice on issues related to accelerating oil and gas industry activities in the Inuvialuit Settlement Region. The Committee and staff have been regular participants in pre-submission community and agency consultations by industry. Before every EISC screening meeting, the Committee reviews all proposals that have the potential to impact on fish, marine mammals and aquatic habitat in the Inuvialuit Settlement Region, including those related to oil and gas.

Committee members and staff attended numerous public meetings and workshops relating to the MGP and Devon Canada's proposed Beaufort Sea exploration program and the comprehensive study report which were subsequently approved by the EISC with operations beginning in the winter of 2005-2006.

The Committee was also a registered intervener in the review of the proposed MGP, for both the Joint Review Panel and the NEB review processes. All correspondence relating to the review was forwarded to the FJMC and scanned by staff; then relevant information was brought to the Committee. The FJMC commissioned a review of the environmental impact statement for the MGP, and the report will be used to guide the FJMC's involvement in the review of the proposed project.

BELUGA MANAGEMENT AND PILOT MARINE PROTECTED AREAS

The FJMC continued its support of the BSIMPI in cooperation with DFO. This multi-stakeholder initiative is facilitated through a working group that includes representatives from the FJMC, DFO, the IGC, IRC, Indian and Northern Affairs Canada (INAC) and the Canadian Association of Petroleum Producers. The

working group conducted community consultations through 2004-2005 to determine support for the marine protected area under the Oceans Act. The draft Tarium Niryutait Marine Protected Area Management Plan and regulatory intent were completed, and pending approval by the BSIMPI Senior Management Committee and working group, will be sent to the Minister of Fisheries and Oceans for approval. Once the marine-protected area is established, the FJMC will take over the day to day management responsibility and operations of the area, with support from DFO and the BSIMPI Secretariat.

EMERGING COMMERCIAL FISHERIES

In response to increasing interest by business entities from outside the region to develop commercial fisheries in the Beaufort Sea, the FJMC continued to work closely with DFO and the IGC to lay the foundations for a regionally managed, sustainable commercial fisheries that will benefit the Inuvialuit economically while not adversely affecting traditional subsistence harvesting activities.

Two southern fishing companies applied for and received licences for exploratory fishing operations. The application was submitted in partnership with the IGC to ensure full Inuvialuit participation in any future commercial fishing ventures. One company conducted an abbreviated operation within Beaufort Sea waters, with plans to return in 2005-2006.

SPECIES AT RISK LEGISLATION

With the *Species at Risk Act* given royal assent on December 12, 2002, the FJMC has taken a more active role in ensuring Inuvialuit involvement in the protection of endangered fish and marine mammal species. The FJMC will continue to work with the Committee on the Status of Endangered Wildlife in Canada (COSEWIC) to better define the FJMC's role in the federal assessment process for endangered species under the FJMC's jurisdiction. The FJMC participated in the preliminary stages of re-assessment of several species in 2004-2005.

COMMUNICATIONS

The FJMC continued to develop its existing web site www.fjmc.ca to better inform the public, government and industry about the FJMC and fisheries

co-management in the Inuvialuit Settlement Region. A variety of FJMC reports and other materials are available on the site for downloading by interested parties. The FJMC reaches Inuvialuit beneficiaries within the Inuvialuit Settlement Region through its annual community tour and through regular contributions to the Joint Secretariat-Inuvialuit Renewable Resource Council newsletter, the *Common Ground*. The newsletter is distributed to every registered Inuvialuit beneficiary each summer and winter.

STUDENT MENTORING PROGRAM AND INUVIALUIT YOUTH

The Student Mentoring Program of the FJMC returned for its eighth successful season. In partnership with DFO, the Program is designed to encourage Inuvialuit youth to finish high school and continue with their studies in the sciences so they can become the Inuvialuit Settlement Region's future resource managers and biologists. The largest-ever group of students participated in 2004-2005. The FJMC was particularly pleased with the high level of commitment shown by all students. This was the first year that "out of town" (non-Inuvik) students were able to stay through the summer.

Activities included:

- ❖ *hosting six students (four from Inuvik and two from Tuktoyaktuk);*
- ❖ *new work placement partnerships (including DFO, Parks Canada, the Canadian Arctic Shelf Exchange Study, ConocoPhillips Canada, RWED, Shell Canada/ Inuvialuit Environmental and Geotechnical Inc., Gwich'in Renewable Resources Board and Pembina Institute for Appropriate Development);*
- ❖ *continued funding relationships with the Government of the Northwest Territories Department of Education, Culture and Employment, IRC and Enbridge Inc.; and*
- ❖ *new funding from the Nasivvik Centre for Inuit Health and Changing Environments.*

The FJMC also participated in a regional career fair, Career Quest 2005, with a trade show display. Staff from the FJMC and mentoring students answered questions about the mentoring program from junior and senior high school students from around the Beaufort-Delta Region.

6.2 Wildlife Management Advisory Council Northwest Territories

Established under subsection 14(45) of the Agreement, the WMAC-NWT mandate is to advise the appropriate ministers on all matters relating to wildlife policy and the management, regulation, research, enforcement and administration of wildlife, habitat and harvesting for the Western Arctic Region (WAR). The Council also provides advice on wildlife issues to wildlife management boards, land use commissions, the EISC, EIRB and any other appropriate bodies. It is the responsibility of the Council to prepare conservation and management plans and determine and recommend harvestable quotas. The Council also reviews and advises the appropriate governments on existing or proposed wildlife legislation and any proposed Canadian position for international purposes that affects wildlife in the WAR.

The Council's geographic area of jurisdiction is that part of the Inuvialuit Settlement Region contained within the Northwest Territories. Its membership consists of three members appointed by the Inuvialuit, two members appointed by the Government of the Northwest Territories, one member appointed by the Government of Canada and a chair. The chair is appointed by the Government of the Northwest Territories with the consent of the Inuvialuit and the Government of Canada.

The Council focusses on the conservation of terrestrial wildlife species including polar bears and birds, and provides a forum for all wildlife matters pertaining to the WAR. It works closely with the IGC, HTCs, the government agencies responsible for wildlife management in the Settlement Region and the other co-management bodies established by the IFA.

COMMUNITY CONSERVATION PLANS

The WMAC-NWT, pursuant to its responsibility for conservation and management plans under article 14(60)(b) of the IFA, takes the lead in the development and revision of community conservation plans. There were no revisions in 2004-2005. The Council is undertaking discussions on the timing of the next revisions, given the oil and gas exploration activity, the MGP environmental review and the limited capacity of communities to undertake a major revision at the same time. The office fulfills requests for paper and CD-Rom

copies of the plans, in addition to directing people to the web site where they are available for downloading: www.jointsecretariat.ca/WMACNWT/doc.htm, www.fjmc.ca/conservation/plns.htm and www.bmmda.nt.ca/downloads.htm.

SPECIES MANAGEMENT PLANS

While a number of species management plans were in draft form at year-end, management action on these species was not affected. The Council discussed simplifying the format of the plans. Management plans or recovery strategies for species identified under the federal *Species at Risk Act* process were prioritized. The draft Technical Options for a Recovery Strategy for Peary Caribou and draft Technical Options for a Recovery Strategy for Boreal Woodland Caribou from RWED were received and reviewed.

BY-LAW DEVELOPMENT

The Council continued to work with the Government of the Northwest Territories on streamlining the process for amending the NWT wildlife season, zone or quota regulations with several amendments being completed. Council recommendations included the following.

- ❖ An increase of three in grizzly bear quotas was recommended in each of the three eastern grizzly bear management areas (I/GB/03, I/GB/0 and I/GB/06). This was accepted by the Minister of RWED, and the regulation amendments to the Inuvik, Tuktoyaktuk and Paulatuk by-laws (for Inuvialuit and general hunting licence owners) and to the Big Game Hunting Regulations (for non-Aboriginal hunters) were completed.
- ❖ An increase of one in the grizzly bear quota was recommended in the western Settlement Region management area (I/GB/01). This was accepted by the Minister of RWED. Amendments to the Aklavik HTC Regulations and to the Big Game Hunting Regulations were completed.
- ❖ The establishment of a 40-kilometre harvesting zone on either side of the intersection of the northern and southern Beaufort sea management areas (I/IB/01 and I/IB/03 respectively) was recommended for all harvester categories acquiring quota tags from the community of Paulatuk. This would allow tags from either of the two areas to be used within this zone. The community of Paulatuk traditionally harvested polar bears along

a polynia (open water area) near the boundary, and ongoing research on these two polar bear populations shows that mixing occurs in these ranges. The recommendation was not completed, and therefore, not in effect by the end of the fiscal year.

- ◆ *A recommendation was made to extend the Dolphin-Union caribou season to all year in caribou management area IIBC/04 for Inuvialuit and general hunting licence holders. This was accepted by the Minister of RWED, and the amendment to the Holman HTC Regulations was completed.*

LEGISLATION AFFECTING WILDLIFE MANAGEMENT

The Council supported the addition of polar bears, grizzly bears and the western population of wolverines to the legal list under the federal *Species at Risk Act* as species of "special concern." Discussions were ongoing as to whether Peary caribou should be added to the list as "endangered." The Council also provided comments on the draft status report on the ivory gull from COSEWIC.

Discussions between the Government of the Northwest Territories and the four settled land claim organizations on the draft NWT species at risk legislation and the process to amend legislation, including the NWT Wildlife Act, were ongoing.

RESEARCH

Wildlife research is essential to enable WMAC-NWT to make decisions and recommendations on conservation and hunting quotas. Wildlife research in the Inuvialuit Settlement Region is supported primarily by IFA implementation funds, as well as regular RWED and CWS expenditures and in-kind support. Both RWED and CWS propose research programs and priorities for the Inuvialuit Settlement Region based on continuing consultation with the HTCs. After considering these proposals, WMAC-NWT sets priorities for IFA-funded research each year, and advises the agencies and the IGC of its decisions. It also reviews and advises on wildlife research proposed by other agencies and supported by other funds. In 2004-2005, the Council again reviewed several wildlife and habitat research proposals from the oil and gas industry in support of proposed natural gas gathering systems and pipelines.

Inuvialuit knowledge directs and assists in wildlife research in several ways. The consultation process between RWED, CWS and the HTCs assists in setting priorities regarding what research needs to be done and how best to do it. The WMAC-NWT requires that such consultation take place before approving any research project, and also requires assurance that research is conducted in a manner satisfactory to the HTCs. The Council considers the development, design, conduct and interpretation of research on the basis of both Inuvialuit and scientific knowledge.

The WMAC-NWT approved 21 IFA-funded wildlife research projects in 2004-2005.

RWED PROJECTS

Total implementation funds allocated from RWED were \$853,649 (including a 2003-2004 carry over) for 16 projects. The Council also endorsed 11 projects funded from other sources.

CARIBOU

- ◆ *Barren-ground (Bluenose-West and Cape Bathurst herds): Calving and survival rates, fall body condition, population estimates, recruitment (i.e., total number of caribou that survive as yearlings), satellite tracking of movements and harvest monitoring.*
- ◆ *Peary: Calf production and survival rates, seasonal ranges and migration routes.*
- ◆ *Boreal Woodland: Habitat use, ranges, calving and survival rates.*

BEARS

- ◆ *Grizzly: Seasonal movements and distribution in the Mackenzie Delta petroleum exploration and development area and potential impacts of development, harvest monitoring, phase 1 east of the Delta mainland population study and problem bear response (i.e., response to incidents of human/bear conflict).*
- ◆ *Polar: Southern and northern Beaufort Sea population estimates and distribution, and harvest monitoring.*

FURBEARERS

- ❖ *Muskrat: Population trend monitoring.*
- ❖ *Wolf: Arctic Island harvest monitoring and genetic drift.*
- ❖ *Wolverine: Body condition and harvest monitoring.*

CWS PROJECTS

Implementation funds allocated from the CWS totalled \$144,000 for seven projects. The Council also endorsed four projects funded from other sources.

- ❖ *King and common eiders, long-tailed ducks: Victoria Island breeding pair survey, spring migration counts, satellite tracking to locate moulting, migration and wintering areas.*
- ❖ *Waterfowl: Habitat of declining snow geese and Brant geese at Anderson River, surveys of white-fronted geese (yellowlegs) and other waterfowl on the mainland, Victoria Island Canada goose survey and Banks Island snow goose banding.*

OTHER

The three polar bear populations in the Northwest Territories all range within the Inuvialuit Settlement Region, in the Northern Beaufort Sea, Southern Beaufort Sea and Viscount Melville Sound. All three populations are shared, either internationally with Alaska or inter-jurisdictionally within Canada in Nunavut. The Council reviews information on these populations to ensure that the polar bear harvest is sustainable, and makes research and management recommendations to the Minister of Resources, Wildlife and Economic Development. The management regime for polar bears in the Inuvialuit Settlement Region is based on the population level. One component of this regime is a community management agreement or MOU for each population, which contain objectives and regulations.

