

Northern Lights Trade Show
Conference Session X:



Peter Taptuna
Minister of Economic Development & Transportation

**Building Northern Infrastructure: Key Factors in Designing and Implementing
Cooperative Projects**

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Conference Session X
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10:30 – 12:00

Length: 10 Minutes

**Building Northern Infrastructure:
Key Factors in Designing and Implementing Cooperative Projects**

Fellow panelists:

- Mr. Robert Sauvé, Deputy Minister, Department of Natural Resources and Wildlife, Government of Québec
- Mr. Gilbert Bennett, Vice President Lower Churchill Project, Nalcor Energy (Newfoundland and Labrador).

Thank you. It's great to be in Ottawa for the Northern Lights Conference, and I'm happy to have this opportunity to participate in this conference session together with Mr. Sauvé and Mr. Bennett.

I would like to start by looking at the first part of this session's title: *Building Northern Infrastructure*. Since my appointment as Nunavut's Minister of Economic Development & Transportation in 2008 this has been a priority that I have pushed forcefully and consistently.

Many people are familiar with the state of Nunavut's infrastructure, but others may need a little background.

The term "infrastructure deficit" does not do it justice. It implies that we have infrastructure, but maybe we've fallen a little behind on maintenance.

The Territory of Nunavut, which makes up about one fifth of Canada's surface, has very little infrastructure.

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As Minister of Transportation, I am most familiar with transportation infrastructure, I can tell you that in Nunavut it is very modest.

Certainly, each of Nunavut's 25 communities has an airport – although most of these are simply a basic terminal and a gravel runway.

But there are no roads connecting our communities, or connecting us to the rest of Canada, and our marine infrastructure, where there is any, is also very basic. We have some breakwaters, but no ports or docks. Our cargo is landed by barge.

One exception, which I shouldn't forget, is the Small Craft Harbour which the federal government recently built in Pangnirtung. This piece of infrastructure will make an important contribution to the development of the local and regional fishery.

We also have public infrastructure such as schools, community centres, health centres and diesel power generating plants. These services are important.

But these, together with our limited transportation infrastructure, represent simply the basic level of infrastructure required to deliver basic government services.

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Beyond delivering basic government services, we are also committed to working towards economic self-reliance in Nunavut, and the lack of infrastructure is one of the greatest barriers to full participation in the economic opportunities in the territory.

So, I've described how there is a critical need for infrastructure in Nunavut, the next logical question is, where is the money going to come from to build this infrastructure?

We are still very much dependent on federal transfers – over 90% of our revenue comes from federal sources. And this money is mostly earmarked for things like health, education and operations.

We remain hopeful that the federal government will continue to construct harbours in Nunavut communities, as it has done in communities on Canada's Atlantic and Pacific coasts.

But there are few opportunities for the Government of Nunavut to contemplate building ambitious, strategic infrastructure projects.

This brings us to the second part of this session's title: *Key Factors in Designing and Implementing Cooperative Projects*.

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Increasingly, this is the model we are turning to in order to make northern infrastructure development a reality. However, I will not claim that we are experts in the field; we are still learning.

But I'm happy to describe the Nunavut experience, and what the current outlook is for developing infrastructure through cooperative projects.

One ambitious infrastructure concept that has not gotten off the ground is the Bathurst Inlet Port and Road project, which would connect an area of great mineral potential to a port that would be built at Bathurst Inlet on the Arctic Coast.

This initiative generated interest from mining companies and the Government of Nunavut, and it was to be owned and operated by companies owned by the regional Inuit organization. It promised to improve the economics of mineral projects in the area, and might have also improved the re-supply systems of communities in the Kitikmeot region.

The mining sector is of course the sector in Nunavut's economy that is growing fastest, and it's also the area where we have many of the opportunities for cooperative infrastructure projects.

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The Nunavut mining strategy calls for us to *build partnerships with mine developers, federal government, Inuit organizations, communities and others to leverage funding to build long-term and sustainable, territorial, regional, and community infrastructure.*

One way to do this is through Development Partnership Agreements, or DPAs. The model we use in Nunavut involves leveraging the fuel tax rebate to encourage mining companies to take on commitments, which can include infrastructure that benefits local communities as well as the mining company.

Some of the concepts that have been discussed as potential DPA commitments are port infrastructure, and microwave transmission infrastructure, to improve our internet connection to the rest of the world and to reduce our dependence on satellite internet.

For both of these there is an intersection between private and government priorities, and we should be discussing the possibilities early and exploring the opportunities for mutually-beneficial cooperation.

We've recently heard about connecting Nunavut to the rest of the world with fibre optic cables. It's very early, and I wouldn't want to speculate

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about the feasibility of such a project, but from what I've heard the model that is being considered would involve cooperation between the private sector and different levels of government.

Other projects are difficult to imagine without a cooperative approach that would include different private sector actors, and different jurisdictions and levels of government.

The Manitoba-Nunavut Road is a prime example – a land link to the rest of Canada, connecting Manitoba to Nunavut's Kivalliq region.

Given the cost to build and maintain such a road, it is difficult to imagine this project proceeding without cooperation between the federal government, the governments of Manitoba and Nunavut, and at least one private partner.

There is one strategic project that we are currently pursuing using a cooperative approach, and that is the re-development of Iqaluit International Airport.

This airport is a regional and territorial hub, and the traffic it handles has been increasing by leaps and bounds due to demographic growth and mineral exploration.

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We are working on a Public-Private Partnership model for the redevelopment of Iqaluit International Airport. The P3 model is new in Nunavut, so we have turned to Partnerships British Columbia for expertise advice on how to design and implement a P3 for this project.

So, I've given an overview of the importance of *Building Northern Infrastructure*, as well as some details on our approach to *Cooperative Projects*, and with that I'll wrap up my opening comments.

Thank you.