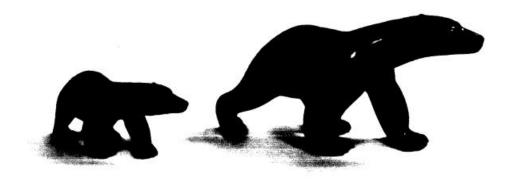
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ANNUAL REPORT

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FEATURES OF THE NUNAVUT LAND CLAIMS AGREEMENT

The Nunavut Land Claims Agreement, also referred to as the Nunavut Final Agreement:

was signed on May 25, 1993, in Iqaluit by representatives of the Tungavik Federation of Nunavut, the Government of Canada and the Government of the Northwest Territories:

was ratified by an Act of Parliament and came into force on July 9, 1993; and

involves the largest number of claimants and the largest geographic area of any comprehensive claim in Canadian history.

Today, there are approximately 20,600 Inuit beneficiaries in the Nunavut Settlement Area (NSA), formerly central and eastern Northwest Territories. The area conforms closely to the territory of Nunavut which came into existence on April 1, 1999. This area includes approximately 1.9 million square kilometres (one-fifth of the total land mass of Canada), as well as adjacent offshore areas. Inuit constitute approximately 85 percent of the population in the NSA.

In exchange for ceding, releasing and surrendering to her Majesty the Queen in Right of Canada all their Aboriginal claims, rights, title and interests, in and to lands and waters anywhere in Canada, the Agreement provides the Inuit of the NSA with:

title to approximately 350,000 square kilometres (136,000 square miles) of land, of which 35,257 square kilometres (14,000 square miles) include mineral rights;

equal representation of Inuit with government on joint management boards related to wildlife management, land-use planning, environmental assessment and the regulation of water use;

the right to harvest wildlife on lands and waters throughout the NSA;

capital transfer payments of \$580 million in 1989 dollars with interest payable over 14 years (totalling \$1.173 billion less repayment of negotiating loans totalling \$39.8 million);

- a \$13 million Training Trust Fund;
- a \$4 million Implementation Fund;
- a \$500,000 Bowhead Knowledge Study Fund;
- **a share** of government royalties from oil, gas and mineral development on Crown lands:
- a right of first refusal on sport and commercial development of renewable resources in the NSA: and
- **a commitment** that legislation be recommended to Parliament to establish a Government of Nunavut and Nunavut territory.

Cover Illustration: Henry Evaluardjuk, Nunavut Territory, "Two Bears", 1979, sculpture Reproduced with the permission of Henry Evaluardjuk

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Nunavut Implementation Panel

President of Nunavut Tunngavik Incorporated Premier of the Government of the Northwest Territories Minister of Indian Affairs and Northern Development

The Nunavut Implementation Panel is pleased its submit its Annual Report on the Implementation of the Nunavut Land Claims Agreement (NLCA) pursuant to Article 37.3.3(h) of the Nunavut Land Claims Agreement. This report covers the period April 1, 1998 to March 31, 1999.

Reports from the Nunavut Implementation Training Committee, the Nunavut Wildlife Management Board, the Arbitration Board, the Surface Rights Tribunal, and the three Nunavut resource management boards - the Nunavut Impact Review Board, the Nunavut Water Board and the Nunavut Planning Commission - are included.

The Panel is also providing a copy of this report as a courtesy to the Premier of Nunavut.