- ❖ *Two agreements exist for the Southern Beaufort Sea population: the Inuvialuit Inupiat Polar Bear Management Agreement for the Southern Beaufort Sea, signed by the regional Alaskan Inupiat and Canadian Inuvialuit user groups, and an MOU signed by the four Inuvialuit user communities. The international agreement states broad goals for this*

polar bear population (including the overall population quota) and the community MOU contains more specific NWT regulations (such as what bear samples harvesters are encouraged to collect).

- ❖ *Two community agreements cover the Northern Beaufort Sea and Viscount Melville Sound populations: one agreement for each polar bear population, signed by the Inuvialuit user communities in the Inuvialuit Settlement Region and Nunavut (previously NWT) Inuit user communities.*

The regulations contained in the three community-based agreements have changed since originally created and signed in the early 1990s. In addition, Nunavut was created, necessitating some form of inter-jurisdictional agreement between the two territories. At a workshop in 2002, the users agreed to pursue an inter-jurisdictional agreement for the Viscount Melville Sound and Northern Beaufort Sea polar bear populations before revising the community-level MOUs for these populations.

The Council's efforts to update the Canadian polar bear management agreements have spanned several years, including hosting three community workshops to bring the users together (including Nunavut representatives) to discuss research and management issues and proposed revisions, drafting and circulating several revised versions of the ISR and inter-jurisdictional MOUs/agreements, and participating in meetings and teleconferences to discuss these drafts.

This year, the Council, along with RWED and IGC representatives, undertook a community tour to consult with the four ISR user communities on the revisions to the Southern Beaufort Sea MOU. Since there is already an Inuvialuit-Inupiat agreement for the Southern Beaufort Sea polar bear population, which was updated in 2000, only the ISR user communities are involved in the MOU revisions. The objective of the workshops and tour was to ensure community support for the MOUs/agreements. One challenge before finalizing the updated Southern Beaufort Sea MOU is obtaining consensus on the revisions from all four user communities. The discussions with Nunavut on the inter-jurisdictional agreement were ongoing, with the Council involved, and the IGC taking the lead on this

Inuvialuit-Inuit document. In the interim, management actions for these polar bear populations continued, including population research and monitoring the harvest. The latter has remained at sustainable levels.

One Council role is to advise the EISC with respect to relevant development submissions, conveying concerns regarding impacts on wildlife and habitat. It also assesses non government funded wildlife research proposals and proposed development activities, and submits comments to the permitting agencies before issuing permits. Development applications of note during 2004-2005 were

three diamond exploration projects on Victoria Island, and a proposal to store oil and gas drilling equipment over the summer on an ice pad. As well, the Council is a registered intervener in the MGP environmental assessment under both the Joint Review Panel and NEB processes. Assessment hearings are expected to begin in 2005-2006.

The Council was a participant in the environmental assessment by the Nunavut Environmental Impact Board of the proposed Bathurst Inlet Port and Road Project.

The Council provides comments on draft management plans, legislation and policy from government and other organizations. During the year, these included a draft status report from COSEWIC on the ivory gull, the CWS draft Kendall Island Bird Sanctuary Management Agreement, and the EIRB draft criteria for the Husky Lakes area.

The WMAC-NWT portion of the Joint Secretariat web site contains information about the Council's activities and mandate, and downloadable versions of many Council documents (e.g., Inuvialuit community conservation plans and annual reports).

The direct link to the WMAC-NWT portion is www.jointsecretariat.ca/WMACNWT/aboutus.htm.

MEETINGS

Members of WMAC-NWT attended 29 meetings, workshops and conferences throughout the year to assist the Council in adequately and knowledgeably fulfilling its mandate. The Council held three regular meetings and one teleconference.

Subsequent to the December meeting at Inuvik, the WMAC-NWT hosted the fifth annual joint meeting with the WMAC-NS to discuss issues of mutual concern. The WMAC-NWT, WMAC-NS and FJMC co-hosted the Co-management Research Workshop on December 8, 2004 in Inuvik to update the members of the co-management committees and IGC on current wildlife research funded under the IFA. Before the Workshop, a report with summaries of each project was distributed to participants and each HTC office. At the workshop about 40 participants viewed the posters and written reports, and listened to the 10 presentations given by researchers.

The WMAC-NWT also held public meetings with the HTC boards in four Inuvialuit Settlement Region communities: February 1, 2005 in Aklavik; February 2, 2005 in Inuvik; February 15, 2005 in Paulatuk; and March 3, 2005 in Tuktoyaktuk. The meetings were called to discuss proposed revisions to the MOU for polar bears in the Southern Beaufort Sea population. As well as WMAC-NWT, representatives from the IGC and RWED participated in these meetings. Consultations on the MOU with the communities will continue in 2005-2006.

6.3 Wildlife Management Advisory Council North Slope

As the Yukon counterpart of WMAC-NWT, WMAC-NS was established under subsection 12(46) of the Agreement. The Council provides advice to the appropriate federal or territorial ministers on all matters relating to wildlife policy and the management, regulation and administration of wildlife, habitat and harvesting for the Yukon North Slope. The Council determines and recommends appropriate quotas for Inuvialuit harvesting of game in the North Slope and advises on measures required to protect habitat that are critical for wildlife or harvesting. The Council also provides advice on issues pertaining to the North Slope to the Porcupine Caribou Management Board, Yukon Land Use Planning Commission, the EISC, EIRB and other groups.

The WMAC-NS comprises two members appointed by the IGC, one member appointed by the Government of Yukon, one member appointed by the Government of Canada and a chair. The chair is appointed by the Yukon government with the consent of the Inuvialuit members and Canada.

The Council focussed on a number of issues in 2004-2005. The following is a summary of some of the major areas of activity.

IFA FUNDED WILDLIFE RESEARCH

The WMAC-NS reviews proposals for IFA funded research projects related to wildlife management and ecological monitoring on the Yukon North Slope, consistent with the goals of the IFA and the objectives of section 12 of the Agreement. Once reviewed and discussed, the Council makes its recommendations, as appropriate, to support projects and, if required, will also recommend that projects receive IFA implementation funding support from Parks Canada, the Yukon government and the CWS. Recommendations are based on research priorities identified in or by the Yukon North Slope Long term Research Plan, Porcupine Caribou Management Plan, the ISR Grizzly Bear Management Plan, Yukon North Slope Wildlife and Conservation and Management Plan, draft Canadian North Slope Muskox Management Plan, meetings with the Aklavik HTC, the Aklavik HTC research priority list, community consultation at public meetings in Aklavik and research priorities identified at the Arctic Borderlands Ecological Knowledge Cooperative annual gatherings.

The Council monitors the progress of all recommended projects by requesting presentations and final reports from all agencies that receive funding. Projects recommended by WMAC-NS and conducted in 2004-2005 included:

- ❖ *muskox ecology studies (population count, survey and satellite collar program);*
- ❖ *the Arctic Borderlands Ecological Knowledge Cooperative Community based Monitoring Program;*
- ❖ *Porcupine caribou satellite collaring programs;*
- ❖ *Yukon North Slope grizzly bear research; and*
- ❖ *Aklavik harvest data collection.*

The WMAC-NS, WMAC-NWT and FJMC co-hosted a one day workshop in Inuvik in December. The objective was to provide an opportunity for agencies and researchers receiving IFA funding for wildlife projects, including fish, to report on the progress and results of their study to each other and to members of the Inuvialuit renewable resource boards and councils.

SPECIES MANAGEMENT

The Council continued its work to develop a management plan for the Canadian North Slope muskox population. Representatives from WMAC-NS, Aklavik HTC, Parks Canada and the IGC met with United States federal, Alaskan state and Inupiat representatives in Anchorage, in November 2004, to discuss common muskox management issues and concerns. The discussions provided useful information that will assist WMAC-NS in finalizing the plan. Once the plan is complete, WMAC-NS will be able to recommend a sustainable harvest quota for Inuvialuit residents of Aklavik.

The management of grizzly bears on the Yukon North Slope is of ongoing importance to the Council. In May 2004, the Yukon government's Department of Environment, in partnership with Parks Canada and the Aklavik HTC, began a six year grizzly bear research project on the Yukon North Slope. The research project is designed to learn about grizzly bear population size, birth rate, death rate, where bears can be found at different times of the year, and how much they move around. It will also include a review of hunter harvest activity. The WMAC-NS recommended funding for the grizzly bear research project and has been active in involving the Aklavik HTC and other members of the community in the design and implementation of research activities. The Council's community participation strategy has provided the framework for local involvement in the project's many components. The Council has also developed a communication strategy to ensure that all parties involved in the research project including the researchers, regional agencies and residents of local communities will provide and be provided with continuous and relevant information related to the project.

SPECIES AT RISK

The Council's chair was an active participant in discussions between COSEWIC and wildlife management boards across Canada that addressed the boards' involvement in the COSEWIC assessment process for species at risk. These discussions led to revisions to the COSEWIC operating procedures that outline the involvement of the boards in species

assessments within their jurisdictions. The Council also reviewed and provided comments to COSWEIC on species being assessed within the Inuvialuit Settlement Region.

COUNCIL PROJECTS

The Council undertook three special projects this year. A review and update of the Council's Guide for Researchers ensured that information provided is accurate and reflects recent changes in research permitting requirements for the region. The Guide is a component of the Yukon North Slope Long term Research Plan. The second project was to consolidate current information about climate and climate change as it pertains to the North Slope, and adjacent areas in the Northwest Territories and Alaska, to provide interested parties with a better understanding of the nature and results of regional research initiatives and possible effects of any determined change. The third project assessed and determined environmental change on the North Slope, using information obtained and compiled through the programs of the Arctic Borderlands Ecological Knowledge Cooperative, from 1996 to 2005. The Council plans to publish the results of the latter two projects in 2005.

ECOSYSTEM MONITORING

The Council maintained its support for the Arctic Borderlands Ecological Knowledge Cooperative www.taiga.net/coop. The Council recommended funding for the ninth year of the Co-op's Community Monitoring Program. The objective is to record observations, on an annual basis, of changes in the environment using local community experts and interviewers. The Council also contributed funds directly to support the Co-op's overall programming.

QIKIQTARUK (HERSCHEL ISLAND) TERRITORIAL PARK

The Council continued to support the review of the Qikiqtaruk Herschel Island Territorial Park Management Plan. The Plan, originally completed in 1991, is being updated by the Yukon government to reflect the increase in visitor numbers and other management issues not addressed in the original version.

PARKS CANADA AND IVAVIYK NATIONAL PARK

The WMAC-NS continued to work in partnership with Parks Canada on issues related to wildlife research and management, and ecological monitoring in Ivavik National Park.

AKLAVIK HUNTERS AND TRAPPERS COMMITTEE

The WMAC-NS worked closely with the Aklavik HTC to ensure that the harvesting needs and concerns of the Aklavik Inuvialuit are addressed in the Council's decisions and actions. Through public meetings and meetings with the Aklavik HTC's Board, the WMAC-NS provided information and exchanged ideas on the management of wildlife on the North Slope. The Council met with the Aklavik HTC Board twice during the year. Additional meetings were held on the grizzly bear research project. The Council supported the participation of a representative of the Aklavik HTC at the Canada Alaska North Slope Muskox Working Group meeting in Anchorage, Alaska.

COMMUNICATIONS

The WMAC-NS maintained its web site www.taiga.net/wmac. The site includes information on the Council and its activities, including term reports, newsletters, fact sheets, species status reports and links to related sites. The WMAC-NS continued to produce a newsletter, Wildlife Watch, to inform user communities of the Council's activities and provide updates on issues of community interest. The Council also contributed to the Joint Secretariat newsletter, Common Ground. A number of communication activities were undertaken as part of the grizzly bear research project.

MEETINGS

The Council held three regular meetings in 2004-2005, two in Whitehorse and one in Aklavik, and a fourth meeting by teleconference. A strategic planning meeting at Lake Laberge helped to identify the Council's priorities for the next three years. The Council also hosted a community meeting in Aklavik.

The WMAC-NS held a joint meeting with WMAC-NWT in Inuvik and two joint meetings with the Aklavik HTC in Aklavik. Other meetings included the Joint Secretariat Board in Inuvik, and the IGC in Inuvik, Yellowknife and Tuktoyaktuk.

