

AN ECONOMIC DEVELOPMENT COOPERATION AGREEMENT

BETWEEN THE

GOVERNMENT OF CANADA

AND THE

GOVERNMENT OF THE NORTHWEST TERRITORIES

FOUNDATIONS FOR THE FUTURE

MINERALS

FISHERIES

TRADITIONAL ECONOMY

CULTURAL INDUSTRIES

ENVIRONMENTAL INDUSTRIES

FISH AND GAME FOOD PROCESSING

FINE ARTS, CRAFTS AND SOUVENIRS

COMMUNITY BUSINESS SECTOR SERVICES AND INFRASTRUCTURE

THIS COOPERATION AGREEMENT (the "Agreement") made this _____
day of _____, 1991

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA as
represented by the Minister of Indian Affairs and
Northern Development (hereinafter referred to as
"Canada")

OF THE FIRST PART

AND:

THE GOVERNMENT OF THE NORTHWEST TERRITORIES
represented by the Minister of Economic
Development and Tourism and the Commissioner of
the Northwest Territories (hereinafter referred to
as the "GNWT")

OF THE SECOND PART

WHEREAS:

1. Canada and the GNWT entered into a Framework Agreement (herein referred to as the "FA"), dated February 20, 1991, under which they agreed to cooperate in the establishment, approval, implementation and monitoring of Initiatives to promote balanced economic development in the Northwest Territories (herein referred to as the "NWT");
2. Canada and the GNWT have agreed that Initiatives should: address the need to develop new businesses in the NWT; contribute to the economic self-reliance of the NWT, the broadening of its economic base and the creation of income opportunities, particularly in communities where unemployment is greatest; increase the integration and efficiency of the NWT economy; emphasize the use of the resident labour force; be coordinated with existing federal and territorial programs and fill gaps in service in such

programs, and be consistent with the principles of sustainable development.

3. The Commissioner of the Northwest Territories, under the authority of the Economic Development Agreements Act S.N.W.T. 1977 c.1, is authorized to execute this Agreement on behalf of the GNWT.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the Terms and Conditions contained herein, Canada and the GNWT covenant and agree as follows:

SECTION 1 - INTERPRETATION

"Allowable Costs" means those costs as more particularly described in clause 6.5 of this Agreement.

"Capital Costs" means any costs of a Project determined by a Management Committee in respect of construction of fixed assets.

"Capital Project" means any specific Project, as determined by a Management Committee, where construction or activities related to construction are involved.

"Commissioner" means the Commissioner of the Northwest Territories and includes any person authorized by him/her to act on his/her behalf.

"Communications Management Committee" means the committee described in clause 10.5 of this Agreement.

"Consensus" means agreement by all participating voting members, with the exception of those abstaining.

"Contributing Party" means that Party to this Agreement which, with respect to a particular Cost-Shared Initiative, is not the Implementing Party.

"Cost-Shared Initiative" means an Initiative financed jointly by Canada and the GNWT that is implemented under this Agreement.

"Directly Delivered Initiative" means an Initiative under this Agreement that is financed and implemented entirely by either Canada or the GNWT.

"Eligible Costs" means those Allowable Costs, as identified on the approved Project Authorization Form, that are eligible for reimbursement.

"Evaluation Plan" means the strategic evaluation plan established by the Program Evaluation Committee in accordance with section 7 of the FA.

"Federal Minister" means the Minister of DIAND and includes any person authorized to act on his/her behalf.

"Implementing Ministers" means the Minister of DIAND and the Minister of ED&T.

"Implementing Party(ies)" means the Party to this Agreement responsible for implementing an Initiative as identified in Schedule A of this Agreement.

"Implementing Party Work Plan" means the annual work plan described in clause 5.4 and Schedule C of this Agreement.

"Initiative" means an activity described in Schedule A of this Agreement, intended to meet the purpose and objectives of the FA, and any activity which may be subsequently added by the Policy Committee pursuant to paragraph 5.5(t) of the FA.

"Minister of Economic Development and Tourism" means the Member of the Executive Council of the Legislative Assembly of the Northwest Territories responsible for Economic Development and Tourism and includes anyone authorized to act on his/her behalf.

"Program Evaluation Management Committee" means the committee described in clause 9.3 of this Agreement.

"Progress Report" means the report described in clause 4.7(n) of this Agreement.

"Project" means any specific endeavour which is implemented solely by, or in combination with, Canada, the GNWT or a third party, and which forms a component of an Initiative.