Tagak Curley

Nunavut Tunngavik Incorporated

Leigh Jessen

Government of Canada

Bruce Gillies

Nunavut Tunngavik Incorporated

Mark Warrer

Territorial Government



	TABLE OF CONTENTS		ᡆᡆᡕ᠐ᡪᡒ᠘			TABLE DES MATIÈRES	
1	IMPLEMENTATION PANEL REPORT	6	₫₯₯₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼₼	36	1	RAPPORT DU COMITÉ DE MISE EN OEUVRE	66
2	SUMMARY OF ACTIVITIES: NUNAVUT TUNNGAVIK INCORPORATED	9	σὸς Ͻϧብዋὸς ሀϹብር σ∇/ς-ሀ _ራ ኒΓ4ς /σ⊂υ¶ _ε ις:	39		RÉSUMÉ DES ACTIVITÉS : NUNAVUT TUNNGAVIK INCORPORATED	69
3	SUMMARY OF ACTIVITIES: GOVERNMENT OF THE NORTHWEST	40	במיחס, ףלראנ ספיטס, ףלראנ ספיטס, ףלראנ	40	3	RÉSUMÉ DES ACTIVITÉS : GOUVERNEMENT DES TERRITOIRES DU NORD-OUEST	70
4	TERRITORIES SUMMARY OF ACTIVITIES:	10	ב∆'כּח״לנ⊀כ /ברעל״ניכ: באבראי הארהיכ / הראיהיכ:	43	4	RÉSUMÉ DES ACTIVITÉS : GOUVERNEMENT DU CANADA	73
	GOVERNMENT OF CANADA	13	ፈጋ -	49	5	ORGANISMES DE MISE EN OEUVRE	79
5	IMPLEMENTING BODIES	19	5.1 Δ ⁶ 6 ⁶ ΔΔΑΟ ⁶ Δη ΕΠΕΑ ⁶	49	3	ONGANIONES DE MISE EN CECVILE	13
	-	40	5.2 ۵۵۶ ÞL٧٥-٦٤٠٤٠ ١٩٦٤ ١٩٦٤	49		5.1 Commission d'arbitrage	79
	5.1 Arbitration Board5.2 Nunavut Wildlife Management	19	5.3 _a%	52		5.2 Conseil de gestion des ressources fauniques du Nunavut	79
	Board	19	5.4 Δαδ ^ς < ^ς αΔλ ^η Γ ^ς	52		5.3 Comité du Nunavut charge de la	13
	5.3 Nunavut Implementation Training		5.5 ፲፱፻፵ ፲፱፻፵ ፲፱፻፵ ፲፱፻፵ ፲፱፻፵ ፲፱፻፵ ፲፱፻፵ ፲፱፻፵	54		formation pour la mise en oeuvre	82
	Committee	22 22	5.6	55		5.4 Commission d'aménagement du Nunavut	82
	5.4 Nunavut Planning Commission 5.5 Nunavut Impact Review Board	22 24	5.7 Δ ⁶ β ⁶ Δ ⁶ β ⁶ Λζ ⁶ ΔΩΩ ⁶ Λζ ⁶ ΔΩΩ ⁶ Δ ⁶ β ⁶	57		5.5 Commission du Nunavut chargée de l'examen des répercussions	84
	5.6 Nunavut Water Board	25				5.6 Office des eaux du Nunavut	85
	5.7 Surface Rights Tribunal	27	₽ ΔͿ∿Γ ^c			5.7 Tribunal des droits de surface	87
	Appendix 1: Acronyms and Initialisms Appendix 2: Membership of	28	ነት ነት ነ	58		Annexe 1 : Glossaire des sigles et	
			ኦልታኒ 2: ለና ቦታይፈና ላጋረቱ በናበኛ Έላታና ነና	-		acronymes	88
	Implementing Bodies	29	NED 4 2. 位にみよ 31, 1999)	59		Annexe 2 : Composition des organismes de mise en oeuvre (au 31 mars 1999)	89
	(as of March 31, 1999) Appendix 3: Schedule of Payments	30	ρΔͿʹϤ 3: ἀ-L ^b Π ⁶ ν/Lσ ⁶ υ	60		Annexe 3 : Calendrier des versements	90
	Appendix 4: Amendments	31	NA 191 4. ASBONASBODAS ONCSBALAS	61		Annexe 4 : Modifications	91



THE IMPLEMENTATION OF THE NUNAVUT LAND CLAIMS AGREEMENT



IMPLEMENTATION PANEL REPORT

The Nunavut Implementation Panel is pleased to submit its sixth Annual Report covering the period April 1, 1998 to March 31, 1999.

The Panel was established pursuant to Article 37, Part 3 of the Nunavut Land Claims Agreement. Its primary purpose is to oversee and provide direction on the implementation of the Agreement.

Members of the Panel were Bruce Gillies and Tagak Curley, Nunavut Tunngavik Incorporated; Mark Warren, Territorial Government; and Leigh Jessen, Government of Canada.

This was a year of change for the Panel. Terry Henderson, the Government of Canada's founding member on the Panel was succeeded by Leigh Jessen. Mr. Henderson, with his long experience with the Panel and his knowledge of its ongoing operations, will be missed.

This also marked the departure of another original member, Mark Warren, Government of Northwest Territories (GNWT). With the creation of the new territory of Nunavut on April 1, 1999, responsibility for implementing the Territorial Government's Agreement obligations was passed to the Government of Nunavut (GN). In order to assist in the transition of implementation responsibilities between the Territorial Governments, the Panel invited senior officials from the Office of the Interim Commissioner (the GN administration-in-waiting), to participate in scheduled Panel meetings and conference calls.

FIVE-YEAR REVIEW

One of the most significant undertakings of 1998-99 was the development and initiation of two independent five-year reviews called for in the Agreement. The first review was to examine the Inuit Employment Plans required under Article 23. The second review was to examine the Implementation Plan required under Article 37. The Panel added a third undertaking: an assessment of the overall impact of the

Agreement during its first five years. In the interests of timing and efficiency, the Panel decided that the reviews and assessment would be carried out simultaneously by the same contractor.

The Terms of Reference for the combined reviews and impact assessment were developed over a period of several months by the Panel members, and adopted at its August 19, 1998 meeting. The Panel considered it important that the independence of the review be respected. It directed that funds for the contract be dealt with outside the direct control of the Parties to the Agreement, and that any advice or assistance required by the contractor be provided through an Advisory Committee appointed jointly by the Parties.

The Request for Proposals inviting contractors to bid on the project was issued on October 28, 1998. The successful bidder was selected in December 1998. The contract was awarded and the reviews began in late February 1999.

It was estimated that the review would take six months to complete. The final report, including its recommendations, will be submitted to the Panel by mid-October, 1999.



From left to right: Tugak Curley, Bruce Gillies, Mark Warren and Leigh Jessen

PROCEDURES MANUAL

The Panel decided to assess the way in which it conducts business. The Panel held a one-day procedures workshop in conjunction with its December 9, 1998 meeting to review its current procedures, make suggestions on updating existing procedures, and establish new procedures where required. The Panel is continuing to develop a standardized procedures manual.

