



**Government of the Northwest Territories Response to  
Committee Report Report 1-19(2): Report on the  
Long-Term Post-Pandemic Recovery: Recommendations to the GNWT**

Introduction

The Government of the Northwest Territories (GNWT) recognizes the difficulties that the COVID-19 pandemic and health measures being taken to combat the virus' spread is causing NWT businesses, service providers, residents, governments and non-government organizations. There is a need for planning a path forward for recovery from the COVID-19 pandemic.

The GNWT remains committed to mitigating the economic impacts of this crisis on our economy and to invest in the economic well-being of Northwest Territories industry and businesses as part of the recovery from the COVID-19 pandemic. The GNWT acknowledges it will play an important role in supporting the economic recovery of the Northwest Territories as part of the Long-Term Post-Pandemic Recovery along with other key stakeholders like NWT businesses and the federal government.

A new Business Advisory Council (BAC) has been established to support the GNWT in the development and implementation of "*The Emerge Stronger Plan*" to support the economic and social recovery of the Northwest Territories.

Planning is underway for the establishment of additional Committees including the Joint Advisory Committee on Reconciliation and Indigenous Affairs, and the Special Committee on COVID 19 Economic and Social Recovery. The revised Terms of Reference for these two proposed joint MLA Cabinet committees, one related to COVID-19 response, and the other respecting efforts related to Indigenous reconciliation, were provided to the Standing Committee on Accountability and Oversight on August 7, 2020.

Collectively, these Committees will ensure that the experience, talent, and resources of the private sector, the Northwest Territories' Indigenous communities, Members of the Legislative Assembly and NGOs who deliver critical GNWT funded programs or services to the public are considered in the development and implementation of the economic and social recovery plan.

The GNWT would like to thank the members of the Standing Committee on Economic Development and Environment for the work in developing this report. The recommendations of the Standing Committee will be considered in developing a recovery plan and preparing for future phases of the COVID-19 pandemic. Due to the limited time that the GNWT has had to assess the recommendations, it is difficult to anticipate how the recommendations will inform the development of the recovery plan and therefore there will need for further engagement with Standing Committee as the economic recovery plan is developed.

It should be noted that the GNWT in preparing this response to the recommendations contained in CR2-19(3) did also consider the recommendations from Standing Committee on Government

Operations (SCOGO) in CR2-19(2) and the Standing Committee on Social Development (SCOSD) in CR3-19(3).

### Background

On June 9, 2020, CR 1-19(2) was considered in the Committee of the Whole. The five recommendations were carried, including a recommendation that the Government of the Northwest Territories provide a comprehensive response to the report within 120 days.

### Recommendation 1:

SCEDE recommends that the GNWT, through amendment of BDIC programs, increase business relief efforts through measures not limited to extending loan payment remission and providing loan forgiveness options. SCEDE also recommends the BDIC expand investment programs to stimulate economic development. SCEDE recommends the amendments to the loan program, and a plan to expand the investment program be completed and reported back to committee as per Recommendation 5.

### *GNWT Response*

The GNWT cannot accept this recommendation due to the time limitations in providing a response.

The GNWT will commit to conduct an analysis of costs associated, while taking into account its current fiscal situation, reduced revenues, and other additional COVID-19 related costs. Once this analysis is complete, the GNWT commits to provide a briefing to the Standing Committee to see if there are any options to move forward, in whole or part, with this recommendation.

In the interim, the GNWT has approved deferment of all BDIC loan payments for a period of up to 3 months. Requests for the deferment of BDIC loan payments can be made anytime between April 1, 2020 through March 31, 2021.

### Recommendation 2:

SCEDE recommends the GNWT review and revise the Business Incentive Policy in collaboration with the business community as well as Members of the Legislative Assembly. SCEDE recommends this work commence immediately, and notwithstanding Recommendation 5, report to Committee on the status of work by September 1, 2020 including a comprehensive work plan and a projected implementation date for the updated Business Incentive Policy.

