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Department of Economic Development and Transportation
Pivalliayuliqiyikkut Ingilrayuliqiyitkullu
Ministère du Développement économique et des Transports

GN ACTION PLAN DISCUSSION PAPER

NIRB File No. 17SN034

November 27, 2023

On July 31, 2019, NIRB delivered a final report for the Strategic Environmental Assessment (SEA) for oil and gas development in Baffin Bay and Davis Straight SEA Report to the Minister of Crown-Indigenous Relations and Northern Affairs. NIRB's report highlighted 79 recommendations to be addressed for moving forward.

This report (GN Action Plan Discussion paper) presents GN proposed views on the priority, the likely timeline and the potential partnerships required to accomplish the recommendations given by NIRB. It also summaries the next steps proposed by the GN regarding oil & gas development in Nunavut and sets out the priorities as guided by the results of the SEA.

The Government of Nunavut (GN) participated actively in all stages of the SEA, including participation in the SEA working group alongside the NIRB, CIRNAC, Nunavut Tunngavik Incorporated (NTI) and the Qikiqtani Inuit Association (QIA) and has significant interest in all matters respecting sustainable development in and around Nunavut, from environmental, socio-economic, cultural, and other vantage points.

GN wishes to share this Action Plan for discussion purposes, with the hope that some high priority action items could be delivered by the relevant partners and stakeholders.
The GN welcomes all feedback and recommendation and recognises that the implementation of this action plan is subject to the approval of the partners, engagement and consultation with the affected communities, availability of federal funding and collaboration between stakeholders.

Qujannamiik.

Comments and feedback can be sent to:
Maryam Abdullahi
Senior Advisor, Petroleum Resources
mabdullahi@gov.nu.ca

Executive Summary

The Strategic Environmental Assessment (SEA) for oil and gas development in Baffin Bay and Davis Straight was referred to the Nunavut Impact Review Board (NIRB) under the Nunavut Land Claims Agreement (NLCA; aka Nunavut Agreement) in February 2017. The objective of the SEA is to better understand the potential for oil and gas development within the defined area of focus in Baffin Bay and Davis Strait. In advance of any proposed projects, the assessment was to include the study of potential offshore oil and gas development impacts and benefits, risks, management and mitigation strategies, and hypothetical development scenarios. The NIRB delivered a Final SEA Report to the Minister of Crown-Indigenous Relations and Northern Affairs on July 31, 2019.

The Government of Nunavut (GN) has participated actively in all stages of the SEA, and has significant interest in all matters respecting sustainable development in and around Nunavut, from environmental, socio-economic, cultural and other vantage points. This report presents an Action Plan based on the results of the Final SEA Report. The Action Plan Discussion Paper proposes the next steps regarding oil & gas development in Nunavut, and sets out the priorities as guided by the results of the SEA.

Upon review of the Final SEA Report, the GN identified the following strengths:

- Procedurally strong SEA orchestrated by the NIRB;
- Thorough consideration of Inuit Qaujimajatuqangit and Inuit Qaujimaningit;
- Integration of information from various sources;
- Identification and comprehensive treatment of data gaps and uncertainties; and
- Comprehensive set of Final Recommendations and Conclusions.

As well as the following weaknesses or areas where the Final Report could have been improved:

- Lack of clear ecosystemic, socioeconomic or sustainability objectives;
- Disconnect between SEA procedure and technical direction;
- Development scenarios that aren't really scenarios, and no preferred alternative;
- Cursory treatment of mitigation; and
- Details on recommended monitoring programs are lacking.

In this report, the GN provides its views on the priority of the NIRB's Final Recommendations (high, medium, or low) and the likely timeline (short-term, medium-term, or long-term) and the potential partners required to accomplish the work needed for each recommendation. Based on these prioritizations, the GN has identified specific actions to undertake, for which there are seven main topic areas:

1. **Spill Prevention and Response**
    - Research emergency preparedness and response, spill response technologies and infrastructure, and effects of a spill on the environment, socio-economics, and Inuit way of life.
    - Identify required capacity, infrastructure, training, and investment required to respond to a major spill.
    - Develop guidance on roles and responsibilities of stakeholders, response systems for spills in the Arctic and long-term Arctic spill prevention, response, and evaluation research program.

2. **Benefits Regime and Compensation**
    - Review current compensation frameworks for consideration of impacts to Inuit harvesting, Inuit rights, and marine wildlife. Review proposed project assessments for benefits and compensation for the region.
    - Develop royalties and benefits regime guidance and suggest revisions to current compensation framework.

3. **Scenario Development**
    - Research risk and benefits analysis of economic development options, and conduct SEA for offshore oil and gas activities for areas of known resources.
    - Review SEAs or project-specific assessments for inclusion and consideration of alternative technologies.
    - Develop guidance document(s) that defines how the alternative technologies assessment should be conducted.

4. **Sensitive Areas, Species at Risk, and Areas of Importance for Inuit**
    - Research and identify sensitive or critical habitat for Species at Risk. Research coastal habitat features, heritage resources, marine harvesting, food security, commercial fisheries, and effects to sensitive areas and commercial fisheries.
    - Identify potential marine area candidates for formal conservation protection
    - Review future oil and gas developers' spill plans, ensuring community concerns are addressed and shipping restrictions protect marine wildlife.
    - Develop activity restrictions to reduce or eliminate effects for Species at Risk habitat, sensitive areas and seasons, floe edge, and commercial harvesting.

5. **Building a Strong Knowledge Base**
    - Ensure all research includes consultation with Inuit knowledge.
    - Research acoustic, biological (e.g. fish, waterbirds, marine mammals) and physical (e.g. climate change, sea ice, greenhouse gas emissions) environments, and existing communication and transportation infrastructure.
    - Research potential effects and cumulative effects of oil and gas activities to the physical and biological environment.
    - Develop a gathering process and repository for *Inuit Qaujimajatuqangit* and *Inuit Qaujimaningit,* and a threshold criteria for assessing acoustic effects to biological receptors.

6. **Regional Planning, Policy, and Community Engagement**
    - Research the potential for development to impact Inuit culture, heritage and rights.
    - Identify ice monitoring and management needs
    - Review current participant funding for SEA and project-specific assessments, industry communication strategy and participation plan, and future effects assessments for transboundary effects.
    - Develop a community engagement plan, including future effects assessments, and involvement with education, research and planning.
    - Develop a regional plan and priorities, a co-management structure and relationship with neighbouring jurisdictions, criteria and indicators for community health and well-being, and a guidance document for how transboundary effects assessments should be conducted.