The Council's chair, secretariat and members attended a number of workshops and conferences during the year, as both presenters and participants. These included the Access and Benefits Sharing Workshop (Whitehorse) hosted by the Biodiversity Convention office based in Ottawa, a workshop on the *Yukon Environmental and Socio economic Assessment Act* (Whitehorse), the Alaska Forum (Anchorage), a workshop on research funded through the IFA (Inuvik), EMAN North meeting (Yellowknife) and a meeting of the Canada Alaska North Slope Muskox Working Group (Anchorage). The chair also attended a meeting of the Porcupine Caribou Management Board in Whitehorse to brief members on the Yukon North Slope Wildlife Conservation and Management Plan.

6.4 Environmental Impact Screening Committee

Section 11 of the IFA requires the screening of any proposed development of consequence to the Inuvialuit Settlement Region that is likely to cause a negative environmental impact. Subsection 11(5) of the Agreement established the EISC to conduct this process. The Committee screens all proposed developments of consequence on Crown lands within the Inuvialuit Settlement Region, and also on Inuvialuit lands on request from the Inuvialuit. If the EISC decides that the proposed development could have a significant negative impact on the environment or on present or future wildlife harvesting, it is referred by the Committee to the EIRB or other appropriate review bodies for an environmental impact review.

The EISC consists of seven members: three appointed by the IGC and three by the Government of Canada from candidates designated by each of the governments of Canada, Yukon and the Northwest Territories. The chair is appointed by the Government of Canada with the consent of the IGC.

Amendments to the IFA in March 2004 gave the EISC responsibility to recommend terms and conditions for development projects which, if incorporated into project authorizations, would result in a given project not having a significant negative environmental impact and, therefore, not being referred for further environmental assessment and review. This was particularly helpful as shortly thereafter the EIRB ceased to have a quorum

through the lack of appointment of the government members and the chairperson when their terms expired, which meant there was no review body to which to refer development projects.

The drafting of recommended terms and conditions requires careful consideration. The implementation of these recommended terms and conditions by the various regulatory agencies was also the subject of much discussion. The process by which this is done is still being worked out jointly. The EISC appreciates the cooperation of the regulators and project proponents in carrying out the intent of its recommendations.

ENVIRONMENTAL SCREENINGS

Screening decisions are made by a panel of five individuals, consisting of the chair, two Inuvialuit members, the Canada member and the territorial member nominated from the territory within which the project is to occur. Decisions are made on a majority vote basis, with the chair voting in the case of a tie.

The EISC screened 39 project descriptions in 2004-2005 up slightly from the 37 submissions the previous year. The submissions included industry projects (17), mining projects (3), government research projects (12), university research projects (2), tourism projects (4) and a filming project (1). The Committee decided that 15 of the proposed developments would have no significant negative impact, and 21 developments would have no significant negative impact with recommended terms and conditions. One development was deficient and returned to the proponent, two were deferred with one being withdrawn by the proponent (EnCana Corporation Umiak 2005 Summer Ice Pad Project). No developments were referred for further environmental assessment by public review. The EISC decided that a proposed development was in conflict with the community conservation plans and the Beaufort Sea Beluga Management Plan, and a portion of the project will not be screened until the EISC receives the revisions to the Management Plan.

The screening process for the majority of submissions (n=20, 51%) required less than 60 days to complete. Forty six percent (n=18) of the submissions were screened in less than 30 days from the date of receipt, requiring a resolution by the EISC to waive the standard

requirement. One submission took more than 60 days to process after the EISC deferred screening to obtain further information from the proponent or await documentation from other groups.

In addition to developments that are screened, the EISC asks to be informed of other projects proposed for the ISR, but for various reasons are exempt from the screening process. This task is undertaken so the EISC has a broad picture of activities being carried out within the Inuvialuit Settlement Region for cumulative impact assessment. The EISC greatly appreciated the efforts of the co-management groups, government regulatory authorities, the Aurora Research Institute and the IFA during the year to keep the EISC apprised of such activities.

The majority of exempted projects in 2004-2005 were research projects that had gone through the IFA co-management process, non government sponsored or funded research, or developments occurring on Inuvialuit private lands.

MEETINGS

The EISC received 19 presentations from various government departments, agencies, co-management boards and industry during the year, and EISC members attended 11 conferences, workshops and meetings. These included a visit by EISC members and NEB representatives to three Inuvialuit communities to explain the environmental screening and regulatory processes of the two bodies. Another meeting featured a tour of drilling waste sumps in the Delta to gain a first hand understanding of this feature of exploration drilling. The highlight of the year was the presentation of an award to Billy Day, a long-time member of the EISC, by the International Association of Impact Assessment for his significant contribution "to a better understanding of the need for, and implementation of, environmental impact assessment in the Canadian North."

6.5 Environmental Impact Review Board

Established under IFA subsection 11(22), the EIRB is responsible for carrying out environmental impact assessments and public reviews of development projects referred to it by the EISC pursuant to the IFA. The Board recommends whether development projects should proceed and under what terms and conditions,

including those regarding measures to minimize the negative impact of projects on wildlife harvesting. If wildlife compensation is an issue, it recommends limits of liability for the developer.

As the EIA and review body for any development referred to it pursuant to the IFA, the EIRB is structured so government and the Inuvialuit are represented equally. Three members are appointed by the Government of Canada, three by the IGC and a seventh member (the chair) is appointed by the Government of Canada with the consent of the IGC. Of the three members appointed by the Government of Canada, one is designated by each of the governments of Yukon, the Northwest Territories and Canada.

The IFA goals directly relevant to the Board's operations are to:

- ❖ *preserve Inuvialuit cultural identity and values within changing northern society;*
- ❖ *enable the Inuvialuit to be equal and meaningful participants in the northern and national economies and society; and*
- ❖ *protect and preserve the Arctic wildlife, environment and biological productivity.*

The Board held one meeting by teleconference during the year.

REVIEW ACTIVITIES

There were no reviews referred to the Board during the year. The chair assumed responsibilities of the Joint Review Panel for the MGP. His departure, the expiration of three other member appointments and the delay in appointments to the vacant positions limited regular operational activities.

OTHER ACTIVITIES

The EIRB continued work on developing criteria for establishing acceptable environmental standards and evaluating a developer's standard of performance for the Husky Lakes Area as required by section 8(1) of the IFA. A third draft of the criteria was circulated during the summer of 2004.

Discussions continued throughout the year on ways to avoid duplication of process should a pipeline be built through the Inuvialuit Settlement Region and Mackenzie Valley, or offshore drilling be recommended in the Beaufort Sea.

MEETINGS

Members of the EIRB attended the International Association for Impact Assessment Conference in April 2004 in Vancouver, and participated in the NWT environmental audit meeting in February 2005 in Inuvik.

6.6 Joint Secretariat

The Joint Secretariat was incorporated as a society in 1986. Although it was not provided for under the IFA, the parties saw fit to establish a secretariat to provide funding, administrative and technical support services to the IGC, and the wildlife and environmental committees, councils and boards. The Joint Secretariat establishes and maintains working liaisons with Inuvialuit organizations, government, industry, the academic sector and other relevant agencies or organizations. It also performs library and data archival duties in lieu of the Research Advisory Council (RAC).

The chairs of the five co-management boards (EIRB, EISC, FJMC, WMAC-NWT and WMAC-NS) and the IGC constitute the Secretariat's members.

The Joint Secretariat Board held one regular and one annual general meeting during 2004-2005. The June 2004 annual general meeting and accompanying board meeting were held in Inuvik.

The Secretariat continued to achieve its objective this year by providing the requisite financial administration and technical support to the IGC and co-management boards set up pursuant to the IFA. It maintained and expanded its archival function, and continued to work closely with government, industry, the academic sector, multi stakeholder research programs and Inuvialuit organizations.

The administration unit continued to provide exemplary service, not only for the Joint Secretariat staff, but also for its partners (mainly government departments and agencies). This unit remained stable over the past year, while on the technical side, some turnover was

experienced. It was another very active year, with some staff doing double duty until vacant positions could be filled.

As reported last year, Shell Canada provided funding via the Arctic Institute of North America for the development of an ISR literature database as a subunit of the Arctic Science and Technology Information System. Joint Secretariat staff assisted the Institute's staff in this initiative and in the development of a web site.

Although the implementation of the Cooperation Plan continued to occupy a significant amount of the time of the executive director and IGC chair, other Secretariat staff moved into the hearings phase of the MGP review. Staff participated in building capacity at the community level, and will continue to do so with supplemental funding being provided by INAC.

The Secretariat executive director participated in numerous activities related to the MGP and various other industry-related activities. This included:

- ❖ *continued development of a worst-case scenario, at the request of Devon, for the next offshore exploratory well;*
- ❖ *participation in various meetings regarding Shell's barging plans for the MGP and related dredging activities;*
- ❖ *participation in various meetings and briefings concerning the draft agreement between Environment Canada and the oil and gas industry with respect to development activities within the Kendall Island Bird Sanctuary;*
- ❖ *assistance in the development and organization of the Northern Board Forum, as a member of its working group; and*
- ❖ *help with the development of a strategic regional plan of action for the Mackenzie Delta/nearshore Beaufort Sea, as a member of the Steering Committee.*

The Joint Secretariat continued to be active in promoting and partnering with arctic research projects. These included drilling sump studies, wind measurement for potential turbine installation in communities, community based sea ice monitoring,

continued support of Finnish projects and students, coordinating and participating in a northern science field trip for senior managers (Tuktoyaktuk), participation in the Third Northern Research Forum, and assisting in a cumulative effects assessment workshop, which is part of an Environmental Studies Research Fund (ESRF) project.

Secretariat staff, the IGC and FJMC were involved in a Beaufort Sea Test Fishery research project, which began this year following a delayed start.

The IGC, WMAC-NWT and Joint Secretariat staff continued to be involved in the development of a new wildlife act for the Northwest Territories and species at risk legislation, with limited progress this year.

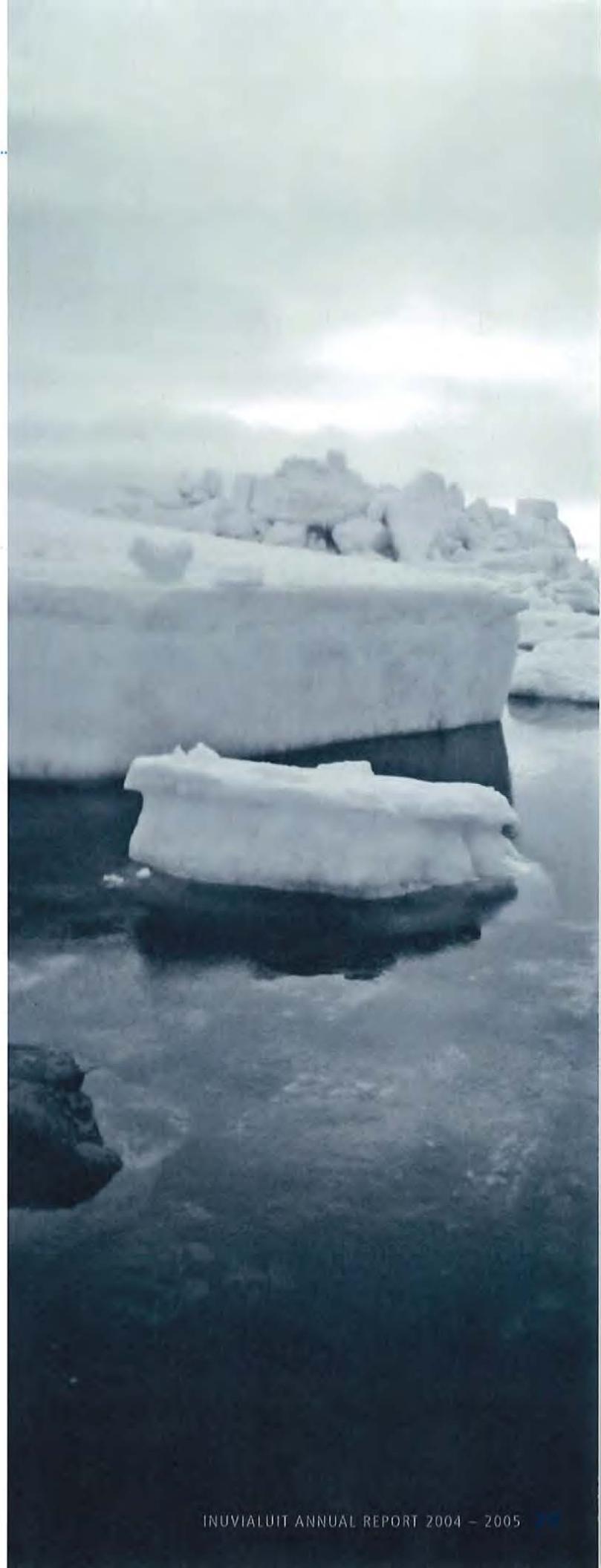
The IGC chair and Joint Secretariat executive director are members of the Emergency Prevention, Preparedness and Response Working Group via the Canadian delegation. This year, the Joint Secretariat co-hosted the annual meeting in Inuvik.