MEETINGS WITH INSTITUTIONS OF PUBLIC GOVERNMENT (IPGS) AND OTHER IMPLEMENTING BODIES

The Panel met with representatives of the Nunavut Impact Review Board (NIRB) concerning the NIRB's increased workload and a request for additional funding to cope with the increases. Unexpended funding from several other IPGs was reallocated to NIRB in the last quarter of the fiscal year to deal with these issues.

Representatives of the Nunavut Water Board (NWB) made a presentation to the Panel concerning the pressing need for legislation to provide a clearer and more complete basis for the Board's operations. The Panel responded by writing to the Minister of Indian Affairs and Northern Development for assistance in accelerating the water legislation.

The Surface Rights Tribunal (SRT) made a presentation on its need for additional funding for community consultation and increased interaction with other Nunavut implementing bodies. The Panel did not agree that the SRT's mandate included community consultation, and directed that this agency carry out its functions within existing funding levels.

Nunavut Implementation Training Committee (NITC) representatives met with the Panel to report on its current programs and services, and outline its work plans for future years. NITC also reported on the completion of the operational review required by Article 37.5.2(h). The Panel appreciated NITC's update on these and other initiatives, and made several administrative recommendations to improve NITC's future annual reports to the Panel.

FUNDING ISSUES

Public Hearings and Reviews

The Panel is required to review the budgets submitted by the Nunavut Water Board, the Surface Rights Tribunal, and NIRB for public hearings and reviews. The Panel recommends funding to the appropriate Minister.

In this period, the Panel recommended funding for NWB to conduct two public hearings involving water licence applications for the BHP Boston gold project, as well as the Lytton Jericho diamond project. NWB's hearings were conducted back-to-back resulting in considerable savings in travel, accommodation and general administrative costs.

The Panel also recommended start-up funding for NIRB to organize a review of the clean-up of the former military site on Resolution Island and undertake some preliminary legal material reviews.

Carry Forward of Funding

The Panel authorized the carry forward of \$5.7 million in implementation funds from 1998-99 to 1999-2000 for the NWB, the Nunavut Wildlife Management Board (NWMB), the Nunavut Planning Commission (NPC), and the SRT and the GNWT.

For the first time, funding requirements for two implementing bodies amounted to more than their annual allocations. Neither had accumulated carry-forward funds. Therefore, in order for these bodies to continue their functions, the Panel authorized unexpended funds retained by other IPGs to be reallocated.

The Panel was obliged to reallocate funding from one or more IPGs to another for the first time. The reallocation was undertaken after careful consideration for the first time. Notwithstanding, the implementing bodies collectively were not satisfied with the Panel's handling of the reallocation. The Panel recognized that it is desirable to have a clearer approach for reallocating funds, and has committed itself to establish procedures that will be as fair and equitable to both the donor and recipient of reallocated funds.

Implementing bodies created pursuant to the Agreement are now in their fifth year of operation. In their first few years, annual funding allotments were often not fully expended. Under Article 37.3.3(f) of the Agreement, the Panel is authorized to carry over unexpended funds from one fiscal year to the next, which it normally does in its regular December meetings after consultation with the implementation bodies.

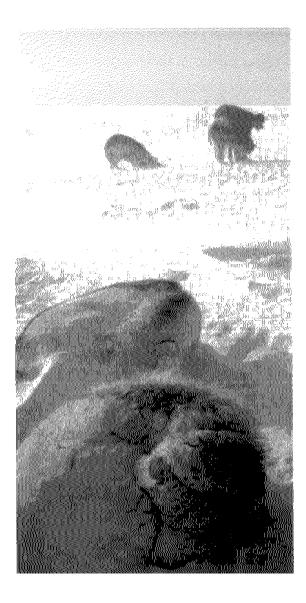
Over the years, as implementing bodies have settled into their roles, their activities and workload have increased. In the last several years, the surpluses available for carry forward have been steadily shrinking.

THE PANEL'S ANNUAL REPORT

This is also a transition year for the Panel's Annual Report. The present report consists of separate statements by all three Parties and implementation bodies, plus a short joint statement by the Panel. The Panel is of the opinion however, that a more focussed, more critical assessment of the Agreement implementation efforts is required, and is in the process of developing a new format.

Individual reports reflecting the Parties' and implementing bodies' issues or concerns will continue to be included in the Annual Report, although these will not necessarily be endorsed by the Panel.

The Panel trusts that this report has provided a greater understanding of the implementation of the Nunavut Land Claims Agreement, and is confident that the Parties will continue to meet the challenges ahead to ensure that the Agreement is implemented in the spirit in which it was intended.





This summary of activities was prepared by Nunavut Tunngavik Incorporated.

Under section 37.3.3 of the Nunavut Land Claims Agreement, the four-member Nunavut Implementation Panel has the responsibility to "prepare and submit an annual public report on the implementation of the Agreement including any concerns of any of the Panel members."

