

**MEMORANDUM OF UNDERSTANDING
DEFINING TERMS AND SCOPE OF COOPERATION BETWEEN FEDERAL
DEPARTMENTS, AGENCIES AND THE NORTHERN PROJECTS MANAGEMENT
OFFICE FOR COORDINATION OF NORTHERN PROJECTS**

This **Memorandum of Understanding (MOU)** is among:

Canadian Northern Economic Development Agency, as represented by the President of the Canadian Northern Economic Development Agency (“**CanNor**”)

Natural Resources Canada, as represented by the Deputy Minister of Department of Natural Resources (“**NRCan**”);

Environment Canada, as represented by the Deputy Minister of Department of Environment (“**EC**”);

Fisheries and Oceans Canada, as represented by the Deputy Minister of Department of Fisheries and Oceans (“**DFO**”);

Aboriginal Affairs and Northern Development Canada as represented by the Deputy Minister of Aboriginal Affairs and Northern Development Canada (“**AANDC**”);

Transport Canada, as represented by the Deputy Minister of Department of Transport (“**TC**”)

The Canadian Environmental Assessment Agency, as represented by the President of the Agency (“**CEAA**”);

The Canadian Nuclear Safety Commission, as represented by the President of the Commission (“**CNSC**”);

The National Energy Board, as represented by the Chair of the Board (“**NEB**”);

(hereafter, collectively, the “**Parties**”)

WHEREAS:

- A.** The Parties wish to establish an administrative framework to assist the Parties’ efficient and effective participation during the environmental assessment and regulatory permitting phases of Projects (as defined in Section 2 of this MOU) in Canada’s three northern territories (the “**Territories**”).
- B.** The individual Parties may have statutory responsibilities relating to Projects in the Territories.

- C. The Parties wish to establish a cooperative framework within which each Party can exercise its respective jurisdiction over the environmental assessment and regulatory permitting of Projects while not fettering the statutory authorities or discretionary powers and functions of regulatory bodies or of their respective Ministers.
- D. The Parties wish to avoid unnecessary duplication, contribute to clarity and certainty and facilitate the efficient use of resources in the timely delivery of their respective regulatory responsibilities.
- E. The Parties wish to work together to identify areas where the consistency, efficiency and effectiveness of the regulatory system in the Territories can be improved and to develop and implement system improvements while at the same time safeguarding the environment.
- F. The Parties recognize that, where required, Aboriginal consultation related to Projects in the Territories should, to the greatest extent possible, be integrated into the overall regulatory process.
- G. The Parties will report to Cabinet and to Canadians on the status of Projects in the Territories through the Minister responsible for the Canadian Northern Economic Development Agency.

NOW THEREFORE, the Parties to this MOU wish to pursue the effective, coordinated and, to the extent appropriate, concurrent discharge of their environmental assessment and regulatory permitting responsibilities in respect of Projects and are committed to the following provisions:

1.0 OBJECTIVES:

- 1.1 The Parties to this MOU recognize that effective interdepartmental and interagency cooperation leads to greater certainty, predictability, transparency, efficiency and accountability of government action which promotes industry and public confidence in government.
- 1.2 The Parties commit to working cooperatively to promote timely, predictable, transparent and accountable processes for carrying out their activities and obligations during environmental assessment, regulatory permitting and other decision-making processes in Canada's three Territories. The Parties further commit to working cooperatively through the coordinating efforts of CanNor's Northern Projects Management Office ("**NPMO**"), as set out herein.
- 1.3 This MOU is to be read with and interpreted in a manner consistent with all applicable statutes, regulations and rules of natural justice and does not create any new legal powers or duties, or fetter in any way, the jurisdiction, powers and duties of the Parties.