### *GNWT Response*

The GNWT partially accepts this recommendation.

The review of the Business Incentive Policy (BIP) has been identified as a key action within the *2019-2023 Mandate of the Government of the Northwest Territories*. The review and update of

the GNWT procurement policies and practices, including BIP, is currently scheduled to be completed in Summer 2022. The GNWT will assess our ability to advance this work more quickly to reflect the need to support northern businesses in the recovery from the impacts of the COVID-19 pandemic.

The GNWT will be engaging the public, including the BAC, to assist with the review of BIP. Therefore, it will be difficult to complete a comprehensive work plan in the timeline requested by the Standing Committee. The GNWT will keep the Standing Committee updated on this initiative.

In the interim, the GNWT is requesting time to provide a briefing for SCEDE on current GNWT procurement policies, including BIP, and suggests that the briefing take place prior to September 1, 2020.

### Recommendation 3:

SCEDE recommends the GNWT work with Indigenous stakeholders and define the Indigenous ownership of the Taltson Hydro Expansion. Committee further recommends the GNWT lead interdepartmental efforts with project stakeholders to develop a plan that builds capacity among northern businesses to maximize benefits from the construction of this project.

### *GNWT Response*

The GNWT accepts this recommendation.

Advancing the Taltson Hydro Expansion (Project) is a Priority of the 19<sup>th</sup> Legislative Assembly and is included in the *2019-2023 Mandate of the Government of the Northwest Territories*. Establishing collaborative partnerships with Indigenous governments is specifically identified in the Mandate as a mechanism to advancing this Project. The collaborative partnership will be formalized through the negotiation and implementation of a Memorandum of Understanding (MOU) with the affected Indigenous governments.

Optimization of Indigenous and northern participation during the construction phase of the Project will be a key priority of the GNWT and Indigenous partners to be addressed in the MOU. As part of co-development of the project, the GNWT and Indigenous governments, through the MOU, may consider the following:

- Predefined labour and business requirements Indigenous and local northern labour;
- How best to monitor the project with respect to its goals set for Indigenous and northern contractor involvement in the construction and operations phases of this proposed project;
- Notification requirements for public and competitive contracting opportunities; and
- Other matters as agreed.

In addition to the Project, the GNWT is planning to invest over \$500 million in infrastructure throughout the Northwest Territories in 2020-21. This will result in 152 capital projects in 28 communities which will help support ongoing economic recovery from the COVID-19 pandemic.

Recommendation 4:

SCEDE recommends the GNWT complete a costed plan to provide broadband Internet connectivity across the territory comparable to the rest of Canada. In addition to the financial costs of extending broadband distribution into all communities, the plan should identify ownership model options (such as public, private or partnership) for the delivery of broadband services. Notwithstanding Recommendation 5, Committee recommends the costed plan be provided to Committee by September 1, 2020.

*GNWT Response*

The GNWT partially accepts this recommendation.

The “*Support the development of fast and reliable broadband internet services for NWT communities*” has been identified as a key action within the *2019-2023 Mandate of the Government of the Northwest Territories*.

As the delivery of internet service in the NWT is federally regulated and primarily by private industry, it would be difficult to develop a costed plan by September 1, 2020. There are a number of factors that the GNWT would need to consider in developing a costed plan such as the need for consistency on how internet is provided, that internet packages are equitably delivered to all communities, and the financial costs of completing the “last mile” of connectivity.

It will be difficult to complete a costed plan with the different ownership models as identified in the timeline requested by the Standing Committee without completing all of the business cases for the communities not connected to the fiber link. The completion of the business cases of the communities not connected to the fiber link is currently scheduled to be completed in Winter 2022. The GNWT will assess our ability to advance this work more quickly.

The GNWT will keep the Standing Committee updated on this initiative.

Recommendation 5:

The Committee recommends that the Government of the Northwest Territories provide a comprehensive response to this report within 120 days.

*GNWT Response*

The GNWT accepts this recommendation. This document, Response to Committee’s Report, is duly submitted within the required timeline.