Previous annual reports included a summary of activities submitted by Nunavut Tunngavik Incorporated (NTI). Following a pattern set early in the implementation process, these summaries of activities have supplied what their title implies: a recitation of the principal implementation-related matters that NTI concentrated organizational attention and resources on over the time period in question. Fairminded readers of these annual reports, including the elected federal and territorial law makers who receive copies, as well as members of the Nunavut public, may have found it difficult to judge what parts of the implementation process were considered to be working and what parts were not, or to deduce the predominant mood and outlook of the Panel, either as a whole or as made up of its various members.

For this reason, NTI has shifted direction to a more focused, more critical assessment of where overall implementation efforts stand. What has been successful? What has been disappointing? What parts of the implementation process are operating smoothly, and what areas have become fractious?

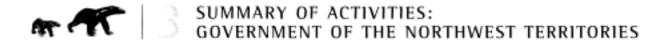
It is our expectation that the contributions of NTI-appointed Panel members to future annual reports will equip readers with a sense of overall implementation efforts, results, and issues. NTI believes that contributions of this kind from other Panel members could also contribute to establishing a more complete and incisive reading on the state of affairs.

NTI decided not to give its assessment of overall implementation efforts to March 31, 1999, for inclusion in this annual report. At the time of writing (June 1999), the contractors carrying out the independent five year review of the Nunavut Land Claims

Agreement (required under paragraph 37.3.3(b) of the Agreement) are in the middle of their work. As the comprehensive work being done by the contractors is approaching conclusion and public release, it would be distracting and confusing for NTI to relay what would be, at best, a partial statement of where implementation stands. It is NTI's hope that the findings and advice of the independent five-year review will assist Panel members and the Parties to the Agreement to address implementation problems in an informed, candid and creative way. In addition, it should be noted that NTI is in the process of helping the independent review by supplying the contractor with a detailed report outlining its position on a wide range of implementation issues. This report will be made available to NTI's implementation partners, as well as interested members of the public.

Finally, it would not be fitting to conclude this statement without noting the events leading up to and culminating in the creation of the territory and Government of Nunavut on April 1, 1999. The 12 months that preceded the great events of April 1, 1999, were ones of intense activity carried out, in a context of mounting public excitement and pride, with a commendably high level of inter-party and inter-personal collaboration. There can be little doubt that the successful launch of the new territory and government - a commitment anchored in Article 4 of the Agreement - was the most impressive success story of the 1998-99 implementation period and, perhaps, of the entire implementation period since July 9, 1993.





This summary of activities was prepared by the Government of the Northwest Territories.

MINISTRY OF ABORIGINAL AFFAIRS (GOVERNMENT OF NUNAVUT'S DEPARTMENT OF EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS)

In its final year of implementing the Nunavut Land Claims Agreement, the Government of the Northwest Territories (GNWT) continued to work closely with the Parties to the Agreement and various implementing bodies. The Ministry of Aboriginal Affairs co-ordinated the implementation activities of all GNWT departments, and reported regularly on the status of those activities. Senior Ministry officials participated in meetings with the Nunavut Implementation Panel and the Panel's Working Group.

The Ministry also provided assistance and support to the Office of the Interim Commissioner (OIC) - Nunavut. Staff was hired by OIC to prepare the new Government of Nunavut (GN) to assume GNWT implementation obligations and activities on April 1, 1999. The Ministry conducted extensive work with the OIC to ensure all Territorial Government obligations and activities were identified. In addition, documents and briefings were provided to the OIC on all implementation work done in the past six years. This included the history of implementation work, status reports, obligations specific to individual departments, and financial arrangements.

The Ministry, in conjunction with the federal government and NTI, began preparations for a review of all implementation activities under the Agreement from 1993 to 1998. This five-year review is independent, as required under Article 37.

DEPARTMENT OF RESOURCES, WILDLIFE AND ECONOMIC DEVELOPMENT (GOVERNMENT OF NUNAVUT'S DEPARTMENT OF SUSTAINABLE DEVELOPMENT)

Inuit Impact and Benefit Agreements

In 1998, the Department of Resources, Wildlife and Economic Development (RWED) and NTI agreed to develop an umbrella Inuit Impact Benefit Agreement (IIBA) for all

existing and new territorial parks to address issues as the Nunavut Park Program grows. RWED also represented the government and people of Nunavut on national park and conservation area IIBA negotiations.

Article 8 - Contracting Procedures

In keeping with its obligations identified in Article 8, RWED prepared an approach to contracting procedures in territorial parks and conservation areas that builds on accepted government standards and policies. It provides preferential treatment to Inuit on park development and operations projects, and first right of refusal on any business opportunities related to territorial parks and conservation areas. A final approach is anticipated to be approved in 1999.

Conservation Legislation

RWED coordinated the review of existing conservation area legislation with NTI, the Canadian Wildlife Service and the Department of Justice. Recommendations contained in the report identified potential improvements to and gaps in existing policy and legislation. A review committee was established that includes representatives from NTI and each federal and territorial department with legislated mandates for protected areas. The committee will review proposed recommendations and develop a set of initiatives to be supported collectively.