The Arctic Shoreline Clean up and Assessment Technology Manual, which the Joint Secretariat took the lead in developing, and the Arctic Marine Strategic Plan, which the Secretariat also assisted in developing, were both adopted by the Arctic Council in the fall of 2004.

The executive director and IGC representatives attended the Arctic Climate Impact Assessment Conference, which launched its climate change research into the public domain.

The Joint Secretariat is a member of the Arctic Regional Advisory Council, which provides input into the pollution prevention provisions of the *Canada Shipping Act* regulations.

Other meetings with Joint Secretariat participation concerned the IFA-ICC, gun control legislation, BSIMPI, the Gwich'in Overlap Agreement, minerals management service and the National Aboriginal Achievement Awards.



Under the terms of the IFA, the Government of the Northwest Territories is responsible for appointing the chair and the NWT members as well as providing a secretariat for the WMAC-NWT, providing the administrative and operational costs of the IGC and the six community HTCs, designating a member to each of the EISC, EIRB, Arbitration Board and RAC, and providing the budget for the operation and maintenance of the RAC. An agreement was struck whereby RAC funding is provided to the Joint Secretariat for library services. The Government of the Northwest Territories is also responsible for providing operational funding to the Joint Secretariat, which provides technical and administrative support to the various IFA boards in the Northwest Territories.

7.1 Ministry of Aboriginal Affairs

Ministry officials worked closely with Government of the Northwest Territories program departments and the Joint Secretariat to promote effective administration of Government of the Northwest Territories implementation funding by coordinating the annual funding agreement process, monitoring departmental implementation budgets, recommending funding reallocations between approved implementation tasks and ensuring the timely carry-over of implementation dollars to future years. The Ministry also prepared the Government of the Northwest Territories component of this annual report.

The Ministry continued to work to resolve the long-standing issue of municipal requirements for Inuvialuit lands. Government of the Northwest Territories occupancy and use of Inuvialuit lands for municipal infrastructure purposes have been issues since the signing of the IFA. During the land selection process and in the absence of legal land surveys, the Inuvialuit selected lands that included government infrastructure, such as garbage dumps, sewage lagoons, water intake sites and related access roads. This resulted in municipal infrastructure being situated on private Inuvialuit lands.

The Government of the Northwest Territories has consistently advocated a land exchange to resolve this

issue. The Government of the Northwest Territories and the ILA continued to work on land exchange negotiations and hope this issue will be resolved during the next reporting period.

As a result of the land selection process, certain airport lands also became Inuvialuit lands. The 1991 Airport Transfer Agreement between the governments of Canada and the Northwest Territories commits Transport Canada to acquiring the title to the additional lands necessary for airport purposes in Sachs Harbour, Paulatuk and Holman. The Government of Canada and the Inuvialuit are pursuing a land exchange to resolve this issue. Ministry officials worked very closely with the Government of the Northwest Territories Department of Transportation to ensure that territorial government airport interests are protected.

Discussions continued regarding the economic measures review completed in 2001. The governments of the Northwest Territories and Canada, and the IRC agreed to form a working group to review economic development programs. The parties expect to complete the terms of reference and establish the working group in the next reporting period.

The Ministry participated in two ICC meetings on the IFA with IRC, the IGC, the Yukon government and federal government officials to discuss outstanding implementation issues. The ICC has provided a positive forum for addressing and resolving outstanding implementation issues.

7.2 Resources, Wildlife and Economic Development

The Department worked closely and cooperatively with the IGC, WMAC-NWT and HTCs on all matters regarding wildlife management in the Inuvialuit Settlement Region. Wildlife studies are a significant part of RWED's operations with work being carried out on a number of wildlife species, including Banks Island muskox and Peary caribou on Banks and Northwest Victoria islands. A significant amount of work was completed on the Bluenose herds including the Cape

Bathurst and Bluenose-West herds. The Department contributed to a paper for the Journal of Wildlife Management entitled "Defining Herds within the Range of 'Bluenose' Barrenground Caribou in Canada's Northwest Territories and Nunavut." This paper, by J.A. Nagy, A.M. Veitch, K. Zittlau, N.C. Larter, D. Cooley, B.R. Patterson and C. Strobeck, is near completion.

Work related to grizzly bears continued in the MGP area. The Department contracted with the CWS to complete a five year population study on polar bears. Research work was carried out on Dall's sheep, wolves and wolverine in the Inuvialuit Settlement Region. The Department also continued to monitor and track all harvesting of wildlife in the Inuvialuit Settlement Region. In addition, RWED spent considerable time within the environmental assessment process.

The Department continued to work very closely with the appropriate Inuvialuit organizations in drafting a new wildlife act and species at risk legislation for the Northwest Territories that incorporate the provisions of the IFA. Work also continued with the Inuvialuit on other legislation amendment requests with respect to the harvesting of various species within the Inuvialuit Settlement Region.

The Department continued to work closely with IRC and Inuvialuit communities to promote Inuvialuit employment opportunities and economic self sufficiency. During this reporting period, funding was provided to IRC for capacity building related to the oil and gas industry. Support was also provided to various Inuvialuit businesses for on-the-job training in the oil and gas, tourism and information technology fields. The Department provided business advice, counselling and support, and assisted Inuvialuit businesses and individuals in accessing financial support from various sources.

Work continued with Inuvialuit organizations and individuals to further identify and promote economic development opportunities within the Inuvialuit Settlement Region. Specific areas included trade and investment, minerals, oil and gas, tourism and parks, and employment and training.

TRADE AND INVESTMENT

During the year, RWED continued to provide:

- ❖ *business assistance programs within the Inuvialuit Settlement Region (of the \$327,000 of program funding in the Inuvik region, 44 percent was spent to assist beneficiaries);*
- ❖ *economic development officer services who provide business advice and counseling services to local individuals and businesses within the Settlement Region; and*
- ❖ *small business services in the Inuvialuit Settlement Region and the Beaufort/Delta region via Western Arctic Business Development Services. This organization also provides business counselling and training services and conducted two business seminars and three counselling sessions over the year within the Settlement Region.*

The Department worked diligently with other partners on the realization of a new hotel facility in the community of Holman.

MINERALS, OIL AND GAS

Through the MGP office, RWED provided a \$90,000 contribution to IRC from the Building Aboriginal Capacity Program to support efforts to ensure maximum Inuvialuit participation and benefit from ongoing petroleum exploration and development activities in the Beaufort Delta.

Specific activities completed by the IRC under the Building Aboriginal Capacity Program included:

- ❖ *wage support of the oil and gas employment officer;*
- ❖ *pre-employment transportation assistance for recruitment of beneficiaries for petroleum exploration activity;*
- ❖ *production of the "ISR Oil & Gas Bulletin" to provide information to all beneficiaries on activities and events occurring in the Beaufort Delta relating to the oil and gas industry; and*
- ❖ *support for the compilation and monitoring of statistical information related to employment and business benefits pursuant to the requirements of the Comprehensive Cooperation and Benefits Agreements.*

TOURISM AND PARKS

Six Inuvialuit-owned and operated tourism establishments and 19 Inuvialuit tourism operators in the Inuvialuit Settlement Region were licensed by RWED during the year. The Department continued to promote the Inuvialuit Settlement Region and its products through marketing initiatives.

EMPLOYMENT AND TRAINING

Through the Private Sector Partnership Fund of the Maximizing Northern Employment Program RWED provided IRC with a \$20,000 contribution as a wage subsidy for on the job training for a human resource intern position, and to support the specialized training of an administrative employee in records management systems and procedures.

7.3 Justice

Plans of survey of the 7(1)(a) and 7(1)(b) Inuvialuit parcels, comprising 173 survey plan sheets, have been registered in the Department of Justice's Land Titles Office. In addition, a plan of survey for the Wynnatt Region Adjustment Area (Annex K 6 of the IFA) has been registered. Certificates of title were issued to ILC for 13 Inuvialuit land parcels and to IRC for the adjustment portion of the Wynnatt Region Adjustment Area. The plans of survey for the Annex R reservations were endorsed on the backs of the applicable certificates of title. The portion of the Wynnatt Region Adjustment Area to be transferred to her Majesty the Queen by IRC was registered, and a new certificate of title issued to Her Majesty the Queen.

The Department's Legal Division continued to contribute to the implementation of the IFA by providing legal advice on matters, such as government usage of Inuvialuit lands, the proposed land exchange (see section 7.1) and IFA amendments. Advice was also rendered on consistency of the IFA with the proposed changes to the NWT Wildlife Act.

7.4 Public Works and Services

In support of the economic measures provisions in section 16 of the IFA, and consistent with the preferential contracting policies and procedures of the Government of the Northwest Territories intended to maximize local, regional and northern employment and business opportunities, PW&S awarded 30 contracts

within the Inuvialuit Settlement Region to businesses owned by Inuvialuit beneficiaries. The total value of these contracts was \$5,250,196, which was 55.2 percent of the Department's total contract expenditures in the Inuvialuit Settlement Region. The Department awarded an additional seven contracts with a total combined value of \$334,018 to Inuvialuit businesses for work performed outside the Inuvialuit Settlement Region.

The following contracts were awarded within the Inuvialuit Settlement Region:

- ❖ \$1,750,895 to Weitzel's Construction Ltd. for upgrades to the Health Centre in Sachs Harbour;
- ❖ \$912,889 to Dowland Contracting Ltd., for foyer replacement work at the Samuel Hearne Secondary School in Inuvik;
- ❖ \$657,770 to Dowland Contracting Ltd. for vertical fuel tanks at the fuel facility in Sachs Harbour;
- ❖ \$371,287 to K & D Contracting for a gravel haul in Aklavik;
- ❖ \$256,395 to Weitzel's Construction Ltd. for electrical and fire alarm upgrades at Samuel Hearne Secondary School in Inuvik;
- ❖ \$199,400 to Weitzel's Construction Ltd. for the construction of a warehouse in Sachs Harbour;
- ❖ \$199,400 to Weitzel's Construction Ltd. for the construction of a warehouse in Holman;
- ❖ \$191,624 to Price Contracting Ltd. for pile remediation work at Sir Alexander Mackenzie School in Inuvik;
- ❖ \$98,484 to Arctic Storage and Rentals for asbestos abatement work at Samuel Hearne Secondary School in Inuvik;
- ❖ \$92,000 to JLT Contracting for painting work at Samuel Hearne Secondary School in Inuvik;
- ❖ \$57,750 to Dowland Contracting Ltd. for heating, ventilation and air conditioning renovations to the PW&S office building in Inuvik;
- ❖ \$53,574 to Dowland Contracting Ltd. for heating, ventilation and air conditioning upgrades to the Government of the Northwest Territories Municipal and Community Affairs building in Inuvik;
- ❖ \$50,975 to Dowland Contracting Ltd. for renovations to the Samuel Hearne Secondary School gym in Inuvik;

- ❖ \$41,347 to Weitzel's Construction Ltd. for electrical distribution modifications in Inuvik;
- ❖ \$41,300 to Weitzel's Construction Ltd. for as and when plumbing services in Inuvik;
- ❖ \$40,900 to K & D Contracting for backfilling work at Moose Kerr School in Aklavik;
- ❖ \$39,295 to Bob's Welding & Heavy Equipment Repairs Ltd. for crushed stone in Aklavik;
- ❖ \$35,400 to Weitzel's Construction Ltd. for as and when electrical services in Inuvik;
- ❖ \$32,925 to Arctic Storage and Rentals for as and when grounds keeping work in Inuvik;
- ❖ \$25,000 to Bob's Welding & Heavy Equipment Repairs Ltd. for as and when gravel and soil services in Inuvik;
- ❖ \$25,000 to Bob's Welding & Heavy Equipment Repairs Ltd. for as and when snow removal services in Inuvik;
- ❖ \$18,366 to Weitzel's Construction Ltd., for renovations to RWED's laboratory in Inuvik;
- ❖ \$10,700 to Weitzel's Construction Ltd. for work on the foyer at Samuel Hearne Secondary School in Inuvik;
- ❖ \$9,465 to Dowland Contracting Ltd. for duct work in Inuvik;
- ❖ \$8,611 to Aklak Air Ltd. for an air charter from Inuvik to Holman;
- ❖ \$7,150 to Dowland Contracting Ltd. for sprinkler installation and sprinkler riser relocation work at Samuel Hearne Secondary School in Inuvik;
- ❖ \$6,137 to Aklak Air Ltd. for an air charter from Inuvik to Sachs Harbour and Paulatuk;
- ❖ \$5,894 to Weitzel's Construction Ltd. for water treatment chemicals in Aklavik;
- ❖ \$5,263 to Aklak Air Ltd. for an air charter from Inuvik to Holman; and
- ❖ \$5,000 to Bob's Welding & Heavy Equipment Repairs Ltd. for water and sewer services in Inuvik.