2.0 APPLICATION OF THE MOU:

2.1 This MOU will apply to the Parties primarily in respect of “Projects” as that term is defined in section 2.2 hereof.

2.2 For the purposes of this MOU, a “**Project**” shall mean any resource development or regional infrastructure project:

- in which more than one federal department or agency participates in the environmental assessment/environmental impact review and/or regulatory permitting processes required for the project to proceed, and
- that is subject to one of the following environmental assessment/environmental impact review processes:
 - In the Yukon, a Screening by the Executive Committee of the Yukon Environmental and Socio-economic Assessment Board (“**YESAB**”), or a Review by a Panel of YESAB, a Joint Panel or a Review Panel, pursuant to the *Yukon Environmental and Socio-economic Assessment Act* (“**YESAA**”);
 - In the Inuvialuit Settlement Region within the Northwest Territories and Yukon Territory (as defined in the *Inuvialuit Final Agreement* (“**IFA**”)), a public review by the Inuvialuit Environmental Impact Review Board and/or a joint panel review under the IFA and/or a comprehensive study or panel review under the *Canadian Environmental Assessment Act* (“**CEAA**”);
 - In the Mackenzie Valley within the Northwest Territories (as defined in the *Mackenzie Valley Resource Management Act* (“**MVRMA**”)), an environmental assessment by the Mackenzie Valley Environmental Impact Review Board (“**MVEIRB**”) or an environmental impact review by a panel of the MVEIRB or a joint panel review pursuant to the MVRMA; or
 - In Nunavut, a Part 5 Review of a Project Proposal by the Nunavut Impact Review Board or a Part 6 Review by a federal Environmental Assessment Panel (struck by the federal Minister of Environment) pursuant to Article 12 of the *Nunavut Land Claim Agreement* (“**NLCA**”).

2.3 The Parties may, from time to time, designate additional projects or classes of projects to be Projects under this MOU, or exempt any Project or class of Projects from the application of this MOU.

2.4 This MOU applies during both the environmental assessment / environmental impact review of a Project and to the regulatory permitting process.

3. ROLES AND RESPONSIBILITIES AND GOVERNANCE STRUCTURE

3.1 The Northern Projects Management Office (NPMO)

As a service to Canadians, the NPMO will facilitate the Parties' engagement in the northern regulatory system and offer a single point of entry for stakeholders interested in the environmental assessment/environmental impact review and/or regulatory permitting processes of Projects.

3.2 Governance Structure

The NPMO will use the existing Major Projects Management Office (**MPMO**) network of Deputy Ministers, Assistant Deputy Ministers and Directors General Committees along with specifically mandated northern committees including Project Specific Technical Working Groups, Resource Development Advisory Groups and Territorial Project Committees, as more particularly described in Annex 1.

3.3 Roles and Responsibilities of the NPMO

3.3.1 In its role as a service organization, the NPMO will:

- provide information and guidance to proponents to assist them in navigating territorial environmental assessment/environmental impact review and/or regulatory permitting processes from exploration to development/production stages of a project's lifecycle;
- provide information and guidance to proponents regarding initiating a project application, whether or not the project is a Project within the meaning of this MOU;
- facilitate discussions amongst the Parties and proponents as required;
- facilitate Resource Development Advisory Group meetings for the purpose of sharing technical information and providing regulatory path finding for proponents prior to the initiation of an environmental assessment/environmental impact review;
- identify local, regional or systemic issues which may affect the effectiveness and efficiency of federal environmental assessment/environmental impact review and regulatory permitting activities;
- work with and provide advice to proponents on initiating early and meaningful engagement with Aboriginal groups; and
- demonstrate opportunities for Territorial governments and Aboriginal groups, economic development organizations, businesses and communities to access

funding opportunities which exist within CanNor in instances where community interests and economic development opportunities can be aligned with resource development and regional infrastructure projects.