7. **Project Mitigation, Impact Assessment, and Monitoring**
    - Research offshore oil and gas mitigation measures and best practices, accidents, and malfunctions (prevention, contingency, response, mitigation).
    - Identify support programs to mitigation impacts to Inuit culture, heritage and rights, and opportunities for Inuit community involvement in monitoring programs (including skills and training needs).
    - Develop standard mitigation measures for oil and gas development specific to the Arctic, and a harvestor and community reporting tool for issues associated with development activities.
    - Update the SEA with additional baseline research.
    - Develop a harvest and community reporting tool for observed issues with development activities.

The GN will continue to collaborate with federal government departments, Inuit organizations, IPGs, and local communities to complete the work necessary to address the identified actions, and develop acceptable conditions for oil and gas development to proceed in the offshore of David Strait and Baffin Bay.

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1.0 Introduction

Pursuant to Article 12 of the Nunavut Land Claims Agreement (NLCA; aka Nunavut Agreement) and to the *Nunavut Project Planning and Assessment Act*, SC 2013, c 14 s. 2, the Nunavut Impact Review Board (NIRB) has the responsibility to assess and monitor, on a site-specific and regional basis, the ecosystem and socio-economic impacts of project proposals in the Nunavut Settlement Area and Outer Land Fast Ice Zone (the designated area).

On February 9, 2017, Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC; formerly Indigenous and Northern Affairs Canada) referred the Strategic Environmental Assessment in Baffin Bay and Davis Strait (SEA) to the board pursuant to s. 12.2.4 of the Nunavut Agreement. The objective of the SEA is to better understand the potential oil and gas development scenarios within the defined area of focus in Baffin Bay and Davis Strait. The assessment was to include the study of potential impacts and benefits, risks, and management and mitigation strategies. Distinct from the NIRB's core responsibilities for project-specific impact assessments, the SEA was designed to examine hypothetical oil and gas development scenarios, in advance of any proposed projects.

The Government of Nunavut (GN) has participated actively in all stages of the SEA, including participation in the SEA working group alongside the NIRB, CIRNAC, Nunavut Tunngavik Incorporated (NTI) and the Qikiqtani Inuit Association (QIA). The GN provided feedback and recommendations through the SEA process to the NIRB directly or during the working group meetings, and contributed to enhance community participation by providing information on oil and gas, such as on oil and gas history in Nunavut, seismic surveying, the GN spill response program, and the GN study on naturally occurring oil seeps. The GN attended all SEA public meetings organized by the NIRB along with the working group members, and provided information through presentations, information sessions, brochures, hands on demonstrations, and posters.

While the Government of Canada (GOC) currently has authority over the management of offshore petroleum resources, the GN has significant interest in all matters respecting sustainable development in and around Nunavut, from environmental, socio-economic, cultural and other vantage points.

The GN delivered a Final Written Submission to the NIRB on February 25, 2019. The submission includes: identification of outstanding concerns and primary risks associated with oil and gas development in Baffin Bay and Davis Strait; identification of information, institutional, and infrastructure gaps; recommendations for the NIRB to consider; and recommendations for post-SEA work. The GN participated in the Final Public Meeting for the SEA review held March 18-22, 2019 in Iqaluit. During the Final Public Meeting, the GN presented its conclusions and recommendations, and participated fully in discussions with the meeting participants.

Following the two-year review process, the NIRB delivered its Final SEA Report to the Minster on July 31, 2019. The NIRB completed follow-up work November 19-28, 2019 to consult with Qikiqtani communities on the SEA results and recommendations. This report presents an Action Plan based on the results of the SEA, including its final recommendations and conclusions. The Action Plan describes how recommendations are being addressed and the priorities considered by the GN moving forward for the region.

The implementation of this action plan is subject to the approval of the partners, engagement and consultation with the affected communities, availability of federal funding and collaboration between stakeholders.

1.1 Government of Nunavut Departments and Agencies Participating in the SEA Review

The Department of Economic Development and Transportation led the GN's participation in the SEA, including coordination with Environmental Assessment Review Team (EART), an interdepartmental working group that carries out the GN's participation in project-specific assessment processes. The EART consists of two technical committees: the Environment and Human Health Assessment Committee (EHHAC), led by Department of Environment, and the Socio-economic Assessment Committee (SEAC), led by the Department of Economic Development and Transportation.

Since 2017, the EHHAC and SEAC have reviewed all documents associated with the SEA, including but not limited to: the final scope list; *Oil and Gas Life Cycle Activities and Hypothetical Scenarios* report; *Environmental Setting and*

Review of Potential Effects of Oil and Gas Activities report; the Preliminary Findings Report; the QIA's *Inuit Qaujimajatuqangit* report and *Food Security* report; and the Final SEA Report. The EHHAC focused its review on the assessment of potential biophysical and human health effects of possible oil and gas development. The SEAC focused its review on the assessment of potential social, cultural, and economic impacts and benefits of the activity. The recommendations and comments that are provided in the GN's Final Written Submission are closely related to the GN's mandate and were reviewed by the Sustainable Development Advisory Group (SDAG).

1.2 Priorities of the Government of Nunavut

The GN's mandate, ***Katujjiluta***, focuses on five priorities:

1. Aging with dignity in Nunavut;
2. Expanding the housing continuum;
3. Enabling health and healing;
4. Reinvesting in education; and
5. Diversifying our local economies

These priorities guided the analysis of the SEA in this paper, of particular relevance is the fifth priority : diversifying our local economies. The oil and gas industry, if developed responsibly, has the potential to bring additional economic opportunities to Nunavut, such as new revenue, new employment opportunities, as well as new training options. In order to profive elder care, expand the housing continiuum, and promote health and healing more revenue for the territory is required. Additionally, it is expected that this new industry could generate new investment in education.

The GN strives to ensure that the potential benefits of resource development can be fully realized for Nunavummiut, while impacts from development are avoided or sufficiently mitigated. It is the opinion of the GN that sustainable long term development initiatives vetted through the appropriate regulatory processes are in the interest of Nunavummiut.

All Nunavummiut have an interest in the environmental integrity of Nunavut. Nunavut looks to oil and gas resources for potential future economic development in the territory. Striking a balance between environmental stewardship and economic development is of fundamental importance to the GN.

The GN is developed an Oil and Gas Policy Statement for Nunavut presented later in the report. The development of this policy statement was informed by what the GN heard and learned through the SEA review about the priorities and stance of Nunavummiut regarding oil and gas, especially from the knowledge shared by elders, hunters, and youth, and from the community members that took part of the public engagement sessions. The GN's position is guided by that experience, and our balanced approach between environmental protection and economic benefits.

1.3 Areas of Jurisdiction

Various pieces of legislation provide the GN with authority and responsibilities over the management of aspects of the environment, heritage and culture, society and the economy of Nunavut. Statutes and regulations potentially relevant to oil & gas development in Baffin Bay and Davis Strait include, but are not necessarily limited to, the following.