Thelon Wildlife Sanctuary

RWED coordinated the final review of the Thelon Wildlife Sanctuary Management Plan with the Kivalliq Inuit Association, the NWMB, Department of Indian Affairs and Northern Development (DIAND), and NTI. It is anticipated that final NWMB approvals from Kivalliq and the management board will be provided in 1999 prior to approvals by Nunavut's Department of Sustainable Development and the Minister of Indian Affairs and Northern Development.

Park Information

RWED continued to ensure all publications, signs, kiosks and interpretation material related to parks are produced in Inuktitut and one or more of Canada's official languages.

DEPARTMENT OF JUSTICE

The Land Titles Office continued to work with the Department of Municipal and Community Affairs to complete the conveyance of land within built-up areas of each municipality. Just prior to division, there was a significant increase in the number of communities passing the required acquisition and administration bylaws. Consequently, the number of conveyancing documents submitted to the Land Titles Office also increased dramatically. Approximately 90 percent of all conveyances that could be submitted, which required municipalities enacting the necessary by-laws, were registered and certificates of title issued.

Based on the original descriptive map plans, 1256 certificates of title (surface and subsurface) were issued for Inuit Owned Lands parcels; 84 new descriptive map plans were registered, and 93 of the original 1256 certificates of title were replaced by new certificates based on new descriptive map plans.

The Legislation Division completed amendments to the wildlife regulations necessitated by the realignment of the boundaries of the wildlife management units/zones/areas to conform to the settlement area.

Legal advice and assistance were provided by Legal Division on a variety of matters including issues related to land claims implementation planning for division, and territorial and federal parks and IIBAs.

DEPARTMENT OF MUNICIPAL AND COMMUNITY AFFAIRS (GOVERNMENT OF NUNAVUT'S DEPARTMENT OF COMMUNITY GOVERNMENT, HOUSING AND TRANSPORTATION)

The Department of Municipal and Community Affairs (MACA) continued to implement its responsibilities under the Agreement, especially with regard to Article 14, the conveyance of municipal lands to Nunavut municipalities.

The Department was engaged extensively in preparing all land transfer documents for municipal lots in order that titles can be registered at the Land Titles Office when by laws of a community are finalized. The land turnovers are now substantially complete in most communities. Almost 90 percent of the titles have been issued for Nunavut municipalities.

MACA sponsored training programs for municipal land administrators. The fourth class of students from the Community Land Administrator Certificate Program graduated from the Cambridge Bay campus of Nunavut Arctic College in 1998. The total number of graduates is now 36. MACA also provided ongoing support and training for all students, including graduates from previous years.

Pursuant to the Bilateral Funding Agreement between Canada and the GNWT, a program was started in July 1996, to fund the salaries of municipal land officers in Nunavut municipalities. All of the communities entered long-term contribution agreements, and more than \$1 million was spent in 1998-99.

DEPARTMENT OF EDUCATION, CULTURE AND EMPLOYMENT (GOVERNMENT OF NUNAVUTS DEPARTMENT OF EDUCATION, DEPARTMENT OF CULTURE, LANGUAGE, ELDERS, AND YOUTH, AND THE DEPARTMENT OF HUMAN RESOURCES)

The Department of Education, Culture and Employment (EC&E) compiled the GNWT's 1998 annual report on Inuit Employment Plans. This report will be distributed in early 1999. In addition, EC&E assisted the OIC in drafting an Inuit Employment Plan for consideration by the GN.

EC&E worked with the Inuit Heritage Trust (IHT) on matters related to heritage and culture. Applications for archaeological permits and for geographic place names were referred to the IHT for its recommendation. A summary report of archaeological work conducted in 1998 was completed. The Department continued to offer advice through the NIRB on possible impacts that land-use operations may have on heritage sites.

DEPARTMENT OF PUBLIC WORKS AND SERVICES (GOVERNMENT OF NUNAVUT'S DEPARTMENT OF PUBLIC WORKS, TELECOMMUNICATIONS, AND TECHNICAL SERVICES)

The GNWT was obligated to contract for goods and services in the NSA in accordance with Article 24 of the Agreement. In October 1997, Cabinet approved the Contracting Procedures in the NSA. In 1998, the GNWT finalized with NTI how the obligations would be implemented, and the GNWT agencies implemented the contracting procedures in contracting activities in Nunavut. During the contracting process, GNWT departments continued to solicit bids from Inuit firms.



This summary of activities was prepared by the Government of Canada.

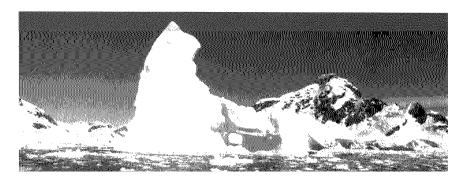
ECONOMIC ACTIVITY AND EMPLOYMENT

The federal government continued to implement the objectives of Article 24 of the Nunavut Land Claims Agreement to provide support for and assistance to Inuit firms competing for government contracts.

The Department of Public Works and Government Services (PWGSC) continued to notify NTI of bidding opportunities in the Nunavut Settlement Area (NSA) by faxing copies of the Notices of Proposed Procurement directly to the Nunavut claimant groups. These notices are also posted on the government electronic tendering system, MERX.

PWGSC continued to assist Inuit firms to become familiar with the bidding and contracting process through seminars, publications and its Contracts Canada Internet site (http://www.contractscanada.gc.ca) on how to do business with the federal government.