The following contracts were awarded to Inuvialuit businesses for work outside the Inuvialuit Settlement Region:

- ❖ \$159,286 to Dowland Contracting Ltd. for fuel facility code upgrade work in Wekweti;
- ❖ \$57,832 to Northern Transportation Company Ltd. for a fire alarm system replacement in Hay River;
- ❖ \$41,180 to Dowland Contracting Ltd. to lift and level fuel tanks in Wha Ti;
- ❖ \$38,500 to Weitzel's Construction Ltd. for fuel facility upgrades in Tsiiigehtchic;
- ❖ \$17,275 to Dowland Contracting Ltd. for fuel facility upgrades in Tsiiigehtchic;
- ❖ \$14,465 to Dowland Contracting Ltd. for work on a naphtha fuel storage vault in Tulita; and
- ❖ \$5,480 contract to Weitzel's Construction Ltd. for scaffolding in Colville Lake and Fort Good Hope.

In addition to the noted contracts, PW&S maintained the following leases within the Inuvialuit Settlement Region with businesses owned by Inuvialuit beneficiaries:

- ❖ a 10 year \$159,896 per annum lease with IDC for office space in the IDC Building in Inuvik;
- ❖ a 10-year \$70,355 per annum lease with IDC for space in the Aklavik Office Complex; and
- ❖ an eight-year \$92,654 per annum lease with IDC for office space in the IDC Building in Tuktoyaktuk.

The Yukon Secretariat oversees Government of Yukon implementation obligations under the IFA by addressing the legislative, policy or procedural requirements to implement the IFA and managing the allocation of implementation funds received from the Government of Canada. It is also responsible for administrative requirements related to the appointment of the chair and a Yukon government member to the WMAC-NS, and the designation of a member to each of the EIRB, EISC and Arbitration Board.

The Yukon Secretariat maintained active membership on the boards and committees in 2004-2005.

8.1 2003 Yukon North Slope Conference

The proceedings for the 2003 Yukon North Slope Conference held November 18-20, 2003 in Inuvik were printed and distributed to conference participants during the summer of 2004.

8.2 Wildlife Projects

The Government of Yukon, in coordination and cooperation with the WMAC-NS and IGC, undertook the following projects in support of the Yukon North Slope's special conservation regime set out in section 12 of the IFA.

PORCUPINE CARIBOU HERD SATELLITE LOCATION PROGRAM

The Porcupine Caribou Herd Satellite Location Program maintains eight to ten caribou with satellite collars in the Porcupine caribou herd to document annual migration routes and winter range use of female caribou. This program is an ongoing cooperative effort with many agencies contributing to the costs, such as system feeds, data recovery and collar purchases.

Locations are logged on an ongoing basis. Maps are produced and distributed, and a web site www.taiga.net/satellite/index.html and fax distribution list of caribou locations are maintained.

MUSKOX STUDIES

As part of a three-year program (2002-2005), there were three muskox projects on the Yukon North Slope during 2004-2005:

- ❖ *maintenance of satellite collars on three to eight animals;*
- ❖ *completion of an aerial survey and composition count in April 2004; and*
- ❖ *participation in a productivity survey done by Parks Canada Agency in July 2004.*

AKLAVIK HARVEST DATA COLLECTION

This data collection project documented the harvest of moose, caribou, sheep and furbearers in the Yukon and Northwest Territories by Inuvialuit hunters in Aklavik. Interviews to document wildlife harvest were carried out in May, June and December 2004.

GRIZZLY BEAR POPULATION AND MOVEMENT ON THE YUKON NORTH SLOPE

Planning began for a six-year grizzly bear study on the Yukon North Slope. In 2003-2004, the Yukon government purchased and moved fuel into the field at Komakuk and Shingle Point. Field work began in 2004 with the initial capture and collaring of 10 bears. More bears will be added to the program during the 2005 season.

8.3 Herschel Island – Qikiqtaruk Territorial Park

FRSCHEL ISLAND – QIKIQTARUK TERRITORIAL PARK MANAGEMENT PLAN REVIEW

The Herschel Island – Qikiqtaruk Territorial Park Management Plan review continued in 2004-2005 with revisions to incorporate WMAC-NS interests and input received through community consultations. A final plan will be recommended for approval in 2005.

HERSCHEL ISLAND – QIKIQTARUK TERRITORIAL PARK

The Herschel Island – Qikiqtaruk Territorial Park was open from April 15 to August 31, 2004. There were

530 visitors (compared to 414 in the previous year), including 101 from the Russian cruise ship Kapitan Khlebnikov, which entered Canadian water via the U.S.-Canada border with its first stop at Herschel Island. It then continued to Resolute Bay, Nunavut.

WILDLIFE OBSERVATIONS AND HARVEST

A polar bear survey was carried out from April 5-12, 2004. A few polar bears were sighted at or near the Island this season. The Yukon government intends to continue to support this work. Aside from the polar bear sightings, no other bears were seen; however, tracks were spotted throughout the Island.

The harvest in 2004 included 11 caribou (six bulls and five cows), 160 charr and 202 herring (harvested by gill net). The 2004 charr run was recorded on June 21, 2004, which is earlier than the previously recorded runs which typically begins mid-July to early August.

Rare sightings recorded included a rusty black bird, marten and an unidentified crustacean.

TRAINING

Consistent with section 12(42) of the IFA, the Yukon government provided training to the rangers to assist in their current duties and in future employment opportunities: wilderness first aid and cardiopulmonary resuscitation, a review of law enforcement, the *Territorial Park Act* and *NWT Wildlife Act*, global positioning system (GPS) training and a gun safety course, training in workplace hazardous materials information system and transportation of dangerous goods, and introductory computer skills.

HERITAGE SITE MANAGEMENT

Three heritage resources unit staff from the Department of Tourism and Culture spent two weeks on Herschel Island July 12-26, 2004 moving the Northern Whaling & Trading Co. store, the customs warehouse, and the hunters and travellers' cabin. The store suffered damage from sea ice and erosion of the shoreline in recent years. To move the store away from the shore, the two other buildings were moved out of the way. While lifting and moving the three buildings, deteriorated beams below the customs warehouse were also replaced.

A series of minor maintenance issues were dealt with throughout the historic settlement area and

all structures were inspected to determine future maintenance priorities. The head park ranger and regional biologist were consulted regarding options for re roofing the Mission House, presently used as a nesting site by the black Guillemot bird colony.

The heritage building was also re-photographed as part of a continuing monitoring program, and GPS location readings were taken to update and standardize records.

8.4 Department of Energy, Mines and Resources

In 2004, the Yukon government reviewed the environmental impact statement prepared by the MGP applicants and advised the NEB that it intended to appear at the public hearing as an intervener. The government identified its interest in a number of areas, such as the exploration and development opportunities in north Yukon that might be facilitated by the MGP, the potential impact of the MGP on Yukon First Nations and local communities, the tolling and tariff principles that are to apply to services offered by the Mackenzie Valley pipeline, basin-opening pipeline principles recognized by the NEB, principles concerning economic access and future expansion or extension in respect of a gas-gathering system under the Canada Oil and Gas Operations Act. The Yukon government also submitted a notice to intervene to the Joint Review Panel indicating that it intended to address issues that affect the interests of Yukoners, such as the impact the MGP will have in respect of the Yukon environment, its socio economic structure, its natural gas reserves and any employment/business opportunities.

In 2005, the Government of Yukon initiated preparatory work for both the NEB and Joint Review Panel hearings, including several requests for information from the applicants.

The Yukon government participated in a March 2005 workshop in Inuvik on a new initiative, the Beaufort Sea Strategic Regional Plan of Action, and participated as a member on this initiative's steering committee meeting. The initiative is a community-based approach to the identification of regional needs with respect to planning for future offshore oil and gas development in the Beaufort Sea and the near shore transition zone, and the actions needed to address these needs.

9.1 Indian and Northern Affairs Canada

IMPLEMENTATION BRANCH

The Implementation Branch serves as a liaison on IFA implementation issues for co-management boards, the Inuvialuit, territorial governments and other federal government departments. The Branch:

- ❖ *administers and monitors funding arrangements with various implementing bodies having obligations under the IFA;*
- ❖ *monitors federal implementation activities to ensure compliance with the land claim agreement;*
- ❖ *processes the appointments to the Arbitration Board, EIRB and EISC by the governments of Canada, the Northwest Territories and Yukon;*
- ❖ *processes amendments to the IFA; and*
- ❖ *publishes the annual report of the IFA ICC.*

The director general of the Implementation Branch serves as the Government of Canada member to the ICC, and the director of the Implementation Management Directorate is the alternate.

The Branch participated in a meeting of the IFA ICC, in Edmonton in October 2004.

During the year, the Implementation Branch:

- ❖ *processed appointments to various boards under the IFA;*
- ❖ *took the necessary measures to transfer the responsibility of funding from DFO to INAC to provide the FJMC with a flexible transfer payment funding agreement similar to other boards under the IFA;*
- ❖ *obtained Treasury Board approval to delegate appointment authority to the Minister of Indian Affairs and Northern Development from the Governor in Council for the purpose of making appointments on behalf of the Government of Canada to the EISC and EIRB;*
- ❖ *provided a printed consolidated version of the IFA to the parties while taking the necessary steps to obtain Treasury Board approval to amend section 18(7); and*

- ❖ *held a workshop on results-based reporting in Yellowknife in February 2005 attended by federal, territorial and Aboriginal representatives to address the concerns raised by the Auditor General in the November 2004 report.*

In addition, the Branch organized the first Economic Planning and Business Development Working Group meeting in June 2004 to address the recommendations provided to IRC following the release of the section 16 review. Participants from federal government departments and IRC attended.

NORTHERN AFFAIRS PROGRAM

The Northern Affairs Program administers legislation concerning the disposition and use of Crown lands, inland waters, the offshore, non-renewable resources and overall environmental protection within the Northwest Territories and Nunavut.

Granular Inventories

The Program administers implementation funding provided for conducting granular resource (sand and gravel) inventories. With the MGP review, there is continued concern about the overall potential of the region to meet both short- and long-term public, community and industrial requirements for granular resources.

A granular resources management plan integrating granular resource potential, inventories of granular supplies and future granular demands with other land-related information for the Inuvialuit Settlement Region is being developed jointly by the Government of Canada and Inuvialuit. During 2004-2005, little progress was made on the plan itself, but work continued on an Internet-based information mapping and exchange system to be used for information sharing and consultation on the development of the regional granular resources management plan. This work included data preparation and loading, updating base layers and upgrading user interfaces for accessing, reviewing and editing information. Work on the plan will continue. The plan will guide responses to applications for use of granular resources throughout the Inuvialuit Settlement Region.

Additional work was undertaken to update long-term granular resource requirements for the Settlement Region. A formal estimate of the volumes of granular materials required to construct an all-weather road from Inuvik to Tuktoyaktuk was prepared using the recently updated, on-line granular estimating tool, and work continued on similar forecasts for the MGP requirements. Integration is planned of the estimating tool with the Internet mapping system and the regional granular resources management plan.

Northern Oil and Gas Directorate

The Northern Oil and Gas Directorate routinely engages in environmental consultations with the IGC, representing the HTCs, before offering onshore and offshore lands to the oil and gas industry. Environmental information obtained from the IGC greatly assists INAC in identifying and confirming environmental sensitivities within the Inuvialuit Settlement Region. This information is carefully considered by the Minister of Indian Affairs and Northern Development before offering Crown lands to industry in the Settlement Region.