Statutes

- *Income Tax Act*, RSNWT (Nu) 1988, c I-1
- *Payroll Tax Act*, SNWT (Nu) 1993, c 11
- *Property Assessment and Taxation Act*, RSNWT (Nu) 1988, c P-10
- *Petroleum Products Tax Act*, RSNWT (Nu) 1988, c P-5
- *Financial Administration Act*, RSNWT (Nu) 1988, c F-4
- *Nunavut Housing Corporations Act*, RSNWT (Nu) 1988, cN-1
- *Residential Tenancies Act*, RSNWT (Nu) 1988, cR-5
- *Land Titles Act*, RSNWT (Nu) 1988, c8 (Supp)
- *Public Health Act*, RSNWT 1988, c P-12
- *Education Act*, SNu 2008, c 15

- *Apprenticeship, Trade and Occupations Certification Act* RSNWT (Nu) 1988, c A-4
- *Hamlets Act*, RSNWT (Nu) 1988, c H-1
- *Scientists Act*, RSNWT (Nu) 1988, c S-4
- *Wildlife Act*, SNu 2003, c.26
- *Environmental Protection Act*, RSNWT (Nu) 1988, c E-7

Regulations

- *Camp Sanitation Regulations*, RRNWT (Nu) 1990, c P-12
- *Communicable Diseases Regulations*, RRNWT (Nu) 1990, c P-13
- *General Sanitation Regulations*, RRNWT (Nu) 1990, c P-16
- *Nunavut Archaeological and Paleontological Sites Regulations*, SOR/2001-220
- *Public Water Supply Regulations*, RRNWT (Nu) 1990, c P-23
- *Public Sewage Systems Regulations*, RRNWT (Nu) 1990, c P-22
- *Spill Contingency Planning and Reporting Regulations*, R-068-93
- *Tax Rebate Regulations*, R-012-2006

1.4 Devolution

Devolution – the transfer of control over Nunavut's public lands and resources to the Government of Nunavut – is being negotiated between the GN, the Government of Canada and Nunavut Tunngavik Incorporated. The *Nunavut Lands and Resources Devolution Agreement in Principle* identifies the main issues under negotiation, and sets conditions for the final agreement on devolution.

Chapter 6 (Administration of Oil and Gas Resources) of the Agreement in Principle sets out a framework for the transfer of the management of oil & gas resources for the onshore, and for the coordinated management of resources that may straddle both the onshore and offshore. The chapter also specifies that on request the GN and Government of Canada will enter into negotiations to come to agreement on management, decision-making and sharing of resource revenues with respect to offshore oil & gas development.

1.5 Inuit Qaujimajatuqangit

In order to make programs and services offered more responsive to the population, the GN has adopted the following set of *Inuit Qaujimajatuqangit* (IQ) principles. These principles based on Inuit societal values guide the GN's work. The IQ principles are:

- ***Inuuqatigiitsiarniq***: respecting others, relationships and caring for people.
- ***Tunnganarniq***: fostering good spirit by being open, welcoming and inclusive.
- ***Pijitsirniq***: serving and providing for family and/or community.
- ***Aajiiqatigiinniq***: decision making through discussion and consensus.
- ***Pilimmaksarniq/Pijariuqsarniq***: development of skills through observation, mentoring, practice, and effort. • ***Piliriqatigiinniq/Ikajuqtigiinniq***: working together for a common cause.
- ***Qanuqtuurniq***: being innovative and resourceful.
- ***Avatittinnik Kamatsiarniq***: respect and care for the land, animals, and the environment.

For the SEA, the QIA completed two specific studies – an *Inuit Qaujimajatuqangit* Report and a Food Security Report. The results of these quality studies were featured prominently throughout Final SEA Report, and were key to the consideration of IQ and *Inuit Qaujimaningit.*

1.6 Structure of the Action Plan

This Action Plan defines recommended next steps regarding oil & gas development in Baffin Bay and Davis Strait, setting out the priorities for the GN as guided by the results of the SEA. While priorities may differ from the one partner or stakeholder to the other, GN wishes to share this Action Plan for discussion purposes, with the hope that some high priority action items could be delivered by the relevant partners and stakeholders. First, comments are provided on the quality of the SEA completed and the overall success in achieving its objectives. Second, the priority of each of the NIRB recommendations, as well as the likely timeline and potential partners required to complete each recommendation, is identified. Specific proposed actions to be undertaken are identified with respect to the following key topic areas:

- Spill prevention and response
- Benefits regime and compensation
- Scenario development
- Sensitive areas, species at risk, and areas of important for Inuit
- Building a strong knowledge base
- Regional planning, policy, and community engagement
- Project mitigation, impact assessment, and monitoring

In December 2016, the Government of Canada and the United States signed a five-year moratorium on any new oil & gas development in the Arctic. This moratorium is to be reviewed every five years, and was up for review and reconsideration on December 2021, but due to election is now postponed to December 2022. The decision for lifting the moratorium is to be tested by a science-based, life-cycle assessment, which considers marine and climate change science. In the preceding years, it is important that knowledge gaps are addressed by the Government of Canada, in consultation with the GN, Nunavut Inuit organizations and other relevant stakeholders, in order that all decision-makers are properly equipped to review the moratorium.

2.0 List of Acronyms

CIRNAC Crown-Indigenous Relations and Northern Affairs Canada **CNLOPB** Canada-Newfoundland and Labrador Offshore Petroleum Board **CNSOPB** Canada-Nova Scotia Offshore Petroleum Board **CCME** Canadian Council of Ministers of the Environment **EART** Environmental Assessment Review Team
EHHAC Environment and Human Health Assessment Committee **GOC** Government of Canada
GN Government of Nunavut
HTO Hunters and Trappers Organization
IPG Institutions of Public Government
IQ Inuit Qaujimajatuqangit
NCRI Nunavut Coastal Resource Inventory
NIRB Nunavut Impact Review Board
NLCA Nunavut Land Claims Agreement (Nunavut Agreement) **NSA** Nunavut Settlement Area
NTI Nunavut Tunngavik Incorporated
QIA Qikiqtani Inuit Association
SDAG Sustainable Development Advisory Group
SEA Strategic Environmental Assessment
SEAC Socio-economic Assessment Committee

3.0 Analysis of the SEA Results

The GN offers the following comments on its analysis of the Final SEA Report. This is presented according to:

- Expectations for an SEA (How does the Final SEA Report compare to other SEAs and what was expected?);
- The strengths of the report (What was done well?); and

- Opportunities for improvement for future SEAs (What could have been done differently that should be considered next time around?).

A conclusion is then provided on the GN's overall impressions of the quality and success of the SEA.