On an ongoing basis, PWGSC uses the bid criteria set out in Article 24.6.1 of the Agreement to include Inuit in employment opportunities, professional services, supply contracts, and job training and skills development for Inuit whenever practicable and consistent with sound procurement management.



ENVIRONMENTAL AND WILDLIFE MANAGEMENT

The objectives of Article 5 of the Agreement are to create a system of harvesting rights, priorities and privileges, and wildlife management including establishment of the Nunavut Wildlife Management Board (NWMB). Environment Canada continued to fulfill its obligations related to the NWMB.

A summary of Environment Canada's wildlife research in Nunavut was presented to the NWMB.

Research activities included:

studies of the distribution and abundance, survival, and reproductive success of elders, specifically populations of Pacific common eiders in the central Arctic, king eiders in the Queen Maud Gulf Bird Sanctuary; common and king eiders on Southampton Island; the northern common eider off southern Baffin Island; and the Hudson Bay eider in the Belcher Islands;

ongoing studies of polar bears, including research on the behaviour of undisturbed bears; the significance of polynyas (large areas of open water surrounded by pack ice); the reproductive status and condition of bears; selection of maternity den sites by pregnant female bears in western Hudson Bay; and the effect of the pattern and timing of ice breakup on the coastal distribution of bears in western and southern Hudson Bay; and

studies of the year-round distribution, abundance and habitat of several populations of geese, with particular emphasis on determining the impact of increasing numbers of snow geese on lowland tundra habitat, and evaluating the effectiveness of management efforts to reduce snow goose numbers.

Discussions of two major Environment Canada initiatives were held with the NWMB and other northern interests: draft federal legislation to protect endangered species, and efforts to control the growth of snow goose populations.

Article 9 outlines obligations related to conservation areas in Nunavut, including conservation and management of existing and new conservation areas, and Inuit Impact Benefit Agreements (IIBAs).

A study to determine the need for amendments or new legislation to designate and manage land and marine conservation areas in Nunavut, as outlined in Article 9.3.1, was conducted under contract. Products included a final report, The Review of Conservation Area Legislation in Nunavut. A supplementary table summarized 31 recommendations for review, amendments and new legislation. The Canadian Wildlife Service (CWS), the Department of Resources, Wildlife and Economic Development (RWED) and NTI reviewed and accepted the report. The federal and Nunavut governments will formulate a list of recommendations of common priority, and individual parties will pursue appropriate action.

Negotiation and implementation of IIBAs for Igaliquuq and nine existing conservation areas in Nunavut will require substantially more resources than are available in current operating budgets. CWS has applied to the Treasury Board Implementation Reserve to access funds for IIBAs. If the application is approved, negotiations will resume late in 1999.

The Department of Fisheries and Oceans (DFO) continued to work closely with the NWMB and the three Regional Wildlife Organizations (RWOs) to clarify roles and responsibilities under the Agreement.

DFO hosted a meeting in Yellowknife on May 27, 1999, for the Institutions of Public Government (IPGs). It was attended by IPGs from the Gwich'in Renewable Resources Board, Inuvialuit Fisheries Joint Management Committee, Sahtu Renewable Resource Board, NWMB, as well as DFO representatives from Yellowknife, Ottawa, Winnipeg, Burlington and Iqaluit.

In November 1998, DFO adopted a three-year trial management regime for narwhal in the NSA, as proposed by the NWMB. The new regime replaced community narwhal quotas with by-laws established by community Hunters and Trappers Organizations (HTOs). Improved reporting on hunting losses is an important part of the by-laws. A full understanding of hunting losses is required for a sound determination of total allowable catch. In spring 1999, five communities established community by-laws for the harvesting of narwhal. Narwhal hunts proceeded under the new management

regime for these five communities. The communities involved with the Narwhal Management Plan are Repulse Bay, Pond Inlet, Arctic Bay, Clyde River, Qikiqtarjuaq (Broughton Island).

A similar trial management regime was adopted for the southeast Baffin beluga. Two of the south Baffin communities completed the by-laws and proceeded with their hunt under the new management regime.

The Walrus Management Plan Draft 5 was completed. A working group was created to review and make recommendations. The Walrus Working Group will have representatives from the NWMB, DFO, Qikiqtaaluk Wildlife Board and the communities of Arctic Bay, Cape Dorset, Coral Harbour, Hall Beach, Igloolik, as well as an independent chair. The first meeting of the working group to take place in Iqaluit in late September 1999.

Under Section 5.7.25, 28, 29, 31, 36 of the Agreement, DFO initiated regulatory amendments for the Marine Mammals Regulations and the Northwest Territory Fisheries Regulations that are now the Nunavut Fishery Regulations. A Regulatory Impact Analysis Statement for these amendments is being prepared.

Nunavut Implementation Funding for stock assessment related research for the 1999-00 year was distributed at a January meeting in Winnipeg. The fieldwork research for these projects is underway in the NSA.



A major cleanup project of Resolution Island is underway. Used by the United States Air Force as a communications site until 1972, and by the Canadian Coast Guard until 1974, the goal is to make the site environmentally acceptable and address public health and safety issues. The five-year project is anticipated to cost more than \$50 million. Approximately \$7 million was spent during this reporting period. The Qikiqtaaluk Corporation manages the project for the Department of Indian Affairs and Northern Development (DIAND).