As part of the consultation process, a meeting was held with the IGC on September 22, 2004 in Yellowknife to review the results of the previous year's ISR Crown lands offering. As part of that discussion, the environmental sensitivity of certain onshore and offshore lands in support of the next call for nominations was reviewed. In addition, oil and gas activity over the past year was highlighted, and forecasts prepared for seismic and drilling activity for the coming winter.

Benefit Plans. Oil and gas exploration activities continued on the exploration licences issued by INAC in 1999 and 2004 for Crown lands in the Mackenzie Delta. These activities were undertaken in accordance with benefit plans approved under the *Canada Oil and Gas Operations Act*, which assisted in enhancing numerous employment, training and business supply and service opportunities for Inuvialuit, other northerners and their businesses. As in previous years, Inuvialuit and Inuvialuit businesses continued to respond positively to all such opportunities.

In June 2003, the Directorate, INAC NWT regional office and Inuvialuit representatives discussed possible means of harmonizing INAC and Inuvialuit arrangements for

benefits from oil and gas. Since that date, the three parties initiated work to develop a common template for benefits reporting by operators, and INAC looks forward to continuing this work in the near future.

Royalty Administration for the Ikhil Field. Pursuant to section 7(94) of the IFA, the Government of Canada administers, on behalf of the Inuvialuit, the receipt and assessment of royalties on gas production from the Ikhil Field on the basis of laws and regulations in force on December 31, 1983 as required by section 7(96) of the IFA.

Inuvialuit Regional Corporation and ILC requested an arbitration under section 18 of the IFA in the matter of issues arising in respect of certain royalties payable to the Inuvialuit under subsections 7(93) to 7(96) of the IFA. The Arbitration Panel issued the award on April 29, 2004.

In accordance with the award, the Government of Canada remitted to the Inuvialuit royalties collected respecting the Ikhil Field from July 1999 to the present. Court costs and interest on royalties collected were also remitted to the Inuvialuit in accordance with the award.

Environmental Studies Research Fund. The ESRF sponsors environmental and social studies designed to assist government decision making related to oil and gas exploration and development on Canada's frontier lands. The ESRF program, initiated in 1983 under the *Canada Oil and Gas Act* now receives its legislated mandate through the superseding legislation, the *Canada Petroleum Resources Act* proclaimed in February 1987. Funding for the ESRF is provided by industry through levies on exploration and production properties on frontier lands. The ESRF is directed by a 12-member joint government/industry/public management board and is administered by a secretariat residing within the NEB in Calgary, Alberta.

The Minister of Indian Affairs and Northern Development recently appointed Dr. Norman Snow, Joint Secretariat executive director, to the ESRF Management Board.

Web Site. Additional information concerning oil and gas activities in the north can be found at the Northern Oil and Gas Directorate's web site www.inac.gc.ca/oil.

NWT REGION

Land Administration. Land Administration is responsible for the administration of those surface and subsurface rights owned by the Crown in the Inuvialuit Settlement Region.

The Department is identified as the holder of five reserves on Inuvialuit land under Annex R of the Inuvialuit Final Agreement. A number of these reserves are no longer needed, have been cleaned up, and need to be terminated and removed as an encumbrance against the title of the Inuvialuit lands.

Northern Contaminants Program. The Northern Contaminants Program provided \$90,000 to IRC to participate in a long-term Inuit education and communication strategy, through gathering, disseminating, developing and delivering appropriate education and communication information for the Settlement Region. The Inuvialuit have representation on the NWT Environmental Contaminants Committee through the IGC.

Contaminated Sites Program. Kittigazuit Bay/Yellow Beetle: Kittigazuit is located on the shore of the Beaufort Sea, about 50 km west of Tuktoyaktuk, Northwest Territories. The site was used as a long-range aid to navigation from 1947-1950 by the Royal Canadian Air Force and the United States Air Force. In 1976, the site was designated as a waste metal depot by INAC. The area is of significant interest to Inuvialuit both historically and spiritually and was selected as part of the IFA.

A large portion of the remediation was completed in the late summer/fall of 2002 through a contribution agreement with Inuvialuit Projects Inc. (IPI), a subsidiary of the IDC. This involved demolition of remaining structures, consolidation of waste, and delineation and excavation of metal contaminated soil. During this investigation, some hydrocarbon contaminated soil was detected, which was delineated in 2003-2004. This led to further work in 2004-2005, which included the excavation, containerization and shipment of this hydrocarbon contaminated soil off site. Again, this work was completed through a contribution agreement with IPI of about \$719,000. Unfortunately, due to low water levels in the fall of 2004, the material had to be stored in Inuvik and wait for barge shipment to a disposal

facility in Hay River in the spring of 2005. Once this is done, remediation of this site is complete and the encumbrance against the title of the land can be removed.

Horton River: Once a DEW Line Intermediate Site, Horton River is also referred to as BAR E or Malloch Hills, near Horton River Delta on Cape Bathurst within the Amundsen Gulf on a peninsula between Paulatuk and Tuktoyaktuk. It was remediated in 1994 under the terms of a cooperation agreement between the ILA and INAC. The clean up involved the construction of a landfill on top of an existing dump on the site near the airstrip, which INAC committed to monitor. In 2002-2003, due to limited funding, the INAC district inspector monitored the site and found no major issues. Funding was available in 2003-2004, and Inuvialuit Environmental and Geotechnical, through Inuvialuit Projects Inc., was contracted through the contribution agreement to conduct more formal monitoring of the site. The company completed this monitoring again in 2004-2005 to ensure the remediation objectives for this site have been met. Overall indications are that the landfill is stable and not leaching.

Atkinson Point: Otherwise known as BAR-D, Atkinson Point was an Intermediate Distant Early Warning (DEW) Line site located about 80 kilometres northeast of Tuktoyaktuk by McKinley Bay. This military radar site was constructed in 1957 and operated until 1963.

The site includes several sources of contaminants, including poly-chlorinated biphenyls (PCBs), heavy metals and potential hydrocarbons in the soil. Several landfills, barrels and fuel tanks, as well as buildings contaminated with PCB-amended paint and asbestos remain on site.

Some initial work was completed in 1993, in which most of the visible debris at Atkinson Point was consolidated and stockpiled. However, further detailed assessment, consultation and remediation planning is required before a complete remediation plan is developed for the site.

No funds were available in 2004-2005 due to the ranking of higher-risk sites for funding. However, funding for this site has been approved for the 2005-2006 fiscal year. Work next year will likely include

further environmental site assessment to determine the presence and extent of hydrocarbon contamination on site and confirm metal and PCB contamination in the soil. From this information, a remediation plan for the site will be developed in consultation with the Inuvialuit.

Johnson Point: On the East coast of Banks Island, Johnson Point was used as a staging area for oil and gas exploration in the area in the early 1970s. Based on concerns from the Sachs Harbour HTC, a proposal was submitted in 2004 to provide funds for a site assessment to be completed in 2005-2006.

Economic Activity Funding

The following programs provided a total of \$1,541,698 to support the objectives of the economic measures chapter:

Community Economic Development Program

- ❖ \$370,684 to the Inuvialuit CEDO for community-driven, economic development support.

Economic Development Opportunity Fund Program

- ❖ \$196,000 to assist with construction and start-up of the Holman Hotel; and
- ❖ \$100,000 to assist with construction and start-up of the Stanton Tuk Store.

Resource Partnerships Program

- ❖ \$525,000, representing a 25 percent share of funding for the Mackenzie Valley Corporation;
- ❖ \$275,495 to undertake research, negotiations and dissemination of information activities during the regulatory phase, and in preparation, of the MGP;
- ❖ \$32,000 to undertake an economic analysis and assessment of expanding IDC's holdings in the hospitality industry; and
- ❖ \$29,379 to assess the feasibility of certain joint venture opportunities related to the MGP.

Resources Access Negotiations Program

- ❖ \$13,140 to negotiate business and employment opportunities with the oil producers of the MGP.

Mineral Exploration

Several companies are active in the Inuvialuit Settlement Region, either continuing their previous explorations or beginning new work. Most exploration has centred on

diamonds with a more recent return to the historical focus on copper, nickel and platinum deposits.

In the southern Settlement Region (as well as the Sahtu and Gwich'in settlement areas) a large number of prospecting permits were issued in 2003 and 2004 to various companies and individuals, almost all of which are, or will be, active this season. Diamondex Resources Ltd. continues its diamond explorations related to the permits it was issued in the previous year and new permits that were issued this year. The focus of activities is in the southwestern corner of the mainland Inuvialuit Settlement Region. New permits were also issued in the southern part of the Settlement Region to Stornoway Diamond Corporation (one permit), Raymond Davies (three permits) and Matthew Mason (a large number of permits spanning across the width of the southern Settlement Region).

In the eastern and southeastern mainland of the Settlement Region, Diadem Resources Ltd. is exploring ground held in joint venture with Darnley Bay Resources, and is basing its activities out of Paulatuk. The Diadem mineral tenure package includes prospecting permits, older mineral claims and a large package of new mineral claims.

On Victoria Island, Diamonds North Resources Ltd. continued diamond exploration on the Northwest Territories-Nunavut boundary off the east end of Prince Albert Sound. Diamonds North has recently formed a joint venture with Teck Cominco Ltd. to carry out exploration in the Inuvialuit Settlement Region and on Victoria Island in Nunavut. In addition to the existing mineral claims held by Diamonds North, it was issued 11 prospecting permits during the year, for the northeast corner of Banks Island.

The interest level for mineral exploration in the Settlement Region continues to increase, with inquiries to INAC from a number of companies, some of which may become active in the area. Much of the exploration work is being conducted over areas that have not been previously explored. Pending some successful results of this exploration, the interest could increase further.

The Mineral Development Division, INAC NWT Region has been closely involved with the planning activities of the various explorers in the Settlement Region. The Division has provided substantial advice, assistance and, in

some cases, hands-on guidance and participation, to these explorers to ensure that they undertake consultation with community organizations and residents at the very early stages of the exploration planning. It has also provided mineral development advice directly to the community through consultations with the HTCs as part of the Mineral Prospecting Agreement.

While there have been some difficulties with consultations and process, generally most of the exploration activity has progressed smoothly. Issues remain to be ironed out, but it is hoped that with continued consultation between companies and communities, and the involvement of the INAC Mineral Development Division, IRC and the ILA, that these issues will diminish as both companies and communities are educated to the realities of mineral exploration and development in the Inuvialuit Settlement Region.

Devolution

The Governments of Canada and the Northwest Territories, and the Aboriginal Summit are negotiating devolution. Funding for the participation of Summit members is provided by INAC and the Government of the Northwest Territories.

All parties signed the Northwest Territories Lands and Resources Devolution Framework Agreement in March 2004. Negotiations toward an agreement-in-principle based on the subject matters set out in the Framework Agreement continued.

The issue of resource revenue sharing is being negotiated separately between the Government of the Northwest Territories (with the Aboriginal Summit's participation) and Finance Canada. When agreement has been reached on resource revenue sharing, these arrangements will be included in the agreement-in-principle. The agreement will then be recommended by the chief negotiators to their respective principals for approval. As also announced in December, completion of the final devolution agreement is targeted for 2006. Devolution would likely be implemented about one year after a final agreement has been approved by all parties.

9.2 Fisheries and Oceans Canada

The Department of Fisheries and Oceans provides support to the FJMC and is responsible for making policy and regulatory changes to accommodate

Inuvialuit rights concerning the harvest, trade, transport and co-management of fish and marine mammal resources in the Inuvialuit Settlement Region. The Department also promotes the principle of cooperative management of fisheries resources in the Settlement Region, with full cooperation from the Inuvialuit.

In the past year, 20 projects were conducted through joint efforts between DFO and the FJMC. The FJMC met with senior managers and scientists of DFO's Central and Arctic Region in Winnipeg to review progress and plan projects.

The major achievement for 2004-2005 was the support received from the FJMC on the DFO ocean strategy concerning the marine protected area in the Beaufort Sea. The FJMC will be the management body.

The FJMC authorized and sponsored a number of scientific assessment, education and monitoring projects designed to provide the necessary biological information on fishery resources in the Settlement Region. With the participation of DFO staff, the following projects were administered directly through the FJMC and carried out by Inuvialuit harvest monitors, field workers and committee members:

- ❖ *beluga harvesting monitoring and a workshop;*
- ❖ *activity by the West Side Working Group (Dolly Varden range);*
- ❖ *documenting pre industrial contaminant levels;*
- ❖ *assessment of beluga jaw aging; and*
- ❖ *hiring of six FJMC/DFO summer students.*

Other projects conducted in 2004-2005 by DFO scientists/biologists, in consultation with the FJMC are listed below. Except where noted, all projects were carried out almost exclusively by Inuvialuit beneficiaries.