"Project Authorization Form" means the form described in clause 4.10 of this Agreement.

"Project Manager" means the federal or GNWT department(s) responsible for a Project as set out in the Project Authorization Form.

"Shareable Revenue" means any monies accruing to or collected by Canada or the GNWT or their agencies as set out in section 8 of this Agreement.

SECTION 2: TERM

2.1 This Agreement shall become effective April 1, 1991.

- 2.2 This Agreement shall expire on the 31st day of March, 1996, unless it is earlier terminated by mutual agreement; provided, however, that either Party may terminate this Agreement at the end of any fiscal year by giving to the other Party one clear fiscal year's notice in writing of such termination, and provided further that the Parties hereto may at any time extend, by written agreement, the term of the Agreement beyond the date upon which it would otherwise expire.
- 2.3 The final date of approval of Projects under this Agreement shall be March 31, 1996.

SECTION 3: PURPOSE AND OBJECTIVES

- 3.1 The purpose of this Agreement is to enable Canada and the GNWT to work towards the achievement of the purpose and objectives as set out in section 3 of the FA, by pursuing the Initiatives set out in Schedule A of this Agreement.

SECTION 4: MANAGEMENT AND ADMINISTRATION

- 4.1 Within 30 days of the signing of this Agreement, senior representatives of the Implementing Ministers shall:
- (a) jointly establish Program Evaluation, Communications, Administrative Services and other Management Committee(s);
 - (b) designate their respective federal and GNWT co-chairpersons for each Management Committee;
 - (c) designate their respective GNWT and federal members on each Management Committee, and
 - (d) jointly assign, to each Management Committee, Initiatives from Schedule A.
- 4.2 A senior representative of each Party to this Agreement may appoint up to 3 representatives, including the respective co-chairpersons, of their respective governments as voting members of each Management Committee.
- 4.3 If a representative of potentially affected groups and associations is selected for appointment to a Management Committee and related sub-committee pursuant to clause 5.6 of this Agreement, that representative may exercise the voting rights as set out in clause 5.6.

4.4 Senior representatives of the Implementing Ministers may, following their consideration of the Annual Review, Management Committee Work Plans or other Management Committee reports, agree to:

- (a) increase or decrease the number of Management Committees;
- (b) increase the number of government voting members of Management Committees and, with the approval of the Policy Committee, voting representatives of private sector groups and organizations, and
- (c) change the assignment of Initiatives to Management Committees.

4.5 The Management Committee(s) shall continue to exist and operate for as long as is necessary to meet their requirements as set out under this Agreement, but costs incurred after March 31, 1996 shall not be Allowable Costs.

4.6 Each Management Committee established pursuant to this Agreement shall:

- (a) coordinate federal and territorial activities in support of Initiatives under this Agreement, monitor the state of its economic sectors and forecast problems and opportunities associated with its sectors;
- (b) establish all procedures in respect of its own meetings, including rules for the conduct of meetings, quorums, the appointment of alternates for members, confidentiality, ethical conduct and the making of decisions where all the members are not physically present in one place;
- (c) establish procedures and rules which will accommodate the financial legislation and policies of the Parties;
- (d) establish and implement selection criteria for the approval or rejection of Projects under the Initiatives identified in Schedule A of this Agreement;
- (e) establish such technical, advisory or other sub-committees as may be necessary to assist in the orderly delivery of Initiatives. Expenditure and other authorities and responsibilities may be delegated by the Management Committees to those sub-committees. Sub-committees approving Project expenditures shall be co-chaired by representatives of the federal and NWT governments;

- (c) that the other party to the contract shall indemnify and save harmless both Parties to this Agreement from and against all claims, demands, losses, damages and costs of any kind based upon any injury to or death of a person or damage to or loss of property arising from any wilful or negligent act, omission or delay on the part of the contracted party or its servants or agents in carrying out the contract, and
- (d) where one Party hereto is responsible for the implementation of a Project, it shall indemnify and save harmless the other Party, its officers, servants and agents against all claims and demands of third parties in any way arising out of the implementation of such Projects, except to the extent to which such claims or demands relate to the act of negligence of any officer, employee or agent of the other Party.

