

Arctic and Northern Policy Framework

Pan-Territorial Chapter

Yukon

Northwest Territories

Nunavut



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Premiers' Introduction

In 2017 the Premiers of the Yukon, Northwest Territories, and Nunavut released the *Pan-Territorial Vision for Sustainable Development* that declared that all residents of the territories deserve the opportunity to achieve the same aspirations for themselves and their families as other Canadians – including social, education, health, and economic opportunities.

The Premiers stand together to foster long-term development of northern economies on a foundation of responsible resource development, economic diversification and job creation – in addition to investments in transportation, energy and communications infrastructure, and innovation. A key principle of the *Pan-Territorial Vision for Sustainable Development* is that northerners must have the tools and authority to manage their own affairs and make decisions on the future of the North.

The Premiers are taking a strong leadership role in working with the federal government, territorial governments, and Indigenous governments and organizations, and affected stakeholders to give meaning and outcomes to the *Pan-Territorial Vision for Sustainable Development*. The shared vision, principles and investment and development priorities provide a foundation for the establishment and implementation of the *Arctic and Northern Policy Framework*. This foundation reinforces the importance of resource development, economic diversification, improved infrastructure and innovation in building strong territorial economies and strengthening self-reliance.

Purpose of the Pan-Territorial Chapter

The pan-territorial chapter sets out a brief context of the importance and role of the three territories as a political and economic 'region' of Canada. It highlights some of the key opportunities and challenges that the territories share, and provides an introduction to the more detailed territory-specific chapters that follow. The chapter begins with the components of the Premiers' *Pan-Territorial Vision for Sustainable Development*, followed by key aspects of the pan-territorial context.

Pan-Territorial Vision and Principles for Sustainable Development

Strengthened and diversified economies are central to sustainable community wellness and to Indigenous self-determination. Fostering healthy, vibrant and prosperous communities will require local skill-development investments, which will be imperative to economic diversification and establishing more self-reliant communities. Infrastructure such as highways, roads, bridges, harbours, ports, airports, viable energy alternatives, telecommunications and connections to hydroelectric grids are critical for economic diversification and reducing the costs of living. Each territorial government has strong and productive relationships with local Indigenous governments and organizations. Their collaborative participation is vital to reconciliation, economic development of the territories and in supporting community wellness, elements essential to advancing Canada's Arctic and a shared prosperity.

Pan-Territorial Vision:

The people of Nunavut, Northwest Territories and Yukon are our number one priority and our most important resource. As Premiers, we are committed to taking a leadership role in working with the federal government, territorial Indigenous governments and organizations, and stakeholders to provide our residents with every opportunity for economic success and a high quality of life. Every Northerner deserves the opportunity to experience wellness and the strength of community that characterizes Canadians. Economic development and diversification are foundational to this goal.

Pan-Territorial Principles:

- **The territories will stand together to create long-term sustainable development of northern economies.**
- **Indigenous governments and organizations are integral to the economic future of the territories.**
- **Northerners must have the tools and the authorities to manage their own affairs and to make decisions on the future of the North.**
- **People of the territories have opportunities to build self-reliance, live in healthy, vibrant, prosperous communities, and build their capacities to reach their full potential.**
- **Social and environmental responsibilities are integrated into our territorial regulatory regimes and underpin all our economic development decisions.**



Pan-Territorial Sustainable Investment and Development Priorities

RESOURCE DEVELOPMENT

Responsible, sustainable resource development and job creation is the cornerstone of the territorial economies. Indigenous ownership, investment and participation in the resource industry are key to the success of this sector. Resource projects provide education, training and employment opportunities in communities as well as direct Indigenous participation in supply and services business development.

We are positioned to drive innovation in cold climate resource extraction. As we work to responsibly develop our resources we will continue to collaborate with Indigenous governments and organizations, the federal government, and industry partners to sustainably and responsibly develop our economies. Through this work we will also ensure that the benefits of development improve the quality of life for our citizens and continue to protect the environment for future generations. The territories are endowed in the natural resources essential to the technologies that support the expanding green economy.