3.1 SEA Expectations

Comments on expectations for the SEA, and to what extent NIRB's Final SEA Report meets those expectations, are provided in the context of the specific purpose and objectives defined for the SEA,[1] current regulatory guidance in Nunavut and Canada, and recent SEA practices conducted in other Canadian jurisdictions (Canada-Newfoundland and Labrador Offshore Petroleum Board [C-NLOPB], and Canada-Nova Scotia Offshore Petroleum Board [CNSOPB]). Recent practice in western Greenland was also considered.

3.1.1 Regulatory Guidance

There is no broad legislative requirement or guidance for SEA specific to Nunavut. Provisions for land use planning, including assessments carried out within areas with land use plans in effect, are set out in Parts 2 and 3, respectively, of the *Nunavut Planning and Project Assessment Act* (SC 2013, c. 14, s. 2).

Federally, as set out in Section 3.1 of the Canadian Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals (Government Canada 2010), an SEA is to be conducted when a proposal is submitted to an individual minister or Cabinet for approval; and implementation of the proposal may result in important positive or negative environmental effects.

There is also no universally accepted approach to SEA, and SEA itself is interpreted differently depending on the context (White and Noble 2013). Much of the guidance set out in the Cabinet Directive and in other instruments internationally describes best practices for overarching SEA processes, not the specific methods to be employed in the development of the assessment itself. Even this type of guidance tends to refrain from being overly prescriptive, as a flexible framework is inherently necessary to allow SEA to be carried out in many diverse regional and local contexts and with varying objectives (Fidler and Noble 2013).

While a structured methodology is important to ensure a degree of consistency and accountability, it is widely acknowledged that the specifics of the approach should vary by application. In 2008, the Canadian Council of Ministers of the Environment (CCME) commissioned the development of a regionalized framework for SEA in an attempt to extend SEA beyond an earlier version of the federal Cabinet Directive (originally issued in 1990 and revised in 1999 and 2004). The resulting guidance document (CCME 2009) does provide a high-level methodological approach for SEA, which is re-iterated in an abbreviated form in Section 4.3 of the Cabinet Directive (Government of Canada 2010). A number of common elements to these approaches can also be found in the literature produced by academics and practitioners (e.g., Noble and Nwanekezie 2017; Larsen et al. 2013; Noble et al. 2013; White and Noble 2013; Partidário 1996, 2000, and 2012; Bragagnolo and Geneletti 2012; Fidler and Noble 2012; Gunn and Noble 2011; Chaker et al. 2006; Pintér and Swanson 2006; Verheem and Tonk 2000).

Table 3-1 synthesizes a basic stepwise framework for SEA taken from the Cabinet Directive and CCME guidance as well as above-mentioned relevant SEA literature. The right-most column of the table identifies GN's overall assessment of the extent to which each of these items represents a strength or a weakness of the Final SEA Report. Sections 3.2 and 3.3 provide additional discussion in support of these assessments.[1]

[1] NIRB Final SEA Report. Volume 1, Chapter 1, Summary Report (Page 2) and Volume 2, Chapter 2, Introduction and Background (Page 31). NIRB File No. 17SN034.

Table 3.1 – SEA Best Practices and Strengths / Weaknesses of the Final SEA Report

SEA Best Practice	Strength/ Weakness
Conduct Transparent Consultation and Engagement (throughout development of the SEA): Identify the parties to be consulted at the beginning of the SEA's development and collaborate on means for conducting meaningful engagement throughout development of the SEA, including how information produced during engagement activities should be reflected and integrated into documentation.	Strength
Define SEA Need and Purpose: Delineate the overall nature and scope of the SEA, including questions or strategic problems to be solved and broad objectives (see Section 1 for details on how this was defined in the Final SEA Report).	Strength
Conduct Scoping: Identify the key issues of concern, including environmental or sustainability objectives, and select indicators and/or management targets, and limits of change (if possible) appropriate for measuring attainment of objectives.	Weakness
Establish Baseline: Describe existing conditions. Identify valued components to be assessed and relevant natural and anthropogenic trends, including changes in policy directions and management approaches.	Mixed (Strength and Weakness)
Consider Alternatives: Identify strategic alternatives (including 'no-change' alternative), construct scenarios for each alternative, accounting for the influence of external policies, actions, or natural change.	Weakness
Assess Effects of Alternatives: Estimate the nature or quality of the potential effects of future scenarios constructed under each of the alternatives. This process will typically include a combination of technical or analytical methods and techniques, and stakeholder engagement exercises in which interests and positions are explored and there is opportunity for in-depth discussion and debate about potential effects. Assess the potential environmental consequences of each scenario, identifying impacts and considering measures to mitigate those impacts. Consider the effects of the alternative scenarios in combination with the effects of other relevant plans, programs, and proposals (i.e., cumulative effects).	Mixed (Strength and Weakness)
Identify Preferred Alternative: Identify a preferred alternative, drawing from the assessment outlined in the previous bullet, and provide a clear rationale for its selection (i.e., its alignment with the SEA's objectives). Attention should focus on systematically evaluating and comparing the cumulative effects and outcomes of scenarios, including the 'no change' scenario, based on a number of agreed upon decision criteria, ideally derived from consultation and engagement.	Weakness
Identify Mitigation Needs and Management Actions: Identify any management measures to be taken including, for example, designating exclusion zones for highly sensitive regions where no further development is to occur, or identifying best practices to minimize further impacts of change in those areas where development may already exist.	Weakness

SEA Best Practice	Strength/ Weakness
Develop Follow-up and Monitoring Program: Describe plans to verify that the SEA and the selected strategic alternative are delivering their intended results, that mitigation and management measures are working, and that adaptation to emergent and external factors that may impede success or trigger the need for reassessment occurs.	Weakness
Implement the Strategy, Monitor, and Evaluate: Finalize roles and resources for implementation and on-going monitoring, and undertake a formal engagement review process on the proposed strategy, including plans for mitigation and management.	Strength

3.1.2 SEA Practice for Offshore Oil and Gas Development

Offshore oil and natural gas exploration and development activities in Canada's Atlantic region are regulated by two federal-provincial bodies: the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) and the Canada Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB). These boards are responsible for managing significant environmental risks associated with offshore oil and gas activities.

Since 2003, these boards have conducted numerous SEAs to inform subsequent regulatory decisions regarding future offshore oil and gas activities in the area in question. In particular, the information and findings of these studies help inform the boards' associated planning and decision-making processes regarding the potential issuance of licenses in defined sub-regions, including opening of areas for future licensing and identifying environmentally sensitive areas or time windows to be considered in licenses.

These SEAs typically include the following steps, which echo some of the guidance explored in the preceding section:

- Undertake public, Indigenous, and other stakeholder consultation at various stages of the SEA process;
- Describe the existing environmental setting of the region based on available information and datasets;
- Provide generic descriptions of oil and gas exploration activities in the region, both in terms of routine operations and accidents and malfunctions;
- Identify potential environmental effects (including cumulative effects) that may be associated with exploration activities, as well as relevant standard mitigation measures; and
- Identify any key environmental planning considerations related to future oil and gas activities in the region, including important or sensitive environmental features, as well as any enhanced mitigation that may be required.