3.3.2 The NPMO will work collaboratively with other Parties to identify areas where the consistency, efficiency and effectiveness of federal regulatory engagement with Projects can be improved both in the short and long term. The NPMO will:

- facilitate a coordinated federal response to the environmental assessment/environmental impact review and regulatory permitting of Projects;
- provide leadership, project management, communication and process-coordination services to facilitate effective and timely participation of the Parties in Board processes;
- implement a project management approach to promote process certainty and consistency for Project proponents and the Parties and by managing statutory/board-driven timelines, where applicable;
- establish or leverage existing Project-Specific Technical Working Groups to bring together technical staff of the Parties and, when appropriate, relevant Territorial staff, Aboriginal groups, proponents, or regulatory board staff for the purpose of identifying and resolving Project-specific issues and to ensure consistent and timely technical advice to the Review and regulatory Boards;
- draft Northern Project Agreements for Projects (as described in section 4 of this MOU) that will promote timely participation by the Parties, and transparency and accountability of federal activities;
- monitor and track project milestones that are within the control of the Government of Canada and report on progress of Projects using the reporting structures defined herein;
- work with the Parties to coordinate Aboriginal Crown consultation activities during the environmental assessment/environmental impact review and regulatory permitting phase of Projects, to ensure a consistent federal government approach to Crown consultation in accordance with the Government of Canada's *Aboriginal Consultation and Accommodation, Updated Guidelines for Federal Officials to Fulfill the Duty to Consult* (March 2011);
- maintain the official record of Crown consultation for Projects;
- provide administrative and logistics support, where requested, to federal departments in the distribution of intervener funding;

- serve as a secretariat to the Territorial Project Committees, Project-Specific Technical Working Groups and Resource Development Advisory Groups; and
- provide support to the Major Projects Deputy Ministers' Committee through the provision of data, analysis and information.

3.3.3 In Yukon, where a lead federal decision body (“**Lead**”) is selected pursuant to section 8 of the *Decision Body Time Periods and Consultation Regulations* SOR/2005-380, NPMO may assist the Lead to:

- coordinate the efforts of the federal decision bodies to make the determinations required under Section 7 of YESAA;
- coordinate the consultations between the federal decision bodies under subsection 78(1) of YESAA;
- coordinate the consultation between the federal decision bodies and any other decision bodies under subsection 78(1) of YESAA; and
- represent the federal decision bodies in discussions with the other decision bodies in making the determinations required under Section 7 of YESAA.

3.4 Roles and Responsibilities of the Parties

All Parties will use their reasonable best efforts to carry out the goals and objectives of this MOU including:

- participation in the NPMO and MPMO governance structure at all staffing/committee levels;
- facilitation of departmental or agency reporting to the governance structure;
- participation in the development of collaborative inter-departmental/inter-agency plans for Aboriginal consultation and accommodation, as and when appropriate;
- providing the NPMO with departmental/agency records of Crown consultation associated with Projects, as and when appropriate;
- participation in the development and implementation of specific Northern Project Agreements (as described in section 4 of this MOU);
- assisting with Project-tracking activities by providing timely and relevant information updates to the NPMO;
- providing the NPMO with advance notice of relevant meetings or activities that include the Parties and Project proponents, where feasible;

- cooperating and communicating openly and continuously with each other at appropriate administrative levels to facilitate effective implementation of this MOU; and
- working collaboratively with the NPMO to identify issues that may inhibit the efficiency and effectiveness of the regulatory system for Projects, and proposing potential solutions.

4. PROJECT MANAGEMENT AND ACCOUNTABILITY TOOLS:

4.1 Northern Project Agreements (NPA)

Projects defined in section 2 of this MOU, will be subject to a Northern Project Agreement (“**NPA**”). The NPAs will be developed by the NPMO in cooperation with relevant federal departments and agencies.

Territorial Project Committees may also recommend that an NPA be developed for a project in the pre-environmental assessment/environmental impact review stage should the proposed project be identified as having multiple, complex issues which require management through a coordinated approach and/or which are being considered likely to be referred for a review. In this case, an NPA would be developed upon approval by the Major Projects Assistant Deputy Ministers’ Working Group.