ECONOMIC DIVERSIFICATION

Diversification is an essential factor in the success of sustainable economies. Across various regions, the territories are home to emerging and established sectors such as tourism, traditional economies, agriculture, film, digital media, arts and crafts, forestry, manufacturing, information technology, and commercial fishing.

Partnership with Indigenous governments and organizations, industry and the federal government will strengthen territorial economic diversification, balance interests and ensure benefits are dispersed more broadly across and within the territories. The territories will seek to strengthen and establish infrastructure, increase educational resources, and develop innovative partnerships to deliver leading edge business and entrepreneurial mentorship services to drive new business and employment opportunities.

INFRASTRUCTURE

Large scale investment in northern transportation infrastructure corridors including highways, harbours, ports, airports and rail will create investment and economic opportunities in the North. The development of clean, affordable energy alternatives and connecting to hydroelectric grids will reduce the costs of living and doing business in the North and increase investment in the territories.

Resource potential and expanding northern sovereignty challenges make northern development a matter of national interest. Federal investment in northern infrastructure will lever private sector investment and maximize opportunities for exploration and development.

Connecting communities through telecommunications infrastructure is key to supporting innovation and technology development, creating prosperity, and increasing the well-being of citizens living in remote areas.

INNOVATION

Research, innovation, and commercialization, particularly through entrepreneurship, will strengthen and diversify territorial economies. Many northern communities and industries rely on diesel as their main energy and heat source. New innovative technologies and modernized energy systems will provide alternative energy sources for communities and industries that have limited energy generation options.

The adoption of renewable and innovative technologies will decrease communities and industrial reliance on carbon intensive fuel sources and further our sustainable and, environmentally responsible development. Innovative energy and heating solutions as well as responsible industry practices will play an important role in the future of the North. Partnerships across all levels of government and with the private sector will create these innovative solutions and enable the North to prosper.

Pan-Territorial Context

Geography:

Together the territories represent a vast geographic area encompassing 3.9 million square kilometers. This accounts for nearly 40% of Canada's landmass and comprises a large part of the longest coastline in the world, with tremendous untapped economic opportunities including unparalleled natural resource development potential. The territories' geographic expanse also represent centuries of Indigenous history, Canada's northern identity and actual sovereignty in the Arctic, both at home and on the international stage.

Who we are and where we live:

The total population of the territories is currently some 113,000 persons, which is about 1% of Canada's population, living in 75 remote and rural communities. The territories are home to a vast and rich diversity of cultures and languages, with Indigenous peoples making up 86 percent of the population of Nunavut, 50 percent in the Northwest Territories and 25 percent in the Yukon.

The Yukon and the NWT can be characterized as having the majority of their territorial populations concentrated in their capital cities (70% in Whitehorse and 50% in Yellowknife). Nunavut continues to have the majority of its population (about 78%) living in the 24 communities outside of the capital city of Iqaluit.

Statistics Canada population projections to 2031 indicate an overall modest increase of up to 16% across the combined territories. This will bring the population of the territories to about 131,000, with some variation in individual territorial growth. The three territories, like Canada overall, are also experiencing demographic and socio-economic shifts and challenges, including low population growth due to changes in natural increase rates and the significantly increased demand for services for the aging populations. These factors are, and will, continue to impact territorial labour force demand and supply. It also creates a corresponding need for further investment in communities.

In each of the territories, the relationships between the public, territorial and Indigenous governments and organizations are key to policy development and effective program and service delivery. Respect, trust and a continued commitment to strengthening working partnerships between the territorial and Indigenous governments and organizations are a shared priority and central to the future of the territories.

Sustainable economic development and growth:

Canada and the territorial governments share an enduring obligation and commitment to advance a fundamental provision of the *Constitution Act* (1982), that of addressing equalization and regional disparities. Section 36 (1) states: “Parliament and the legislatures, together with the government of Canada and the provincial governments are committed to: (a) Promoting equal opportunities for the well-being of Canadians; (b) Furthering economic development to reduce disparity in opportunity.” This legislative-based commitment underpins the mandates and informs priorities of the federal, territorial and provincial governments.