Greenland has also completed SEAs for the development of the offshore oil and gas industry, most notably two assessments for western Greenland (Disko West and Baffin Bay), and have taken a similar approach to what was done by the C-NLOPB and CNSOPB. The Canadian and Greenland SEAs place an emphasis on developing an understanding of baseline conditions, potentials effects from exploration and production activities (including cumulative effects, and accidents and malfunctions), best practices for mitigation, and data gaps and uncertainties.

3.2 Strengths of the Final SEA Report

The following key strengths of NIRB's Final SEA Report are highlighted:

• **Procedurally strong SEA orchestrated by the NIRB.** This reflects the core strength and experience of the NIRB, and their role and responsibility in conducting reviews in Nunavut. The review was strong in: providing a clear definition of the process; accommodating the needs of the parties and communities to meaningfully participate in the

process (explicitly in consideration of Nunavut requirements for consultation of Inuit); considering all information brought forward during the review, transparently considering this information and the views all interested parties (e.g., different views are explicitly documented in the Final SEA Report); and developing final recommendations that comprehensively reflect the different views brought forth.

• **Thorough consideration of Inuit Qaujimajatuqangit and Inuit Qaujimaningit.** This was accomplished through a highly consultative process consisting of engagement sessions with the 10 interested communities of Grise Fiord, Resolute, Arctic Bay, Pond Inlet, Clyde River, Qikiqtarjuaq, Pangnirtung, Iqaluit, Cape Dorset, and Kimmirut, as well as completion of dedicated research culminating in the Inuit Qaujimajatuqangit Report and Food Security Report prepared by the QIA. Consideration of Inuit Qaujimajatuqangit and Inuit Qaujimaningit features prominently in the NIRB's recommendations. The input provided by the community representatives and the QIA was explicitly acknowledged as is applied to each topic areas for the assessment.

• **Integration of information from various sources.** The Final SEA Report did not only rely on the Nunami Stantec reports commissioned for the review – namely, the Oil and Gas Life Cycle Activities and Hypothetical Scenarios Report and the Environmental Setting and Review of Potential Effects of Oil and Gas Activities Report. The Final SEA Report integrated the information provided in these reports with the two QIA reports (see previous point), written submissions, information presented during the Final Public Meeting, and other key documents identified by the parties to the review. For the latter, a list of recommended documents is provided (see Volume 3, Appendix C of the Final SEA Report). This additional information was included in the Final SEA Report (e.g., additional documents identified by the Greenland Environmental Agency for Mineral Resources Activities were utilized for baseline information on Waterbirds, Section 5.2.1.5, Volume 2, Final SEA Report).

• **Identification and comprehensive treatment of data gaps and uncertainties.** The Final SEA Report highlights uncertainties around: type, timing, and general location of oil and gas development (i.e., development scenarios); existing baseline conditions; effects of climate change; effects on the marine physical and biological environment; and socio-economic effects including the extent of benefits to Nunavummiut. This reflects the input provided by the parties during the review. The extent of the data gaps and uncertainties was prominent in the final recommendations of the NIRB, highlighting the need to overcome these significant gaps prior to allowing oil and gas development to proceed.

• **Comprehensive set of Final Recommendations and Conclusions**. There was a considerable amount of information shared during the review, several data gaps and uncertainties identified, and a relatively long list of recommendations. The NIRB appears to have fairly represented this in the Final SEA Report and presents a synthesized comprehensive set of Final Recommendations (Section 3 of this report provides a concordance with the GN's recommendations as presented in its Final Written Submission). Furthermore, as was evident from the input provided during the Final Public Meeting and the follow-up community consultation on the SEA results, in defining a path forward there remains considerable work required to "…address gaps, increase readiness, and ensure that the voices of Inuit knowledge and rights holders, and Nunavummiut generally, are clearly heard" (Final SEA Report, Volume 1, p.30). This led the NIRB to conclude "…the 2016 moratorium on oil and gas development in the Canadian Arctic should remain in place for Baffin Bay and Davis Strait until such time as the key issues set out in this [Final SEA] Report can be addressed."

3.3 Weaknesses of the Final SEA Report

The following weaknesses or areas where the NIRB's Final SEA Report could have been improved are highlighted:

• **Lack of clear ecosystemic, socioeconomic or sustainability objectives.** Although not explicitly defined within the scope of the review (see Section 1), it is considered best practice to define as part of scoping clear management objectives or targets before undertaking an SEA (Section 2.1.1). It could be argued that these are implied by the direction provided by the Minister to the NIRB at the onset of the review, through the scoping phase of the SEA, and by the methodology itself, but clear management objectives to phrase the review were never explicitly defined. This results in the recommendations and conclusions of the SEA being less focused as would be the case if they were centered around clearer agreed-upon objectives for the management of the offshore oil and gas industry in Baffin Bay and Davis Strait. In fact, it becomes evident through a reading of the Final SEA Report that there are very different views of management objectives by the parties, and the final set of recommendations appears to try to accommodate all these views rather than coalesce conclusions.

- **Disconnect between SEA procedure and technical direction.** As noted in Section 2.2, the SEA was procedurally very strong. However, adequate capacity for the participating parties and communities to review, understand and comment on the breadth of technical information appeared to be lacking through the review. Moreover, there was a lack of 'technical leadership' in driving the direction of the review. This is due, at least in part, to the nature of the SEA in which the NIRB's role was focused on process, and there being no specific project being proposed – this contributed to the need for parties to not only digest the huge breadth of information being presented, but also to self-prioritize what is important and what to ask for, and to put the technical information in a context that for themselves was meaningful. The NIRB acknowledges the capacity challenges (see Section 2.11, Community and Public Engagement, Volume 2, p. 52), and made specific recommendations to support participation in future SEAs and research (Recommendations #6 and #8, see Section 3 of this report).

- **Development scenarios that aren't really scenarios, and no preferred alternative.** The defined development scenarios examined for the SEA focused around what a stage in the typical oil and gas development life cycle could look like; specifically, each selected 'scenario' was a description of a particular phase of development (seismic exploration, exploration drilling, or production). As presented in the GN's Final Written Submission (see GH-08), this approach does not adequately address the question of alternative development scenarios or strategic alternatives (i.e., through consideration of different configurations of oil and gas activities, locations and objectives) as set out as one of the purposes of the SEA Final Report itself. The criticism of the approach of the SEA in defining scenarios as raised by the GN and other parties during the review is acknowledged and discussed in the Final SEA Report (Sections 6.4 and 6.6, Volume 3), but the NIRB maintains it original position. The NIRB acknowledges the views of the GN and other parties in calling for an examination of hypothetical development scenarios, including consideration for a scenario that involves project development within the Nunavut Settlement Area (NSA). Despite this deficiency being raised at a number of points by parties during the review, the NIRB did not incorporate this feedback meaningfully into the report. The NIRB re-iterates its rationale and position for not examining such development scenarios, the primary reason being significant information gaps. Different development scenarios have not been adequately examined. Further, because development alternatives were not examined, it was not possible to begin to explore a preferred alternative. The NIRB did include a recommendation for future assessments to conduct SEAs on offshore oil and gas activities in specific areas of known resources, such as the Saglek Basin and the Sverdrup Basin, prior to project-specific assessment (see Recommendation #59).

