

**PARTICIPANT FUNDING REVIEW COMMITTEE'S REPORT -
ALLOCATION OF FUNDS FOR PHASE III
THE MACKENZIE GAS PROJECT**

The Government of Canada established a Participant Funding Program (PFP) for the Joint Review Panel process for the Mackenzie Gas Project, (the Project) as contemplated by the three following public agreements:

- Cooperation Plan for the Environmental Impact Assessment and Regulatory Review of a Northern Gas Pipeline Project through the Northwest Territories (Cooperation Plan) (June 2002);
- Agreement for the Environmental Impact Review of the Mackenzie Gas Project ; and
- Memorandum of Understanding for Inuvialuit Participation in the Environmental Review of any Transregional Gas Pipeline Project and any accompanying associated Gas Field Development in the Inuvialuit Settlement Region (signed October 2002).

The Program has been divided into three separate funding award stages to support public participation in the Joint Review Panel process for the Mackenzie Gas Project. On October 14, 2005, the Canadian Environmental Assessment Agency (the Agency) and the Mackenzie Valley Environmental Impact Review Board (the Board) announced the commencement of Phase 3 of the PFP to assist the public's participation in the Mackenzie Gas Project's environmental assessment (EA).

Phase 3 participant funding of up to \$1,690,485 was made available to help the public participate in the public hearings to be held by the Joint Review Panel. The funding amount represents the \$1,003,485 originally set aside for this phase, as well as \$687,000 in additional funding. The deadline for interested parties to submit applications for participant funding was November 30, 2005.

A Funding Review Committee (FRC), independent of both the Joint Review Panel, the proponents and the interested parties, examined the requests for funds. The FRC members were Mr. Andrew Applejohn, Director, Aurora Research Institute – Aurora College, Mr. Jeffrey G. Gilmour, Research Associate, University of Calgary; Mr. Patrick Duxbury, EA Officer, Mackenzie Valley the Board; and Mr. Paul Scott, former director, Regional Office for the Pacific and Yukon Region, the Agency.

This report provides applicants, as well as the Canadian public, with the rationale behind the FRC's recommended allocation of federal funds. The FRC reviewed 38 applications, which requested a total of \$3,795,793.

Rationale

In order to allocate the available funds in a fair, consistent and transparent manner, the FRC agreed to the following:

- The applicants must demonstrate an interest in the proposed Project's environmental and/or socio-economic effects;
- The applicants must show that a representation of their interests will contribute to the Joint Review Panel's investigation of the potential environmental and/or socio-economic effects of the proposed Project; and
- The available funds should be allocated to ensure, to the extent possible, that the various regions and areas of interest are fairly represented.

The FRC has limited its recommended allocation of funds to applicants that have demonstrated they have met the above criteria and that they would be using the funds to input to the Joint Review Panel review and addressing issues to be considered by the Joint Review Panel.

Recommendations

The FRC recommends awarding a total amount of \$1,670,054 to 35 applicants for Phase III funding for the Mackenzie Gas Project (see attached list).

The FRC based its recommendations on the following conditions and principles:

1. Limited resources are to be used in a way that brings a diversity of perspectives to the attention of the Joint Review Panel.
2. Funding to be fairly distributed to potentially-impacted regions and areas of interest.
3. The eligibility criteria to be applied consistently applied across all applications.
4. Applications to be evaluated by, applying sequentially, the following considerations:
 - eligibility of the applicant to receive funding;
 - the contribution that the applicant makes to the Joint Review Panel's investigation; and
 - specific funding requests contained in each proposal.
5. Funding to be provided for incremental costs incurred by the applicants to allow for effective participation. Wages and salaries that could be reasonably expected to be provided by the applicants were not recommended for funding.

6. Professional fees to be set at a reasonable limit of \$1000 per day.
7. Requests for professional fees to be considered based upon the limited time available to prepare for and participate in the public hearings and with a view to avoid duplication and/or overlap with other proposed inputs to the Joint Review Panel or existing information.
8. Proximity of development to the applicant's community or region, in the case for regionally-based groups.
9. Efforts by applicants to collaborate their efforts in reducing overlap.
10. Legal fees a low priority.
11. Given that the Joint Review Panel will be holding hearings throughout and beyond the project area, expenses under travel to be focussed on attending hearings in the applicants' respective regions. For regionally based groups or individuals, travel to hearings outside an applicant's region had to be justified based on the submissions planned and their relevance to the proceedings.

General Comments

The FRC was concerned over the lack of sufficient detail and justification in some instances regarding the objectives and deliverables of the proposed activities and eligible expense categories. The FRC could only make its determinations based on the information provided in the application.

The FRC welcomes any comments concerning the recommendations on funding allocation or on the content of this report. Please forward your comments or questions to:

Ms. Annette Bourgeois-Bent
Manager, Communications
Northern Gas Project Secretariat
5114 - 49th Street
Yellowknife, Northwest Territories
X1A 1P8

Telephone: (867) 766-8602
e-mail: abourgeois@ngps.nt.ca

Mr. Peter Bedrossian
Manager, Participant Funding Program
Canadian Environmental Assessment Agency
22nd Floor, Place Bell
160 Elgin Street
Ottawa ON K1A 0H3

Telephone: (613) 957-0254
e-mail: peter.bedrossian@ceaa-acee.gc.ca

Dated: December 8, 2005

Funding Review Committee:

Mr. Andrew Applejohn
Mr. Jeffrey G. Gilmour
Mr. Patrick Duxbury
Mr. Paul Scott

Mr. Andrew Applejohn
Director
Aurora Research Institute – Aurora College

Mr. Jeffrey G. Gilmour
Research Associate
University of Calgary

Mr. Patrick Duxbury
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board

Mr. Paul Scott
Former Director
Pacific and Yukon Region
Canadian Environmental Assessment Agency

**RECOMMENDED PARTICIPANT FUNDING ALLOCATIONS
MAKENZIE GAS PROJECT
PHASE III**

Applicant	Total approved
Inuvialuit Regional Corporation	\$60,000
Joint Secretariat	\$161,000
Fisheries Joint Management Committee	\$90,000
Randal Boogie Pokiak	\$14,781
Gwich'in Tribal Council	\$113,000
Gwich'in Renewable Resource Board	\$66,703
Nihtat Gwich'in Council / Inuvik Native Band	\$37,350
Ayoni Keh Land Corporation	\$16,000
K'ahsho Got'ine District Land Corporation	\$112,500
Tulita Yamouria Community Secretariat	\$57,000
Deline Land Corporation	\$56,000
Dene Tha' First Nation	\$61,500
North Slave Métis Alliance	\$25,300
West Point First Nation	\$49,150
Acho Dene Koe	\$49,150
Pehdzeh Ki First Nation	\$84,650
Deh Gah Gotie Dene Council	\$49,150
Liidlil Kue First Nation	\$47,325
Fort Simpson Métis Nation	\$47,325
Katloodeeche First Nation	\$27,000
Sambaa K'e Dene Band	\$29,580
Fort Providence Métis Council	\$27,000
Town of Inuvik	\$6,000
Town of Hay River	\$9,000
City of Yellowknife	\$7,000
Village of Fort Simpson	\$13,702
Enterprise Settlement Corporation	\$7,000
Hamlet of Fort McPherson	\$14,000
Canadian Arctic Resources Committee	\$11,988
Canadian Arctic Resources Committee Coordinating Committee for MGP	\$50,000
Arctic Indigenous Youth Alliance	\$54,500
Alternatives North Coalition	\$105,000
Nature Canada	\$21,500
World Wildlife Fund	\$20,400
Sierra Club of Canada	\$68,500