An NPA will be an agreement between the Parties defining roles, responsibilities and milestones required to manage the environmental assessment/environmental impact review, regulatory permitting processes, and final approval decisions in relation to a Project. Each NPA will be specific to each Project’s circumstance and its progression in the environmental assessment/environmental impact review and regulatory permitting processes, and will include the following:

- an introductory overview;
- a project description;
- discussion of governance;
- tracking and reporting responsibilities; and
- annexes that set out roles and responsibilities for each signatory party in managing issues, consultation plans, and meeting key milestones, respecting that timelines are set by the independent northern Boards.

NPAs are intended to be public documents to promote a transparent process and will be made available to Project proponents and the general public. NPAs are designed to coordinate federal activities as a Project advances through environmental assessment/environmental impact review and regulatory permitting processes. NPAs are not intended to be legally binding nor will they create any legal obligations or be a source of liabilities for the Crown.

Deputy Ministers, whose departments have specific environmental assessment/environmental impact review, and/or regulatory permitting responsibilities for a Project, will sign the NPA. Federal entities having quasi-judicial functions may also elect to enter into the NPA, but are not required to do so. Once signed, the NPA will be posted publicly on the NPMO Tracker, described in section 4.2 of this MOU excluding any information that is otherwise protected from public disclosure.

4.2 Project Tracking

The NPMO will populate, maintain and disseminate a web-accessible monitoring and tracking system. The tracking system will allow Parties, stakeholders and the general public to monitor the progress of a Project, including management of timelines and milestones set out in the NPA. The NPMO Tracker shall not contain or disseminate any confidential information of the Project proponent or the Parties.

To the extent possible, the NPMO monitoring and tracking system will cross reference existing tracking systems and public registries established by the relevant environmental assessment/impact review and regulatory boards.

4.3 Crown Consultation Records

Effective records management is an essential component of the Crown's duty to consult and, where appropriate, accommodate Aboriginal peoples. The NPMO will establish and maintain a central repository for Crown consultation records for Projects or any project in the pre-environmental assessment/impact review that is nevertheless recommended for an NPA pursuant to Section 4.2 hereof. Federal departments and agencies will have secure access to the repository in order to provide their consultation records. The repository will allow for the systematic and consistent documentation of federal consultation activities with Aboriginal groups for Projects. The repository will also serve as a cross reference to other public registries such as those of the environmental assessment/environmental impact review and regulatory boards.

5. REPORTING:

On a quarterly basis, the NPMO, in collaboration with the Parties, will report on the status of the regulatory review of Projects within the regulatory system at that time. This reporting shall be made to the Minister responsible for the CanNor, those Ministers representing departments/agencies involved in the regulatory process, and to the members of the Major Projects Deputy Ministers' Committee and any other involved Deputy Ministers.

The details of reporting requirements and the data and analysis required from the Parties will be determined in consultation with the Parties.

The Parties agree to support the NPMO in fulfilling these reporting requirements by providing timely and thorough data and information. The NPMO will provide as much

lead time as reasonably possible in outlining information requirements pertaining to the reporting requirements listed herein.

6. RESEARCH:

As necessary, the NPMO will lead, on a priority basis, collaborative research and policy analysis on short, medium and longer term initiatives to improve the performance of the Northern regulatory systems, including possible structural changes, to streamline the regulatory systems for Projects.

The Parties will work collaboratively with the NPMO to identify, through ongoing monitoring and analysis, issues that may inhibit the efficiency and effectiveness of the regulatory systems for Projects and propose potential solutions.

The Parties will participate, where feasible and warranted, in any research projects undertaken by the NPMO.

NPMO will coordinate its research efforts with MPMO to ensure that issues of national impact are managed in a shared manner.

7. DISPUTE RESOLUTION:

The Parties will make every reasonable effort to agree on the interpretation and application of this MOU as it relates to federal participation in the environmental assessment/environmental impact review and regulatory permitting processes for Projects and to resolve issues at the Territorial Project Committee level.