- **Cursory treatment of mitigation.** As intended, the SEA did assess the potential for impacts and benefits associated with typical oil and gas development (i.e., phases of development) if this type of development would be allowed to proceed. However, the Final SEA Report did not propose specific mitigation or management actions to be taken that are tailored to the Arctic environment and the interests of Nunavummiut. There is very limited treatment of best practices in mitigation or enhanced mitigation that would be recommended. The Final SEA Report indicated that additional information about the effectiveness or limitations of standards mitigations measures applied in the Arctic environment is required, and the NIRB determined the most suitable time to assess specific mitigation measures was during the project level assessment phase (see various chapters of Section 7, Volume 3). However, an understanding of the effectiveness of mitigation is critical for making an informed decision about the management of oil and gas development in Baffin Bay and Davis Strait. The NIRB did include a recommendation (#61) that further work be completed to identify standard impact mitigation measures associated with offshore oil and gas development, and assess the effectiveness (or limitations) of these standard impact mitigation measures in the Arctic environment.

- **Details on recommended monitoring programs are lacking.** The NIRB notes in the Final Recommendations (Section 10.4) that recommendations on monitoring programs should be further developed and finalized after filling in data gaps related to baseline data and effects assessments. However, it is important for the SEA to identify at this stage what specific monitoring programs would be recommended should oil and gas development be allowed to proceed. It would have been beneficial to provide additional information regarding long-term monitoring needs.

3.4 Success of the SEA

As detailed above (section 3.2), the process was strong and there was thorough consideration of the available *Inuit Qaujimajatuqangit* and *Inuit Qaujimaningit*, integration of information from various diverse sources, clear identification of data gaps and uncertainties, and a comprehensive set of final recommendations that acknowledges the critical work that still needs to be done. The Final SEA Report is transparent in acknowledging the input and position of the GN and other parties with respect to the various issues raised during the review, and acknowledges the shared interests and common views. GN believes the Final SEA Report provides a solid foundation from which to move forward as the stakeholders strive to ensure that the potential benefits of oil and gas development can be fully realized for Nunavummiut, while impacts are avoided or mitigated in the Baffin Bay and Davis Strait region. The SEA recommendations detail what needs to be done to help ensure that we strike the appropriate balance between environmental stewardship and economic development.

4.0 Prioritizing the SEA Recommendations

The GN's view on the priority of the NIRB's Final Recommendations is provided in **Appendix A**. For each recommendation, comment is also provided on the likely timeline (short-term, medium-term or long-term) and the potential partners required to accomplish the work required for each recommendation. This is a recommended path forward. The GN wishes to discuss this suggested prioritization for the NIRB's recommendations with the partners prior to addressing the proposed action plans, specifically for items requiring federal funding and collaboration between organizations and communities.

Defining the Priority of Recommendations

A recommendation is identified as *high priority* if it meets all or most of the following criteria: it is directly relevant to the GN's jurisdiction and mandate, has been identified as a concern by Nunavut communities, is important to the consideration of *Inuit Qaujimajatuqangit* and *Inuit Qaujimaningit*, and was included as part of the GN's recommendations in its Final Written Submission. A recommendation is identified as *medium priority* if it meets most of the above criteria but is not directly relevant to the GN's jurisdiction and mandate – in this case, formal responsibilities for the GN may be defined later through devolution or policy change. A recommendation is identified as *low priority* if it does not meet any or most of the above criteria and is not within GN jurisdiction.

Defining the Timeline of Recommendations

A recommendation is identified as having a *short-term* timeline if it should be completed ideally within the next three years. A recommendation is identified as having a *medium-term* timeline if it should be completed prior to the formal transfer of responsibilities as will be defined through the Final Devolution Agreement (i.e., transition mechanisms are implemented through a series of legislative changes which are approved through Parliament and mirrored in the Nunavut Legislative Assembly), which for the purposes of this report is assumed to occur approximately four to five years from now. A recommendation is identified as having a *long-term* timeline if it can be completed post-devolution, following the implementation of the formal transfer of control over Nunavut's public lands and resources to the GN and including any management, decision-making and sharing of resource revenues with respect to offshore oil & gas development agreed to with the Government of Canada.

5.0 Proposed Actions

Based on a prioritization of the NIRB's Final Recommendations (Section 4, Appendix A), the GN has identified specific actions to undertake with or by relevant partners. *The completion of these action items is dependent on available budget and resourcing, and subject to any future changes to the GN's mandate direction and priorities. The roles and responsibilities of the GN, the federal government, Inuit organizations, Nunavut's Institutions of Public Government (IPGs), communities and other stakeholders in addressing each of the NIRB recommendations has yet to be confirmed. This action plan provides a platform for discussion and its implementation is subject to the approval of the implicated organizations, engagement and consultation with the affected communities, availability of federal funding and collaboration between stakeholders.*

An important central theme of many of the recommendations is marine spatial planning, which should bring together all relevant stakeholders, including domestic and international jurisdictions, to help facilitate and define:

- Regional planning and priorities, such as research, policy, management, coordination, and exclusionary zoning;
- Roles, responsibilities, and resourcing of stakeholders for each action item;
- Defining regulatory responsibilities and authority, and how this may change post-devolution; and
- Developing a regional plan for community involvement and engagement.

It is important to acknowledge that marine spatial planning discussions for the Area of Focus will require the identification of a leader and coordinator, with defined roles and responsibilities for participating parties. Marine spatial planning discussions will develop and occur over a long-term timeline (i.e., post-devolution, approximately more than 5 years from now). There are numerous NIRB recommendations that, although part of longer-term planning, have actionable items that can be achieved in the short-term (in the next 2-3 years) or medium-term (i.e., pre-devolution, within approximately 4 to 5 years from now). The GN will work with other parties to move forward with addressing these short and medium-term actions and incorporating the results into longer-term marine spatial planning discussions. Regardless of the path forward, it is critical that there be adequate work planning and coordination involving all relevant parties.