A former DIAND facility on Flaherty Island (near the Belcher Islands) was abandoned in the early 1970s. Empty 45-gallon drums, building debris and waste metal were consolidated for removal. In addition, some cleanup activities were conducted at an abandoned sport fishing camp at Henik Lakes. Materials were hauled out during the winter months, and the site is ready for final inspection.

HERITAGE

Parks Canada has created the Nunavut Field Unit to manage the national parks, national historic sites and other Parks Canada operational responsibilities in Nunavut. In addition to the existing operational centres, a new field unit office will be developed in Iqaluit to facilitate working with the GN and Nunavut Land Claims Agreement organizations.

Article 8 of the Agreement provides for the establishment of Auyuittuq and Ellesmere Island National Park Reserves as national parks, and for a new national park on northern Baffin Island. Negotiations are concluded and a signing ceremony is planned for the summer of 1999. The parks will be known as Auyuittuq, Quttinirpaaq and Sirmilik National Parks, respectively.

Parks Canada and the Kivalliq Inuit Association continued to negotiate an IIBA for the proposed national park at Wager Bay. Negotiation sessions were held at Wager Bay in August 1998 and Rankin Inlet in November 1998. Among other things, negotiators agreed that the new park would be called Ukkusiksalik National Park.

The new park feasibility study continued for the proposed national park on northern Bathurst Island. In August of 1998, Parks Canada made arrangements for 10 representatives of the community of Resolute Bay to visit the proposed national park area. Stops were made at Polar Bear Pass and at Walker River. Most trip participants had not previously visited the area.

Parks Canada is providing funding to two community organizations to share the costs of two national historic sites. The management costs of the Fall Caribou Crossing National Historic Site is being shared with the Hamlet of Baker Lake. The management costs of the Arvia'juaq National Historic Site is being shared with the Arviat Historical Society.

Parks Canada and the Inuit Heritage Trust produced several educational posters on the archaeology of Nunavut. Parks Canada also produced two books on Nunavut archaeology. These and other publications are available in Inuktitut.

A thematic study to provide a framework for assessing proposals for the commemoration of sites of national significance in Nunavut was completed. A report was presented to the Historic Sites and Monuments Board of Canada. McGill-Queens University Press is publishing an oral history of Nunavut, based on the thematic study.

Parks Canada, in cooperation with many partners, continued to prepare the annual publication *New Parks North.* All information relating to Nunavut is presented in an Inuktitut version.

LAND AND WATER MANAGEMENT

As identified under Article 19.8.8 of the Agreement, Natural Resources Canada (NRCan) is responsible for surveying the Inuit Owned Lands parcels as described in the Descriptive Map Plans. This involves the survey and demarcation of approximately 1155 Inuit Owned Lands parcels, 12 Jointly Owned Lands parcels, and all crown land areas excluded from these parcels. Plans must be prepared and delivered to the Registrar of Land Titles.

Approximately 100 more parcels were surveyed this year bringing the total to about 900 parcels (75 percent) surveyed to date. Survey plans were prepared and recorded in the Canada Land Survey Records and delivered to the Registrar of Land Titles.

Approximately \$2.6 million was contracted in survey projects and other related activities for the Nunavut Land Claims survey program.

Two projects were carried out in the High Arctic between Grise Fiord and Eureka. It involved the Clyde River parcels and around Hall Beach, and in the Gjoa Haven area on King William Island. A total of 935 corners were surveyed.

The Yellowknife Office of Legal Surveys Division, NRCan sponsored a one-week training course, entitled "Canada Lands Surveys Systems and Processes," for land claims land administrators from the Eastern Arctic. The training course was held in partnership with Aurora College at its Yellowknife Campus. Ten people from the Eastern Arctic attended the course in February 1999. They represented the Kitikmeot, Kivalliq and Qikiqtani Inuit Associations, and NTI from the NSA and the Inuvialuit Land Administration from the Inuvialuit Land Claims area.

Course topics included: Acts and Regulations pertaining to surveys on Canada Lands; administration and registration of land; contracting process; regulatory process; community planning; surveys and mapping; interpretation of survey plans; and geographic information systems.

Instruction was provided by representatives from Legal Surveys Division, NRCan; DIAND; Municipal and Community Affairs and the Land Titles Office, GNWT. Site visits were made to Legal Surveys Division; DIAND; Municipal and Community Affairs, and the Land Titles Office, GNWT.

The Environment and Conservation Division of DIAND continued to provide direct and active support to Nunavut land claims implementation activities, attending all NPC regular meetings and participating in their regional land use workshops. The Coordinator also provided regional input to departmental officials in Ottawa in drafting the Memorandum to Cabinet required for the approval of the North Baffin and

Keewatin Regional Land Use Plans. The Division played an active role in the Nunavut Planning Commission's (NPC) initiative which developed and implemented the electronic project registry PLANNER system.