- 5.3 The Management Committees may approve contracting by Implementing Parties with third parties to implement Initiatives. In particular, the Implementing Party may enter into one or more contracts for this purpose or may utilize its own resources. Nothing herein prevents the Implementing Party for any Initiative from arranging with the other Party for the delivery by the other Party of all or part of such Initiative.
- 5.4 The Implementing Party shall propose to the Management Committee, for its approval, an acceptable Implementing Party Work Plan. The minimum content requirements of each Implementing Party Work Plan are prescribed in Schedule C of this Agreement.
- 5.5 The Implementing Party is responsible for proposing to the Management Committee, for its approval, an acceptable plan for consulting with potentially affected groups, organizations and other federal and GNWT departments or agencies when drafting the Implementing Party Work Plan. The Implementing Party will be accountable, through its Implementing Party Work Plan, to the Management Committee for carrying out the approved consultation plan.
- 5.6 Private sector groups and organizations, consulted pursuant to clause 5.5, may select one individual to represent, at their pleasure, their collective interests on the Management Committee or related sub-committees. This member shall be jointly, duly appointed by senior representatives of the Implementing Ministers and shall have voting rights with respect only to consideration of annual Implementing Party Work Plans and Project proposals related to the Initiative(s) for which this member was selected.

- 5.7 An agreement may be entered into between the Implementing Party and other party(ies) for the coordination of economic programs and activities or for the resolution of related issues of concern to them or any other directly concerned party.
- 5.8 Purchase of goods and services under this Agreement shall be made from NWT Businesses to the extent that they are procurable, competitive and allow for the expeditious performance of Projects.
- 5.9 Any contract, funded in whole or in part through this Agreement by an Implementing Party with a third party for goods and services, shall be awarded and administered in accordance with the administrative, management and contract procedures of that Implementing Party.
- 5.10 Unless otherwise specifically approved by the Management Committee, reports, documents, plans, maps and other materials, prepared by any person with whom a contract or contribution agreement has been entered into pursuant to this Agreement, shall become the property of the Parties to this Agreement.
- 5.11 Recruitment of labour shall be done with the objective of encouraging local NWT employment.
- 5.12 The obligations of the Parties under this Agreement are subject to any obligations undertaken by Canada pursuant to the General Agreement on Tariffs and Trade, the Free Trade Agreement or any other international commitments undertaken by Canada.

SECTION 6: FINANCIAL

- 6.1 Subject to the terms and conditions of this Agreement and subject to paragraph 6.1 of the FA, Canada's expenditures in respect of this Agreement shall not exceed \$26,985,000 over the term of this Agreement, as further described in Schedule D of this Agreement.
- 6.2 Subject to the terms and conditions of this Agreement and subject to paragraph 6.1 of the FA, the GNWT's expenditures in respect of this Agreement shall not exceed \$11,565,000 over the term of this Agreement.
- 6.3 The financial contribution of Canada shall be seventy percent of the costs of all Initiatives over the term of this Agreement. The financial contribution of GNWT shall be thirty percent of the costs of all Initiatives over the term of this Agreement.

6.4 A Management Committee may change the Implementing Party for any Initiative for which the Management Committee has responsibility, where the purpose and objectives of the Agreement would be furthered.

6.5 Allowable Costs include:

- (a) costs described in clauses 6.5(b) through 6.5(h) which are incurred prior to March 31, 1996 and for which an application for payment has been made prior to September 30, 1996;
- (b) costs invoiced to the Project Manager under a contract made under this Agreement for goods or services;
- (c) the gross salaries, employer's share of contributions for Canada Pension Plan and Unemployment Insurance, standard employee benefits such as vacation and housing allowances, reasonable travel and removal expenses in accordance with the applicable regulations of the Implementing Party and any other related costs of any term public servant of Canada or the GNWT employed primarily for the purposes of carrying out an Initiative;
- (d) with respect to Capital Projects and unless otherwise specified by the Management Committee, 100 percent of all direct costs that have been reasonably and properly incurred, plus an additional 20 percent. The additional 20 percent is an allowance for any feasibility, surveying, engineering and architectural costs that may be incurred on behalf of the Project Manager;
- (e) travel expenses that are consistent with federal Treasury Board guidelines, incurred by members of the public when participating on committees or sub-committees established under this Agreement or the FA;
- (f) honoraria for members of the public serving on a Management Committee and the Public Advisory Committee established through the FA, at a rate of remuneration in accordance with the payment terms and conditions for participation on Advisory Boards as established through the GNWT Directive for Honoraria;
- (g) honoraria for members of the public serving on sub-committees, if approved by the appropriate Management Committee, at a rate of remuneration in accordance with the payment terms and conditions for

participation on Advisory Boards as established through the GNWT Directive for Honoraria, and

- (h) any other cost, excluding those set out in clause 6.7 of this Agreement, which is incurred in the performance of a Project and is expressly described in the Project Authorization Form.