When issues cannot be resolved at the Territorial Project Committee level, the NPMO Director General, after consulting with the Territorial Project Committee where appropriate, will move unresolved issues from the Territorial Project Committees to the Major Projects Directors General Working Group for consideration and resolution. As a next recourse, unresolved issues, which create an impediment in the efficient and effective progress of Projects, will be brought to the attention of the Major Projects Assistant Deputy Ministers Working Group for resolution. As a final recourse, disputes and unresolved issues will be elevated to the Major Projects Deputy Ministers Committee for resolution. The Major Projects Deputy Ministers Committee will provide coordination and guidance on those issues to the extent that they pertain to federal roles and responsibilities.

8. GENERAL

8.1 This MOU comes into effect upon the date of signing by all Parties and shall expire on March 31, 2017, unless all Parties agree to an earlier termination.

- 8.2** This MOU may be amended, or replaced at any time with written agreement of the Parties.
- 8.3** Parties may withdraw from this MOU at any time after providing one month prior notice to the remaining Parties.
- 8.4** Each year, this MOU will be reviewed and evaluated by the Major Project Deputy Ministers' Committee and a decision will be made concerning its amendment or continuation. That review will be based on a framework developed and agreed to by the Parties.
- 8.5** The Parties hereto agree that this MOU may be executed and dated in counterparts, each of which counterpart when taken together will constitute the original MOU. The Parties further agree that the MOU shall become effective on the date on which the last counterpart is executed.



President
Canadian Northern Economic Development Agency

27/2/12
Date



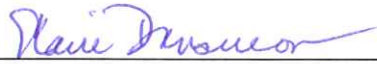
Deputy Minister
Aboriginal Affairs and Northern Development Canada

27/2/12
Date



Deputy Minister
Environment Canada

MAY 24 2012
Date



Deputy Minister
Fisheries and Oceans Canada

MAR 12 2012
Date



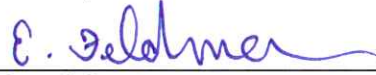
Deputy Minister
Natural Resources Canada

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Deputy Minister
Transport Canada

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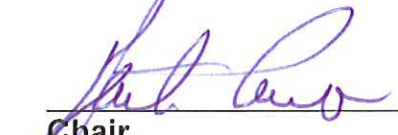
President
Canadian Environmental Assessment Agency

MAR 20 2012
Date



President
Canadian Nuclear Safety Commission

MAR 16 2012
Date



Chair
National Energy Board

APR 02 2012
Date

ANNEX 1

MPMO and NPMO Governance Structure: Roles and Responsibilities of MPMO and NPMO Committees

A.1.1 Major Projects Deputy Ministers' Committee will serve as the governance body for the implementation of this MOU. Each member of the Deputy Ministers' Committee will ensure that their respective department/agency will adhere to the principles, objectives and governance structure defined in this MOU. The key role of the Deputy Ministers' Committee is to provide overall advice or direction for the resolution of Project-specific policy issues or issues related to federal participation in environmental assessment/environmental impact review and regulatory permitting processes of Projects. Members of the Deputy Ministers' Committee whose departments have specific environmental assessment/environmental impact review, regulatory permitting and decision-making responsibilities in relation to a Project will be the signatories on Northern Project Agreements, defined in Section 4.1 of this MOU, and amendments to those agreements as required.

A status report may be provided by the NPMO outlining issues and federal activities as they relate to the environmental assessment/environmental impact review and regulatory permitting of Projects at monthly meetings of the Deputy Ministers' Committee.

A.1.2 MPMO Assistant Deputy Ministers' Working Group supports the governance and decision-making functions of the Major Projects Deputy Ministers' Committee. The Working Group will meet on a monthly basis prior to the Major Projects Deputy Ministers Committee meeting. The Assistant Deputy Minister responsible for NPMO will be a member of this Working Group for purposes of exchanging information on specific northern project issues, as well as using this Working Group to address horizontal pan-Northern issues.