The Canadian competitive position on the global circumpolar stage is a concern, as it impacts the lived realities of territorial populations, as well as Canada’s overall economic strength and international political influence. While recognizing the limitations of direct comparison of circumpolar regions due to availability of comparable data, economic growth, as measured by Gross Domestic Product (GDP), for circumpolar regions indicates that relative to the European Arctic and the Russian Arctic, the Canadian Arctic has experienced comparatively lower rates of economic growth. Achieving sustained economic development at the pan-territorial level is dependent, in part, on mutual commitments and collaboration by all the territorial, federal and Indigenous governments and organizations to work together for meaningful and sustained prosperity.

Territorial collaborative governance, co-existence and shared prosperity:

Northern economic development is essential to the building of a new political and economic relationship between the federal government, territorial governments, Indigenous governments and organizations, and Indigenous people. Territorial citizens are intent on achieving social and economic equity with their southern counterparts and playing an important role in Canada’s future economic success both at home and on the international stage. It is important that Canada’s national northern identity has space for, and is inclusive of, this ambition.

Each territory, on its own terms and timeline, is advancing along a bridge of socio-cultural, economic and political collaboration in governance and respectful co-existence within a shared geography and future. Acknowledgement of the legitimate rights and responsibilities of territorial public governments, Indigenous governments and organizations is fundamental to accountable, effective and efficient collaborative governance structures. Every citizen within their respective jurisdiction is entitled to equitable access to essential programs and services, and opportunities for shared prosperity.

Pan-Territorial Context continued

Competition and Cooperation:

While the three territories, as distinct political jurisdictions, naturally compete for external investment from public and private sources in order to advance social and economic development priorities of all the citizens they serve, the territories have a long and shared history of cooperation and collaboration.

The shared histories of deep and rich cultures of the Indigenous people of the Arctic requires that the three territories continue to cooperate and maintain open borders to accommodate a range of transboundary interests, economic opportunities, renewable resources and wildlife management goals. The three territories remain committed to continue working together, and to strengthening relationships with Indigenous governments and organizations, and with Canada to build on and expand the natural competitive advantage of the respective natural resources endowments. It is this that will give the people of each territory the social and economic benefits of making the decisions to harness and responsibly develop these resources.

Fiscal capacity and sustainability:

The combined annual expenditure of the territories is over \$5.2 billion, with about 75% of that through transfers from Canada. Each of the territorial governments is challenged by constrained fiscal capacity and the consequential limits to invest in essential core programs and services, let alone strategic and economic infrastructure. The territorial fiscal capacity to invest is additionally constrained by the borrowing limits set by the federal government, and the available debt ceiling room.

The territories' fiscal stability is tied directly to the strength of their economies. As part of their continued political development, the Yukon and the NWT have lands and resources jurisdiction through devolution agreements with Canada. Nunavut is in the process of negotiating a lands and resources devolution agreement with Canada. Strategic investments in infrastructure that facilitates growth in the natural resource development sectors will create space in territorial budgets that can then be further invested. The shared goal of broad and diversified economic growth will increase self-reliance and community wellness and thus enable the territories to become less financially reliant on Canada. The first step to achieving this is making the territories more competitive and accessible for increased investor confidence and, by lowering the cost of living and doing business – which are linked to investment in critical infrastructure.

Infrastructure gaps and investment:

The three territories, like the Canadian Arctic overall, have significant infrastructure deficits that are posing substantive challenges to the fundamental safety and quality of life for citizens by negatively impacting socio-economic growth, resource development, and emergency management. The human and economic potential in all three territories is currently constrained by the lack of transportation, clean energy and digital communication infrastructure. Many northern communities lack access to any type of road network, let alone an all-weather highway system. Additionally, most communities have no alternatives to diesel power generation, which is costly and contributes to climate change.

There are significant strategic and economic infrastructure development opportunities that will reduce the cost of living and have positive impacts on levels of individual and community wellness. These opportunities will also generate sustained economic growth that can be potentially shared among territories, and among public and Indigenous governments and organizations. These types of investment opportunities are not about dividing the economic pie, but rather working in true partnership, to make a bigger economic pie that will achieve a broader, deeper and sustained prosperity across all regions and territories.