6.6 The following shall not be Allowable Costs:

- (a) any portion of the remuneration of any indeterminate employee of Canada or the GNWT, or of any federal or GNWT Crown Corporation or Agency;
- (b) services or works normally included in the Annual Main Estimates as published by Canada or the GNWT, except as otherwise agreed to by the Management Committee;
- (c) accommodation in buildings owned by either Party and related services, including costs of telephone and other utility systems, except as otherwise agreed to by the Management Committee;
- (d) except as otherwise agreed to by the Management Committee, any amounts paid for the occupation or use by a Party of any fixed assets which are owned or currently leased by or under the control of either Party, including the costs of operation and maintenance, and
- (e) any cost relating to the acquisition of lands, or interest in lands, by either Party, or any costs arising from conditions of such acquisition.

6.7 Approved travel and honoraria expenses for members of the public participating on committees or sub-committees established by the Policy Committee shall be charged against the Administrative Services Initiative. Approved travel and honoraria expenses for members of the public participating, pursuant to clauses 4.6(e) or 5.6, on committees or sub-committees, shall be charged against the Initiative(s) for which the public member was selected.

6.8 NWT Businesses, societies and associations registered and in good standing under the NWT Societies Act, NWT residents and governments (excluding Canada) are eligible applicants under all Initiatives, unless otherwise specifically noted in the Initiatives set out in Schedule A.

6.9 Unless otherwise specified in the Project Authorization Form, upon completion of Capital Projects for which the GNWT is the Project Manager, the GNWT shall receive clear title

SECTION 8: SHAREABLE REVENUE

- 8.1 For the purposes of this Agreement, Shareable Revenue means any monies accruing to or collected by Canada or the GNWT prior to March 31, 1998 under an Initiative as a result of either the recovery of a contribution or from the sale or compensation for a use other than that specified of purchased equipment or works constructed. Such revenue shall be divided between Canada and the GNWT in the same proportions as the respective shared costs of Canada and the GNWT in that particular project.
- 8.2 Canada and the GNWT agree that any revenues resulting from the operations of Capital Projects for which the GNWT has assumed control, as specified in clause 6.8, will accrue to the GNWT.

SECTION 9: EVALUATION

- 9.1 The interim management review of this Agreement and its Initiatives, referred to in paragraph 7.6 of the FA, will be completed prior to March 31, 1994.
- 9.2 A Management Committee may request that the Program Evaluation Committee manage Project audits on behalf of the Management Committee. The costs of the audits shall be shared by Canada and the GNWT.
- 9.3 A Program Evaluation Management Committee shall approve those acceptable Implementing Party Work Plans and Projects designed to carry out the tasks set out in the approved Evaluation Plan, within the context of the approved annual evaluation and audit budget.

SECTION 10: COMMUNICATIONS

- 10.1 Any public announcement relating to this Agreement, as well as any official opening ceremony for any Projects under this Agreement where such ceremony is indicated and appropriate, shall be arranged and announced jointly by the Parties.
- 10.2 The Annual Review, as described in paragraph 5.6(e) of the FA, shall be designed and produced so that it can be made available for distribution to interested members of the public within 90 days of the end of the fiscal year. Further, the mid-year Progress Reports, as described in clause 4.7(n) of this Agreement, are to be made available on request to interested members of the public, following their tabling with the Policy Committee.

- 10.3 Approved Management Committee Work Plans are to be made available on request to interested members of the public.
- 10.4 Neither Party shall make a public announcement of a Project or Initiative under this Agreement without the prior consent of the Public Relations Committee.
- 10.5 The Communications Management Committee shall approve those acceptable Implementing Party Work Plans and Projects designed to carry out the tasks set out in the approved Communications Plan, within the context of the approved annual communications budget.
- 10.6 The Public Advisory Committee, as established under the FA, shall be provided with an opportunity to review and offer recommendations to the Policy Committee on the program evaluation plan prepared pursuant to paragraph 7.3 of the FA, the Communications Plan and the Management Committee Work Plans, prior to their adoption by the Policy Committee.

SECTION 11: ENVIRONMENTAL ASSESSMENT

- 11.1 Projects funded under this Agreement will be subject to all Government of Canada and GNWT environmental assessment legislation and policies.