The GN's proposed actions are presented below according to the following seven main topic areas:

1. Spill prevention and response
2. Benefits regime and compensation
3. Scenario development
4. Sensitive areas, species at risk, and areas of important for Inuit
5. Building a strong knowledge base
6. Regional planning, policy, and community engagement
7. Project mitigation, impact assessment, and monitoring

The discussion below provides a summary of the actions for each of the seven main topic areas, with detailed actions provided in **Appendix B**. It will be important to identify all relevant stakeholders and potential resources available to address the recommendations and actions. Further, it will be important to identify a leading organization for each action. Many of the actions are associated with the offshore environment and, therefore, currently fall under the jurisdiction of the federal government.

5.1 Spill Prevention and Response

There remains significant data gaps and questions concerning spill prevention and response. This includes the need for better clarity and understanding of the current level of emergency preparedness and response, technologies and infrastructure, the potential ecosystemic and socio-economic effects of a spill or release in the Arctic environment, required response capacities, development of a spill response plan, and co-management structure with neighbouring jurisdictions, among other topics. It is also important to understand how approaches and potential effects differ between oil verses gas (including different types of gas), and open water versus under ice conditions.

Identified actions include:

- Research:
    - Current capacity and gaps for emergency preparedness and response (NIRB recommendations #29 and 31)
    - Spill response technologies and infrastructure suitable to the Arctic (#29)
    - Effects of a spill on the environment, socioeconomics, and Inuit way of life (#54)
- Define and Identify:
    - Regulatory oversight and responsibilities (#29)
    - Required capacity, infrastructure, training, and investment for a major spill response (#32)
- Develop:
    - Guidance on roles and responsibilities of stakeholders for spill response (#1)
    - Best practices guidance for prevention and emergency response in the Arctic (#29)
    - Plan response system for spills, including co-management with neighbouring jurisdictions (#5 and #31)
    - Long-term Arctic spill prevention, response, and evaluation research program (#55)

Partners for collaboration: various federal departments, QIA, NTI, local communities, industry, external governments (e.g., Greenland)

Timeline: short-term

5.2 Benefits Regime and Compensation

The GN strives to ensure that the potential benefits of resource development can be fully realized for Nunavummiut. The development of offshore oil and gas resources should provide for economic development and sound investment opportunities. Benefits need to go to Nunavummiut, such as employment and training opportunity for Inuit, as well as financial benefits such as taxes and royalties for the territory.

Identified actions include:

- Review:
    - Current compensation frameworks for consideration of impacts to Inuit harvesting, Inuit rights, and impacts to marine wildlife (NIRB recommendation #14)
    - Oil and gas project assessments for benefits and compensation for the region and affected communities (GN role to be revised based on the Final Devolution Agreement; #15)
- Develop:
    - Royalties and benefits regime guidance and public communication documents, including offshore accord (to be revised based on the Final Devolution Agreement; #13)
    - Based on review above, develop suggested revisions to current compensation framework (#14)

Partners for collaboration: various federal departments, NTI, QIA, NIRB

Timeline: short-term, with one long-term priority (#15)

5.3 Scenario Development

The SEA did not adequately address the question of alternative development scenarios or strategic alternatives (i.e., through consideration of different configurations of oil and gas activities, locations, objectives, including a 'tie-back to land' alternative). In particular, a scenario should be developed for the Hekja gas field in Saglek Basin, which could consider onshore facilities, and sub-sea production installations. As communicated by the GN during the review and in its Final Written Submission, work is required to examine hypothetical development scenarios, including consideration for a scenario that involves project development within the Nunavut Settlement Area (NSA).

Identified actions include:

- Research:
    - Risk and benefits analysis of economic development options (NIRB recommendation #52) ○ Conduct SEA for offshore oil and gas activities for areas of known resources (e.g., Saglek Basin; #59)
- Review:
    - Future SEAs or project-specific assessments for inclusion and consideration of alternative technologies (#60)
- Develop:
    - Guidance document that defines how the alternative technologies assessment should be conducted (#60)

Partners for collaboration: various federal departments, NTI, QIA, NIRB, communities,

industry

Timeline: medium-term

5.4 Sensitive Areas, Species at Risk, and Areas of Importance for Inuit

The GN remains concerned regarding the current information gaps to be able to adequately understand the potential for impacts of oil and gas development on sensitive marine and coastal habitats, critical habitat for species at risk, and areas of importance for Inuit. Polynyas, the flow edge, and shorelines are examples of important areas for which we do not adequately understand their potential to be impacted by oil and gas development.

Identified actions include:

- Research:
    - Identify sensitive or critical habitat for Species at Risk (NIRB recommendations #37 and 71) ○ Coastal habitat features, sensitive or important shorelines, and develop online atlas (#35, 69, 70, and 79)
    - Coastline assessment of archaeological and paleontological resources (#28)
    - Marine harvesting, food security, commercial fisheries (#26 and 27)
    - Potential effects of oil and gas activities on sensitive areas, and effects to commercial fisheries (#33, 56, and 57)
- Identify:
    - Potential marine area candidates for formal conservation protection (#71)
- Review:
    - Future Developers' spill plans, ensuring community concerns are addressed and shipping restrictions are protective of marine wildlife (#79)
- Develop:
    - Oil and gas development activity restrictions to reduced or eliminate effects for sensitive or critical habitat for Species at Risk, sensitive areas and seasons, floe edge, and commercial harvesting (#71, 76, 77, and 78)

Partners for collaboration: various federal departments, NTI, QIA, communities, industry

Timeline: medium-term, with some short-term (#37) and long-term (#79) priorities

5.5 Building a Strong Knowledge Base

Decision-making for the management of the oil & gas sector in Nunavut and the offshore must be based on the best available knowledge base. This knowledge includes *Inuit Qaujimajuqagnit*, *Inuit Qaujimaningit* and western science.

Identified actions include:

- Research:
    - Ensure all research includes consultation with Inuit knowledge and rights holders and consideration of *Inuit Qaujimajatuqangit* and *Inuit Qaujimaningit* (NIRB recommendations #20 and 21)
    - Economic development options and comparative analysis, socio-economic indicators (#38 and 40)
    - Existing communication and transportation infrastructure (#39)
    - Acoustics: baseline levels, effects of noise on biological community, mitigation measure effectiveness (#41, 45, 62, and 75)
    - Biological environment: fish, fish habitat, waterbirds, marine mammals, plankton, benthic flora and fauna (#24, 25, and 72)
    - Physical environment: climate change, greenhouse gas emissions, sea ice, oceanography, bathymetry, oil and gas seeps, geohazards, water quality, sediment quality (#19, 22, 23, 30, 34, 36, 42, 46, and 68)
    - Potential effects and cumulative effects of oil and gas activities to the physical and biological environment (#43 and 45)
- Develop:
    - Gathering process and repository for *Inuit Qaujimajatuqangit* and *Inuit Qaujimaningit* (#12)
    - Threshold criteria for assessing acoustic effects to biological receptors (#41)

Partners for collaboration: GN, QIA, communities, industry

Timeline: medium-term, with some short-term (#39, 40, and 46) and long-term (#43, 45, and 62)

priorities

5.6 Regional Planning, Policy, and Community Engagement

The development of the oil and gas sector must include public awareness and engagement, and the development of regional plans and policies. Communities must be meaningfully engaged and informed about benefits and impacts, be able to access information on projects and industry activities and be able to participate in the permitting and management of projects. Further, regional plans and policies should be developed to help ensure that any oil and gas development in Nunavut or the offshore considers broader benefits and risks beyond a single project.