A.1.3 MPMO Directors General Working Group provides an interdepartmental coordination network, meeting on a monthly basis to support the Major Projects Deputy Ministers' Committee and the MPMO Assistant Deputy Ministers' Working Group. Directors General from the Parties compose the membership. The Directors General Working Group may provide advice and recommendations concerning northern projects and issues management to support the MPMO governance hierarchy. The Directors General Working Group will be the primary interface between the MPMO governance hierarchy and the Territorial Project Committees.

The MPMO Directors General Working Group will also function as the Crown Consultation Advisory Committee and will provide overall guidance for ensuring that the Crown's legal duty to consult aboriginal groups is effectively and efficiently fulfilled. The Crown Consultation Advisory Committee, having assistance and advice from the Parties and the Department of Justice, will monitor existing board processes to determine on a project-by-project basis, to what extent the Crown can

rely on the board processes to assist the Crown in fulfilling its duty to consult, and where appropriate, accommodate. This Committee will also assess the extent to which proponent engagement with potentially affected Aboriginal groups can be relied on to assist the Crown in fulfilling its duty to consult. This Committee may identify as required, possible risks, issues or consultation gaps that may require Crown consultation outside of the board processes.

A.1.4 Territorial Project Committees exist in each of the three Territories. The Territorial Project Committees consist of Director-level or delegated representatives of the Parties having regulatory and review responsibilities for Projects in the territories. Director-level representatives from relevant territorial government departments are invited to join the Territorial Project Committees if they wish. Environmental assessment/environmental impact review and regulatory permitting boards will be invited to participate in the general discussions of the Territorial Project Committees, but will not participate in project-specific discussions. The Territorial Project Committees will assist in the implementation of this MOU and provide a forum for information exchange, planning and coordination of federal responsibilities, issue identification, management and resolution for a particular Project. The Territorial Project Committees will be responsible for providing advice and support to the MPMO Directors General Working Group concerning Projects.. The NPMO will serve as the secretariat to the Territorial Project Committees.

A.1.5 Resource Development Advisory Group (RDAG) may be created by NPMO for projects in the early- to advanced-exploration stage at the request of a project proponent. An RDAG will normally consist of the project proponent, representatives appointed by the Parties, Territorial government departments, the environmental assessment/environmental impact review board staff where appropriate, and representatives of relevant Aboriginal governments. The NPMO will serve as the secretariat to the RDAG.

An RDAG meeting will offer the proponent an opportunity to describe their proposed or draft project plans, plans for collecting baseline environmental, cultural and socio-economic data, and to learn from regulators what information can be reasonably expected from a proponent under federal and territorial regulatory and environmental assessment and regulatory processes. The RDAG may also provide the proponent with information from the Parties on available baseline data, technical information or knowledge that is relevant to the proponent's planned project. The RDAG may also inform the proponent on opportunities and requirements for engagement with Aboriginal people, community engagement, and community economic development opportunities planning.

A.1.5 Project-Specific Technical Working Groups will be established by the NPMO for Projects defined in Section 2.2. The Project-Specific Technical Working Groups will bring together technical staff of the Parties and, when appropriate, relevant Territorial staff, technical staff or technical consultants of Aboriginal groups, proponents, and regulatory board staff for the purpose of identifying and resolving Project-specific issues and to ensure consistent and timely technical advice to the

Review and regulatory Boards. During the environmental assessment/environmental impact review process, the Project-Specific technical working group will meet on as-needed basis to discuss technical issues related to the Project that could cause delays in the Project review. The Project-Specific Technical Working Group may meet to review Project descriptions/impact statements, discuss the NPA for the Project, discuss coordination of information requests, participation and responses at technical hearings and public meetings, coordination of Crown consultation, and any other project-related issue which may require resolution or a coordinated response by the Parties. The NPMO will serve as the secretariat to the Project-Specific Technical Working Group.