SECTION 12: MARKET DISRUPTION

- 12.1 Projects for which a contribution under this Agreement in excess of \$5,000 is proposed for the purchase of assets may be approved unless it can be demonstrated to the satisfaction of the Management Committee that existing NWT Business(es) in the community will suffer significant financial damage as a result of the contribution.
- 12.2 The Management Committee is required to advise, through newspaper advertisements or other appropriate methods, NWT Businesses that may be affected through market disruption by proposed contributions for the purchase of assets pursuant to this Agreement in their community.
- 12.3 In all instances, potentially affected NWT Businesses will be given 30 days to make their objections known to the Implementing Party. The onus is on the potentially affected business(es) to clearly demonstrate that the proposed contribution pursuant to this Agreement for the purchase of assets would reduce their existing share of the market and result in significant financial damage to the business.

SECTION 13: AMENDMENTS

13.1 This Agreement may be amended from time to time by the written agreement of the Implementing Ministers.

SECTION 14: ETHICAL CONDUCT

14.1 Members of the private sector appointed to committees or sub-committees:

- (a) shall not accord preferential treatment in relation to any official task or duty to any person to which that member is related;
- (b) shall resolve any conflict between their personal or private interests and their official duties in favour of the public interest, and
- (c) shall seek to serve the public interest by upholding both the letter and spirit of the FA, this Agreement and the laws enforced in the Northwest Territories and the regulations and directions made pursuant to these laws.

14.2 Private sector committee or sub-committee members are required to avoid situations which may lead to a conflict of interest. A conflict of interest situation is considered to occur when a member:

- (a) engages in any activity that is, or may appear to the public to be, incompatible with the performance of his or her official duties;
- (b) seeks personal or private gain by granting preferential treatment to any applicant;
- (c) solicits or, unless duly authorized, accepts transfers of economic value from persons with whom he or she has contact in his or her official capacity. It is acceptable for a member to receive casual benefits such as hospitality or small gift items in official dealings with persons where such benefits are within the normal standards of hospitality or courtesy and would not bring suspicion upon the member's objectivity, and
- (d) seeks or obtains personal or private gain from the use of information which is acquired during the course of his or her official duties and which is not generally available to the public.

14.3 Private sector committee or sub-committee members shall disclose, in advance, their financial interests and the

extent and nature thereof and shall vacate the room for all discussions pertaining thereto, when:

- (a) they have financial interests that could be affected particularly or significantly by the Project under consideration;
- (b) they are related or linked to the applicant or applicant's business or his or her immediate family;
- (c) their business is or may be in direct competition with the applicant's business, or
- (d) another family member living in the same residence, including a dependent, spouse, son, daughter or other relative, has any such interests as those stated above.

14.4 A committee or sub-committee established under this Agreement may establish additional rules, procedures and guidelines governing the ethical conduct of members.

14.5 Unless otherwise specifically approved by a Project applicant, members of all committees or sub-committees established under this Agreement shall not disclose to any member of the public, orally or in writing, any financial information or business plans or strategies received in support of an application. Furthermore, all staff and member analysis of Project proposals shall also not be disclosed, unless otherwise determined by the committee or sub-committee.

SECTION 15: GENERAL

15.1 The terms and conditions of the FA shall apply to this Agreement.


15.2 This Agreement is a contribution agreement between Canada and the GNWT.

15.3 Nothing in this Agreement shall be construed so as to affect the special status of aboriginal people and of Reserve Lands. Furthermore, nothing in this Agreement shall jeopardize the position of aboriginal people with respect to any legal obligations which Canada or the Northwest Territories might have because of Treaties, claims arising therefrom or claims of any other nature.

15.4 No member of the Parliament of Canada or of the Legislative Assembly of the Northwest Territories shall be admitted to any share or part of this Agreement or to any benefit arising therefrom.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates listed below.

GOVERNMENT OF CANADA



 Witness to the signature
 of the Minister of Indian
 Affairs and Northern
 Development on 03/07
 1991.



 Minister of Indian Affairs and
 Northern Development

GOVERNMENT OF THE NORTHWEST TERRITORIES


 Witness to the signature
 of the Minister of Economic
 Development and Tourism
 on 03/07, 1991.


 Minister of Economic Development
 and Tourism


 Witness to the signature
 of the Commissioner of the
 Northwest Territories on
03/07, 1991.


 Commissioner of the Northwest
 Territories