Fish

- ❖ *Brock Lake (Paulatuk) fish survey (\$16,000);*
- ❖ *Holman Fish Lake monitoring (\$14,000);*
- ❖ *Hornaday River (Paulatuk) charr monitoring (\$20,000);*
- ❖ *Hornaday Fishing Plan implementation (\$15,000);*
- ❖ *harvest studies involving three communities (\$22,000);*
- ❖ *Tuktoyaktuk Arctic cisco monitoring (\$6,000);*

- ❖ Red Belly Lake (Holman) charr assessment (\$14,600);
- ❖ Husky Lakes trout assessment (\$30,000); and
- ❖ Husky Lakes trout monitoring (\$17,000).

Marine Mammals

- ❖ Holman seal monitoring (\$26,000);
- ❖ Sachs Harbour seal monitoring (\$30,000);
- ❖ seal spring ice survey (\$10,000);
- ❖ Beaufort Sea beluga reproduction (\$27,000);
- ❖ marine mammal disease sampling (\$20,000);
- ❖ beluga seasonal range (\$10,000, *limited beneficiary employment*); and
- ❖ diseased marine mammal sampling (\$37,000).

Other

In the following projects, there was no local employment except where noted:

- ❖ Hornaday water gauge (\$10,000, *limited beneficiary employment*);
- ❖ acoustic monitoring, seismic (\$5,000);
- ❖ Holman Arctic charr meeting (\$10,000); and
- ❖ plotting of Dolly Varden range (\$4,000).

In addition to the above, DFO contributed \$40,000 in support funds to the FJMC and \$73,400 to support the participation of Government of Canada members on the FJMC.

Total DFO implementation expenditures in 2004-2005 were \$915,200, comprising \$458,200 in contribution agreements and \$457,000 in projects and support.

The Canadian Coast Guard, Central and Arctic Region, is responsible for the provision of the Marine Aids to Navigation Program, marine communications and traffic services, environmental response and, through the Canadian Coast Guard Auxiliary, marine search and rescue activities on Great Slave Lake, the Mackenzie River, Mackenzie-Athabasca Waterway system and in Western Arctic waters.

With respect to land administration activities of the Coast Guard, three sites fall within the land set aside by Order-in-Council P.C. 1979-1154 for a reindeer grazing reserve. These sites have no hazardous materials and pose no threat to the reindeer.

9.3 Environment Canada

Environment Canada, through the CWS, is represented on the wildlife management advisory councils, WMAC-NWT and WMAC-NS, which deal with all significant wildlife issues in the Inuvialuit Settlement Region.

In cooperation with the Inuvialuit, the CWS continued to carry out studies of migratory birds in the Settlement Region. These studies will help guarantee that populations are not over-harvested and that important migratory bird habitat receives adequate protection. During the past year, studies of migratory birds focussed on surveys of waterfowl on the mainland and Victoria Island, and on populations and habitat of snow geese on Banks Island and at the Anderson River Bird Sanctuary. In addition, waterfowl harvest data were collected at three communities and a number of long-term data sets were analyzed and summarized for wildlife management purposes. A considerable amount of additional funding, obtained from outside the IFA-related sources, helped address conservation issues in the Western Arctic.

With the tremendous increase in oil and gas exploration in the Settlement Region, Environment Canada invested a significant amount of effort screening development proposals and reviewing the MGP environmental impact statement. Several new studies will help deal with the impacts of gas and oil development on wildlife in the Settlement Region.

As well as addressing the fundamental functions of protecting the environment and wildlife conservation, Environment Canada programs benefit the Inuvialuit in other tangible ways. About half of the IFA-related funding and other funds obtained by Environment Canada is reinvested back into Inuvialuit-owned companies, organizations or individuals through contracts and payments.

9.4 Parks Canada Agency

Parks Canada Agency is responsible for protecting natural and cultural resources, including the wildlife populations and habitat of the three national parks in the Inuvialuit Settlement Region: Ivavik National Park in the western portion of the North Slope, Aulavik National Park on Banks Island and Tuktut Nogait National Park (TNNP) near Paulatuk.

CULTURE, EDUCATION AND OUTREACH

With respect to the principles of culture, education and outreach in the IFA, Parks Canada undertook the following activities:

- ❖ A youth art camp took place in Ivvavik National Park for five days. Six Inuvialuit students from Aklavik and Inuvik attended the camp to learn art techniques and explore the national park. A multi day youth camp for students from Sachs Harbour was held in Aulavik National Park;
- ❖ Park staff, mostly Inuvialuit, visited all nine communities of the Western Arctic to deliver the Environmental Stewardship Certificate program to Grade 4 students;
- ❖ Parks Canada worked with the Inuvialuit Cultural Resource Centre and the Aurora Research Institute to advance the Inuvialuit Ethnobotany Book project, intended to help preserve and present traditional knowledge on the use of plants. The book is expected to be released by the end of the year;
- ❖ Paulatuuq Oral History Project: Inuvialuit Elders Tell Their Stories was published and distributed in March/April 2004. The book represented the second part of a three phase project on Paulatuk oral history. The third phase, interviewing several more elders, is in progress;
- ❖ Students were mentored in Tuktut Nogait National Park, travelling with park staff on field trips and learning about park management;
- ❖ Park staff attended school career fairs promoting national parks careers.

PINGO

The Pingo Canadian Landmark National Historic Site is located adjacent to Tuktoyaktuk. Included within its boundaries is the largest pingo in Canada and a number of others at different stages of evolution. Created over a number of years, a pingo is an ice-cored mound produced when ice grows in or below permafrost as a result of water pressure.

The agreement to create the Pingo Canadian Landmark is contained in subsection 7(70) of the IFA. Legislation passed in 1996 led to the creation of the Pingo National Historic Site. A working committee including representatives from Parks Canada and several community organizations in Tuktoyaktuk was

established to guide the development and preservation of the site. This working committee signed the Pingo Canadian Landmark MOU in December 2001. Priorities for implementation have been identified and undertaken by all represented groups. The committee also drafted terms of reference and a vision statement.

Lands of equal value have not yet been transferred to the Inuvialuit for the Pingo Canadian Landmark. The ILA applied to INAC to begin discussions on the land swap.

Parks Canada conducted a field assessment at the Landmark in September 2003 to consider the best option for the development of an interpretive trail. The assessment report recommended the development of a boat-accessible walking trail of 415 metres, which would end at a viewing platform overlooking a scenic view of the Landmark and the community of Tuktoyaktuk. The working committee endorsed the recommendation and public consultations were completed. Parks Canada worked with the hamlet to finalize the project and will complete the environmental assessment and project design in 2005-2006.

NATIONAL PARK REGULATIONS

Discussions were ongoing with the IGC on a public consultation process to discuss required amendments to the National Park Regulations to ensure that they conform to the IFA. During the year, the Parks Canada Agency worked with the IGC and other partners to develop wildlife regulations that will allow superintendents to permit quota hunts recommended by wildlife co-management boards and approved by the federal Minister of the Environment. Meetings will be held with the IGC, WMAC-NS, WMAC-NWT, Tuktut Nogait National Park Management Board and the Aulavik Advisory Committee.

INUVALUIT EMPLOYMENT STRATEGY AND ECONOMIC OPPORTUNITIES

The majority of field employees in Ivvavik National Park are Inuvialuit beneficiaries. Two wardens, one patrol person and one full-time clerk who are beneficiaries were employed during the 2004 field season. Five Inuvialuit from Aklavik were contracted for a number of days to assist with the downsizing of the Sheep Creek station, and cooks were contracted from Aklavik for field camps in Ivvavik on two occasions.

Park Canada continued to use Inuvialuit businesses on a preferred basis in the management and operation of Ivavik National Park and other heritage resources in the Inuvialuit Settlement Region. Inuvialuit Environmental and Geotechnical won the contract to assess the Sheep Creek fuel spill for the extent of the spill and requirements for clean-up, and to assess and clean up a fuel spill in the Parks Canada Inuvik storage compound.

Parks Canada collaborated with Arctic Nature Tours, a subsidiary of Inuvialuit owned Aklak Air, to develop and pilot a guided day trip tourism opportunity in Ivavik National Park. The proponents are working with the Aklavik Community Corporation to contract with local residents to help guide the project, and host and guide the trips.

An MOU on the First River rafting operation continued to be revised. It includes opportunities in the First River valley for Inuvialuit as operators, cultural interpreters and raft guides. Operational guidelines will be removed from the MOU and attached as a separate document.

Arts and crafts items have been purchased from artists and crafts people from Sachs Harbour and Paulatuk for display in the park visitor centres under construction in those communities. Other contracts related to exhibit construction and installation were awarded including the sewing of traditional clothing, oral history and photo selections for exhibits. More contracts will be offered in the communities in 2005 in relation to the visitor centres.

Other Parks Canada activities related to economic opportunities included:

- ❖ participation by two Inuvialuit employees in an Aboriginal leadership development program;
- ❖ incorporation of an Inuvialuit employment strategy into the field unit human resource plan;
- ❖ allocation of funds to the Porcupine Caribou Management Board for various projects by the Western Arctic Field Unit; and
- ❖ hiring an Inuvialuit site manager trainee for Aulavik National Park in 2004.

RESEARCH AND MONITORING

Parks Canada participated in the Northern Bioregional Working Group to ensure that ecological monitoring activities provide effective indicators of the state of national park environments. It works with cooperative management partners to ensure that the needs of local partners are included in this initiative.

The *Yukon Environmental and Socio economic Assessment Act* will soon take effect in Yukon, replacing the Canadian Environmental Assessment Act. Parks Canada delivered a two day course to prepare staff to comply with the new act in Ivavik operations. The staff of Aklavik HTC, WMAC NS, DFO and INAC were invited to attend.

Research and monitoring activities completed in 2004 by Parks Canada Agency and partners in the Settlement Region included:

Research

- ❖ *arctic coastal climate change: to understand climate change impacts and the mechanics of coastal erosion in a permafrost region;*
- ❖ *the Eastern Inuvialuit Settlement Region Grizzly Bear Population Study;*
- ❖ *a fishery survey of the Brock River Headwater Lake;*
- ❖ *a study of the frost boil ecosystems of Banks Island, specifically the interaction between vegetation, soil and climate;*
- ❖ *an examination of vertebrate fossils on Banks Island to determine the extent of Eocene vertebrate fossils; and*
- ❖ *the Yukon North Slope Grizzly Bear Population Study.*

Monitoring

- ❖ *collected data on observations of wildlife in all three parks;*
- ❖ *collected data on distribution, abundance and breeding status of birds in all three parks;*
- ❖ *raptor surveys of the number of peregrine falcons and other raptors breeding in all three parks;*
- ❖ *breeding bird surveys of the abundance and distribution of breeding birds at two locations in Ivavik National Park;*

- ❖ lemming monitoring of the abundance of collared and brown lemmings in one area in Aulavik National Park;
- ❖ monitoring of the size, sex and age composition of the muskoxen population on the Yukon North Slope;
- ❖ survey of the population, body condition and wintering range of Peary caribou on Banks Island;
- ❖ survey of the population size, productivity, recruitment, age and sex composition, distribution, movements and body condition of Bluenose caribou in Tuktut Nogait National Park;
- ❖ survey of the size, age and sex composition, body condition, productivity, mortality, distribution and movements of the Porcupine caribou in Ivavik;
- ❖ satellite monitoring to determine possible changes to plant productivity in all three parks;
- ❖ monitoring to look at potential plant and climate change in Pingo Canadian Landmark;
- ❖ Firth River campsite monitoring to identify and track human-caused impacts to campsites, wildlife threats and sensitive plant species along the Firth River;
- ❖ documenting the nature and extent of human use of all three parks (number of visitors);
- ❖ weather monitoring including permafrost temperature and active layer temperature in all three parks;
- ❖ water flow documentation and monitoring of the Firth River in Ivavik and the Hornaday River in Tuktut Nogait;
- ❖ measurement of changes in water levels and temperature during storms along the southeastern Beaufort Sea coast;
- ❖ monitoring and documentation of the condition of the remediated fuel spill and landfills at Komakuk Beach;
- ❖ assessment of water quality of the Thomsen River in Aulavik, the Firth River in Ivavik and the Hornaday River in Tuktut Nogait;
- ❖ determination of the condition of cultural sites along the Firth River in Ivavik;
- ❖ assessment of the impact of erosion and visitor disturbance on cultural resources along the coast of Ivavik; and
- ❖ condition monitoring of cultural resources at Nasogaluak, M'Clure's Cache and Head Hill cultural sites in Aulavik.