DIAND's Water Resources Division continued to provide technical and procedural advice on projects in the Nunavut Region. These included the Iqaluit Landfill Abandonment and Restoration Plan review, sewage treatment plant review, the Gjoa Haven Municipal Water Licence Review, the Boston Project, the Jericho Project and numerous exploratory drilling reviews.

The Land Administration Division of DIAND is responsible for the administration of federal Crown lands in the NSA. This includes the issuance of land use permits, land leases and quarry permits.

During the same period, the following rights were granted under the authority of the Canada Mining Regulations and are exempt from screening: 410 mineral claims recorded and 52 prospecting permits issued.

DIAND delivered Notifications to Issue Title for the Contwoyto Lake lands to the Land Titles Office in March 1999.

DEFENCE

The Department of National Defence (DND) provided the Designated Inuit Organizations (DIOs) and the Regional Inuit Associations (RIAs) with yearly training plans and notice of exercises approximately one month prior to an exercise in accordance with Article 21.5. Affected communities were also advised of forthcoming activities.

The NSA has 15 of the 21 sites that are no longer required for the operation of the North Warning System. NTI does not support the proposed cleanup protocol, based on their interpretation of Article 24 of the Agreement. NTI feels it does not provide sufficient Inuit employment. DND continued to postpone the cleanup efforts, except for Cape Hooper.

FEDERAL CO-ORDINATION OF IMPLEMENTATION ACTIVITIES

The Claims Implementation Branch of DIAND is responsible for monitoring federal government activities to ensure Canada meets its obligations under the Agreement.

During 1998-99, the Branch was active in all aspects of implementation of the Agreement including:

funding arrangements with all implementing bodies established by the Agreement;

ensuring that capital transfer payments to the Nunavut Trust are made in accordance with the Agreement;

participating in a workshop hosted by the Office of the Interim Commissioner (OIC), along with the GNWT and NTI. The workshop was to assist the new officials of the GN to better understand its land claims obligations under the Agreement;

participating in a workshop with officials of various GN ministries responsible for day-to-day implementation issues, including funding agreements and the appointment process;

maintaining regular liaison with the GNWT and NTI implementation managers for the exchange of information on administrative matters pertaining to implementation activities;

maintaining regular contact on at least a quarterly basis with all federal government departments and agencies in order to track their implementation status reports on the automated Land Claims Obligation System;

maintaining ongoing contact with departments and agencies on specific issues;

consulting with all the implementing bodies to assess funding requirements to year-end, and making recommendations to the Implementation Panel on funds to be carried forward to 1999-2000; and

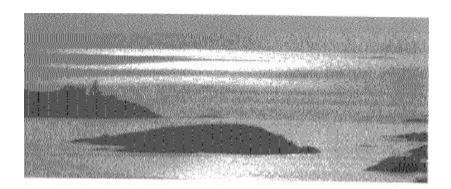
processing appointments of six Makivik alternate members to Nunavut resource boards for issues affecting Areas of Equal Use and Occupancy between Nunavut and northern Quebec:

Staff members of the Branch also provided administrative services, as well as co-ordination for the Implementation Panel members by:

organizing the Panel agenda, receiving and distributing material to Panel members, scheduling presentations, providing interpreters, taking minutes, preparing records of decision, follow-up on action items from the regular Panel and teleconference meetings;

co-ordinating the preparation of the Nunavut Implementation Panel's annual report; and

drafting the terms of reference for a contractor to perform the five-year review on the implementation of the Agreement and participating in the selection process and monitoring the work of the contractor. Staff also assisted the contractors in retrieving information from the past five years.



CAPITAL TRANSFER PAYMENTS		SURFACE RIGHTS TRIBUNAL to fulfil its responsibilities under the Agreement and			
NUNAVUT TRUST capital transfer payment (net of loan repayment)		Implementation Contract (Article 21.8.1)	293,672		
(Article 29.1.2)	\$84,825,841	NUNAVUT WATER BOARD to fulfil its responsibilities under the Agreement and			
RESOURCE ROYALTIES		Implementation Contract (Article 13.3.17)	1,558,789		
NUNAVUT TRUST resource royalties during 1998 (Article 25.2)	1,170,572	public hearings (Section 5.14 of the Implementation Contract)	112,200		
IMPLEMENTATION FUNDING	, -,-	NUNAVUT WILDLIFE MANAGEMENT BOARD	,		
GOVERNMENT OF THE NORTHWEST		to fulfil its responsibilities under the Agreement and Implementation Contract (Article 5.2.19)	3,895,576		
TERRITORIES to fulfil its responsibilities under the Agreement and		Nunavut Wildlife Harvest Study (Article 5.4.4)	1,043,044		
Implementation Contract (Parts 5.7 and 5.8 of Implementation					
Contract) 988,419	988,419				
land administration activities	1,125,000				
ARBITRATION BOARD					
to fulfil its responsibilities under the Agreement and Implementation Contract (Article 38.1.7)	27,230				
NUNAVUT IMPACT REVIEW BOARD					
to fulfil its responsibilities under the Agreement and Implementation Contract (Article 12.2.31)	1,578,420				
public review (Sections 5.14 of the Implementation Contract)	50,000				
NUNAVUT PLANNING COMMISSION					
to fulfil its responsibilities under the Agreement and Implementation Contract (Article 11.4.3)	3,478,531				