Identified actions:

- Research:
    - Potential for oil and gas development to impact Inuit culture, heritage, and rights (NIRB recommendation #3)
- Identify:
    - Ice monitoring and management needs in the region, and review plan developed by federal government (#73)
- Review:
    - Current participant funding for SEA and project-specific assessments (#6)
    - Industry communication strategy and participation plan (#9)
    - Future effects assessments for transboundary effects (#11)
- Develop:
    - Regional plan and priorities (#51)
    - Criteria and indicators for community health and well-being (#2)
    - Community engagement plan, including future effects assessments, and involvement with research and planning (#4, 8, and 16)
    - Co-management structure and relationship with neighbouring jurisdictions (#7 and 11) ○ Guidance document for how transboundary effects assessments should be conducted, and Inuit communities outside of Nunavut engaged (#7 and 11)

Partners for collaboration: various federal departments, NIRB, NPC, QIA, NTI, Hunters and Trappers Organization (HTOs), CAPP, industry, communities, external governments (e.g., Greenland).

Timeline: medium-term, with some short-term (#51) and long-term (#11 and 16)

priorities

5.7 Project Mitigation, Impact Assessment, and Monitoring

The GN supports responsible and sustainable development that protects the environment. The land and wildlife of Nunavut are inextricably linked to its people. Resource development must be able to show that environmental impacts can be avoided or mitigated, and that monitoring plans are developed to assess potential impacts. Existing and emerging mitigation measures, and their effectiveness for the Arctic needs to be better understood. Further, a more comprehensive assessment of cumulative and transboundary effects for each development scenario needs to be conducted.

Identified actions include:

- Research:
    - Offshore oil and gas mitigation measures and best practices, including effectiveness and limitations in the Arctic (#61)

- Identify:
    - Support programs to mitigate impacts to Inuit culture, heritage, and rights; design and implement programs as needed (NIRB recommendation #10)
    - Opportunities for Inuit and community involvement in monitoring programs, and identify skills, training needs, and members of the local communities to fill monitoring positions (#66)
- Review:
    - Plans for prevention, contingency, response, and mitigation for accidents and malfunctions (#63) ○ Cumulative effects assessments as part of future assessments and marine planning for input from all relevant parties (#17)
- Develop:
    - Standard mitigation measures for oil and gas development in Area of Focus and specific to the Arctic environment (#61)
    - Updated SEA with additional baseline research (#53)
    - Harvester and community reporting tool for observed issues associated with development activities (#64)

Partners for collaboration: various federal departments, NIRB, QIA, communities,

industry

Timeline: medium-term, with some long-term priorities (#10, 17)

6.0 Conclusions and Next Steps

The GN aims to ensure that the potential benefits of resource development can be fully realized for Nunavummiut, while impacts from development are avoided or mitigated. It is the opinion of the GN that well-managed and appropriate development of offshore oil and gas resources are in the interest of Nunavummiut. The SEA recommendations detail what needs to be done to help ensure that we strike the appropriate balance between environmental stewardship and economic development for Nunavut. The GN supports the responsible development of offshore oil and gas in Nunavut based on the following:

- Management of the industry follows the principles of *Inuit Qaujimajatuqangit* and fully incorporates IQ and Inuit *Qaujimaningit*.
- Regulatory decision-making is respectful of the post-devolution transfer of the management of oil and gas resources for the onshore, and for the coordinated management of resources that may straddle both the onshore and offshore as set out in the *Nunavut Lands and Resources Devolution Agreement in Principle*.
- Regulatory decision-making is also respectful of upcoming negotiations between the GN and the Government of Canada on management, decision-making, and sharing of resource revenues with respect to offshore oil and gas development.
- In the longer-term, marine planning is completed that clearly defines geographic areas and appropriate types of development of offshore and nearshore oil and gas resources, considering the range of potential industry activities, components, and other infrastructure.
- Project preparation and approval occurs based on the participation of Nunavummiut. Regulatory approval and permitting processes should include the GN, Inuit organizations, and the NIRB (e.g., through coordinated environmental assessment reviews) to ensure that the interest of Nunavummiut are in the forefront. Meaningful co-management of the industry is to be pursued.
- Development proposals are consistent with the Oil and Gas Policy Statement for Nunavut (Appendix)

The GN will continue to collaborate with federal government departments, Inuit organizations, IPGs, and local communities to complete the work necessary to address the identified actions and develop acceptable conditions for development to proceed in the region.

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Appendix: GN Oil and Gas Policy Statement

The Government of Nunavut regards oil and gas development as an important potential source of revenues for the territory. In addition to employment and training opportunities, economic benefits from oil and gas could generate significant investments in health care services, housing, education, and infrastructure for Nunavut. The exploration and development of oil and gas potentially present significant benefits for the territory, but could also present potential risks to human health and the environment that must be mitigated to the highest international standards. The Government of Nunavut strives for a balanced approach between economic benefits and environmental protection.

The Government of Nunavut will support the exploration and production of oil and gas under the following conditions and principles:

1. The GN supports oil and gas development that provides for economic development and sound investment opportunities in the best interests for Nunavummiut. Before the GN supports a project, proponents must demonstrate proven benefits for Nunavummiut, such as employment and training opportunity for Inuit, as well as financial benefits such as taxes and royalties for the territory.

2. The GN supports responsible and sustainable development to ensure wildlife and environmental protection. The GN will only support the development of oil and gas projects showing that environmental impacts can be managed or mitigated. Any drilling operations in Arctic waters must focus heavily on spill prevention and have in place robust and redundant safety mechanisms and procedures to prevent catastrophic events. For any drilling operations in waters near Nunavut, the proponents must be in a position to effectively and quickly respond to a spill, and be able to minimize adverse impacts to the environment and wildlife.

3. The GN supports building the best knowledge base with regards to oil and gas development for Nunavummiut that employs both Inuit Qaujimajatuqangit and science. The GN will continue to support research and the gathering of knowledge with regards to oil and gas to ensure informed decision-making.

4. The GN supports maximizing public awareness and engagement with regards to oil and gas development. Before a project can be authorized in Nunavut, communities must be meaningfully engaged and informed about benefits and impacts specific exploration or development projects may entail. Communities must be able to access information in Inuktitut and participate in the permitting process.