Management Plan Reviews

The management plan review of Ivavik National Park was completed in December 2002, with a revised plan recommended by the WMAC-NS to the Minister of Canadian Heritage in April 2003. The completed plan, and final stages of design and layout were in preparation during the year, and will be submitted to the office of the Minister of Canadian Heritage.

In March 2004, the Tuktut Nogait National Park Management Board and Parks Canada discussed revisions to the draft Tuktut Nogait Management Plan. A revised draft was prepared for review by the Management Board. Following review and incorporation of comments, a final draft was prepared and, at year-end, was in the office of the director general for Parks Canada, Western and Northern for approval before being submitted to Parks Canada's chief executive officer for approval and submission to the Minister's office.

Implementation Funds

Total Parks Canada Agency spending on Inuvialuit goods and services was \$854,093 in 2004-2005, comprising \$28,516 in goods and \$825,576 in services.

9.5 Public Works and Government Services Canada

Pursuant to subsection 16(18) of the IFA, Public Works and Government Services Canada continued to provide Inuvialuit firms with the opportunity to bid on government contracts by advertising procurement opportunities on the government electronic tendering system and by notifying all claimant groups of the procurement of goods, services and construction destined for the Inuvialuit Settlement Region.

Assistance and information on the procurement process were provided as requested by the Inuvialuit, as well as information on contracts. Whenever practical and consistent with sound procurement management, evaluation criteria were included in bid solicitations to maximize socio-economic opportunities for the Inuvialuit.

9.6 Canadian Environmental Assessment Agency

The Agency continued to work with other government departments, Inuvialuit and First Nations to develop

frameworks for environmental assessment and regulatory processes for potential project developments in the Northwest Territories. In particular, the Agency finalized and began implementing agreements to harmonize three environmental assessment processes for the review of the MGP. The two MGP-related agreements involving the Agency are the signed MOU with the Inuvialuit that provides for certain measures contained in the IFA to be encompassed in a panel review under the Canadian Environmental Assessment Act, and the agreement with the IGC and MVERB which established the Joint Review Panel.

In addition, the Agency worked with the IGC, the Joint Secretariat, Gwich'in Tribal Council and other government departments to develop a regional strategic environmental assessment for the Beaufort Sea region. The Agency also cooperated with the NEB, EIRB and IGC on a comprehensive study of a potential Devon offshore exploratory oil drilling project.

9.7 Human Resources and Skills Development Canada

Government economic activities in the Inuvialuit Settlement Region are structured to ensure that the traditional economy is maintained and strengthened, and to work toward the economic self-sufficiency of the Inuvialuit.

ABORIGINAL HUMAN RESOURCES DEVELOPMENT AGREEMENT

The Aboriginal Human Resources Development Agreement (AHRDA) between the IRC and Government of Canada was extended by one year for 2004-2005. The Agreement provides the AHRDA holder with financial resources from the Government of Canada's Central Revenue Fund and Employment Insurance Fund to manage labour market development activities within its area of jurisdiction and in accordance with the terms of the agreement, and subject to relevant federal legislation. The Inuvialuit have supported numerous clients through active employment benefits and support measures geared to increasing Aboriginal participation in the labour market.

As the Aboriginal Human Resources Development Strategy was extended for five years, it is expected that the AHRDAs will be renewed for a further four years. These

agreements represent a strong commitment by Canada to have Aboriginal governments control and manage labour market initiatives related to Aboriginal people.

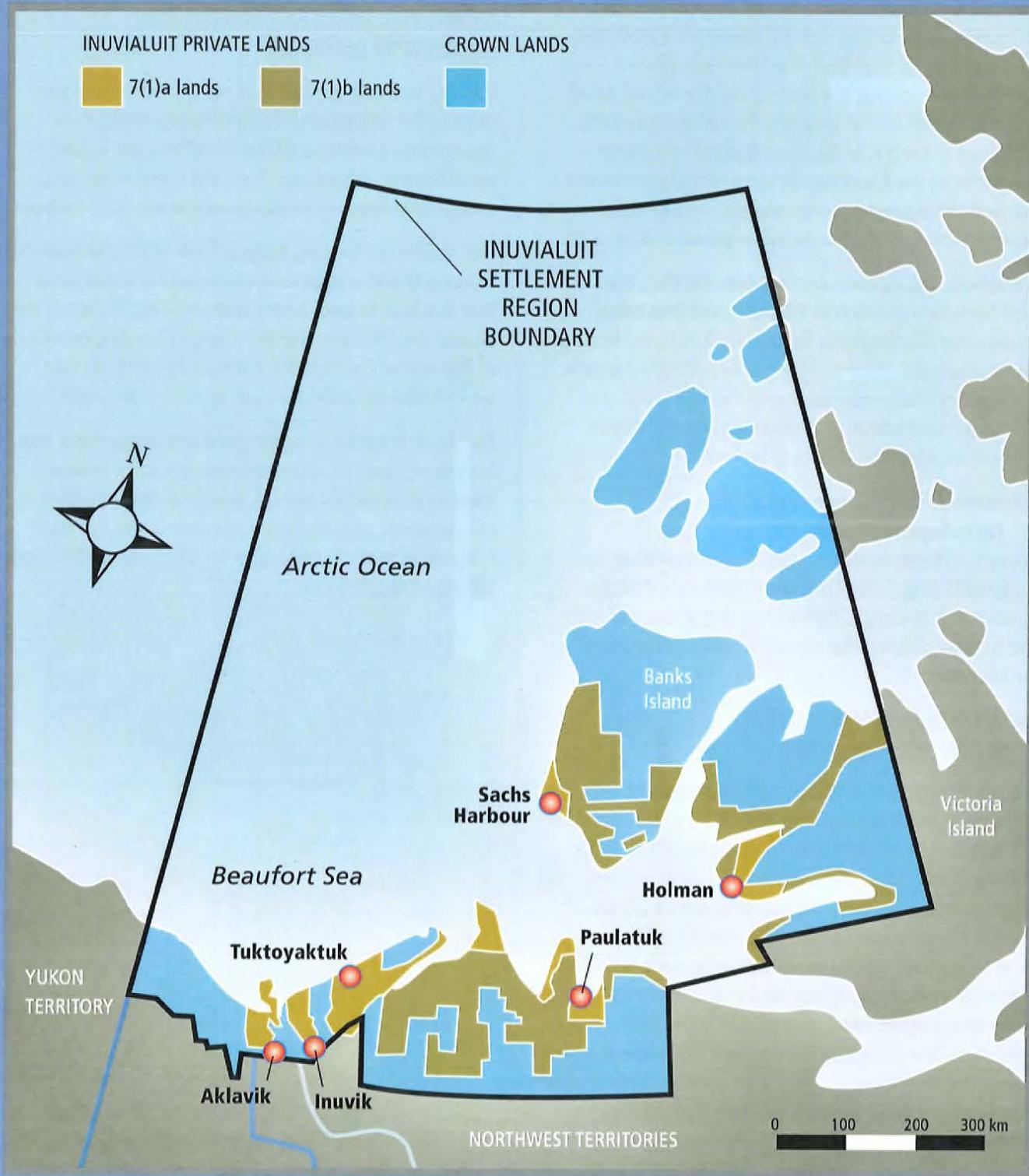
ABORIGINAL SKILLS AND EMPLOYMENT PARTNERSHIP PROGRAM

The IRC was one partner that developed a multi-year strategy for industrial skills development related to opportunities anticipated out of oil and gas industrial development. A proposal from this partnership was successful in being funded pursuant to the ASEP Program.

This multi-year funding program will assist the Inuvialuit to identify and support clients through interventions that will lead to permanent and meaningful jobs in the oil and gas industry. The IRC share of funding provided to Aboriginal Futures (the training partnership) was \$4,499,880 for 2004 through to March 31, 2008.

The ASEP Program was approved late in the fiscal year. Therefore, projects approved through this initiative were in their early stages at year-end. An important characteristic of initiatives supported under the ASEP Program is that all training undertaken will lead to long-term sustainable jobs.

Map of the Inuvialuit Settlement Region



Schedule of Capital Transfer Payments

Annex N of the IFA outlines the capital transfer payments which were made to the Inuvialuit on the last business day prior to December 31 of each of the following years and in the following amounts:

Year	Payment \$
1984	12,000,000
1985	1,000,000
1986	1,000,000
1987	1,000,000
1988	5,000,000
1989	5,000,000
1990	5,000,000
1991	5,000,000
1992	5,000,000
1993	20,000,000
1994	20,000,000
1995	20,000,000
1996	20,000,000
1997	32,000,000

**Cumulative Costs of Implementation
1984-1985 to 2004-2005**

<i>Fiscal Year</i>	<i>Amount \$</i>
1984-1985	1,595,882
1985-1986	1,795,812
1986-1987	6,854,165
1987-1988	6,330,236
1988-1989	7,250,518
1989-1990	6,878,202
1990-1991	6,878,858
1991-1992	7,362,633
1992-1993	9,512,215
1993-1994*	10,632,825
1994-1995*	5,850,000
1995-1996*	5,967,000
1996-1997*	6,086,340
1997-1998*	6,208,066
1998-1999*	6,107,228
1999-2000*	6,169,408
2000-2001*	6,522,296
2001-2002*	6,652,741
2002-2003	6,785,797
2003-2004	6,668,040
2004-2005	5,318,886
Total	133,427,148

* These funds represent funds allocated for implementation purposes, as actual expenditure figures are not available.

Membership of Implementing Bodies

Inuvialuit Regional Corporation Board of Directors

Nellie Cournoyea, Chair and CEO
 Eddie Dillon, 1st Vice Chair
 Joseph Haluksit, 2nd Vice Chair
 Carol D. Arey
 Donna Keogak
 Jonah Nakimayak
 Duane Smith

Inuvialuit Land Administration Commission

Albert Elias, Chair
 Vince Steen
 Andrew Banksland
 Dennis Arey
 Ken Ruben
 William Gruben
 Manny Kudlak

Inuvialuit Development Corporation Board

Wayne Gordon, Chair
 Fred Abbott
 Franklin Carpenter
 Andy Carpenter
 Jackie Jacobson
 Robert Joss

Inuvialuit Investment Corporation Board

Frank Hansen, Chair
 Lucy Kuptana
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 Stephan Pertschy
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Inuvialuit Petroleum Corporation Board

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 Carol D. Arey
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 Fred Bennett
 Billy Day
 Annie Goose
 Agnes Tardiff
Arbitration Board
 Stein K. Lal, Chair
 A. Ernie Pallister, Vice Chair
 Jim Bishop
 Sandra Elanik
 David Loff
 Tyson Pertschy – IRC Representative
 Nick Schultz
 Ian Scott
 Lena Selamio – IRC Representative
 Jack R. Williams

Inuvialuit Final Agreement Implementation Coordinating Committee

Mike Connor
 Nellie Cournoyea – IRC
 Jake Heron
 Frank Pokiak
 Terry Sewell

Inuvialuit Land Administration Commission

Albert Elias
 William Gruben
 Andrew Tardiff

Inuvialuit Development Corporation Board

Fred Abbott
 Franklin Carpenter
 Andy Carpenter
 Wayne Gordon
 Jackie Jacobson
 Robert Joss

Inuvialuit Investment Corporation Board

Frank Hansen
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 Fred McKeon
 Stephan Pertschy
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 Barry Wainstein

Inuvialuit Petroleum Corporation Board

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 Billy Day
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Arbitration Board

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A. Ernie Pallister, Vice-Chair
Jim Bishop
Sandra Elanik
David Loff
Tyson Pertschy
Nick Schultz
Ian Scott
Lena Selamio
Jack R. Williams

Inuvialuit Final Agreement Implementation Coordinating Committee

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Terry Sewell

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Richard Binder
Andy Carpenter Jr.
Joseph Haluksit
Randall Pokiak
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Chucky Gruben
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Pat Kasook
Darren Nasogaluak
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Max Kotokak Sr.
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Estner Price
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Ray Case
Donald Inuktalik
Bruce Macdonald
John Nagy
Randall Pokiak
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Tim Devine
Ron Graf
Jim Hines
Arnold Ruben
Evelyn Storr
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Alternates

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Randy Lamb
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Larry Carpenter
Robert Hornal
William Klassen
Lindsay Staples

* The Joint Secretariat provides secretariat services to the IGC, FJMC, WMAC-NWT, EISC, EIRB. The secretariat for the WMAC-NS is located in Whitehorse.